PIONEER CEMENT

ANNUAL REPORT 2024

SHAPING THE FUTURE

ABOUT THE REPORT

This report provides brief synopsis of Company's business performance, activities and corporate information. The 2024 report covers the period from July 01, 2023 to June 30, 2024 and includes financial statements for the year ended June 30, 2024. These financial statements have been prepared as per International Financial Reporting Standards applicable in Pakistan and the requirements of Companies Act, 2017. Independent auditor's report on these financial statements, along with review report on Statement of Compliance under Code of Corporate Governance Regulations, 2019 is also a part of this Annual Report. The Company has also adopted the Integrated Reporting (IR) Framework by applying the fundamental concepts, content elements and guiding principles as described in the IR Framework.

This Annual Report is also available at Company's official website http://www.pioneercement.com

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Aly Khan	[Chairman]
Mr. M. Habibullah Khan	[CEO]
Ms. Aleeya Hasan Khan	
Mr. Shafiuddin Ghani Khan	
Mr. Manzoor Ahmed	
Mr. Mohammed Aftab Alam	
Mirza Ali Hasan Askari	
Mr. Doraib A Kisat	

AUDIT COMMITTEE

Mr. Manzoor Ahmed	[Chairman]
Mr. Aly Khan	
Ms. Aleeya Hasan Khan	
Mr. Shafiuddin Ghani Khan	
Mr. Mohammed Aftab Alam	

HR & REMUNERATION COMMITTEE

Mr. Shafiuddin Ghani Khan	[Chairman]
Mr. M. Habibullah Khan	[CEO]
Mr. Aly Khan	
Ms. Aleeya Hasan Khan	
Mr. Mohammed Aftab Alam	

CHIEF FINANCIAL OFFICER

Mr. Waqar Naeem

CHIEF INTERNAL AUDITOR

Mr. Jan Muhammad

COMPANY SECRETARY

Mr. Talha Saif

BANKERS

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

STATUTORY AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISOR

Hassan & Hassan

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

LOCATIONS

REGISTERED OFFICE
64-B/1, Gulberg-III, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

FACTORY
Chenki, District Khushab
Tel: +92 (454) 724500
Fax: +92 (454) 724555
Email: factory@pioneercement.com

REGIONAL OFFICES

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

FAISALABAD
Office No. 5, 3rd Floor, Sitara Tower,
New Civil Lines, Bilal Road, Faisalabad
Tel: +92 (41) 2630030, 2630028

LIAISON OFFICE

KARACHI
F-54 Block 7, Clifton, Karachi
Tel: +92 (21) 38899693
Email: pclkhi@pioneercement.com

FINANCIAL YEAR 2024
AT A GLANCE

NET REVENUE
Rs. 35,519 Million

TOTAL ASSETS
Rs. 85,078 Million

GROSS PROFIT
Rs. 11,763 Million

MARKET CAPITALIZATION
Rs. 38,309 Million

OPERATING PROFIT
Rs. 10,756 Million

EBITDA
Rs. 14,143 Million

PROFIT AFTER TAX
Rs. 5,176 Million

BREAKUP VALUE PER SHARE
Rs. 201.07

EARNINGS PER SHARE
Rs. 22.79

MARKET PRICE PER SHARE
Rs. 168.65

EMPLOYEES
1,095

DIVIDEND PER SHARE
Rs. 15
Including Rs. 10 final dividend

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting (AGM) of Pioneer Cement Limited (the Company) will be held at 64-B/1, Gulberg-III, Lahore on Monday, October 28, 2024 at 03:00 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To confirm the minutes of last AGM held on October 27, 2023.

2. To receive, consider and adopt the audited financial statements together with directors' report for the year ended June 30, 2024 and auditor's report thereon.

3. To approve cash dividend on ordinary shares of the Company. The directors have recommended a final cash dividend at 100% i.e. Rs.10 per share. This is in addition to the interim dividend of 50% i.e. Rs. 5 per share already paid. Total dividend will be 150% i.e. Rs.15 per share.

4. To appoint Statutory Auditors of the Company for the year ending June 30, 2025 and to fix their remuneration. The present auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, have offered themselves for reappointment.

SPECIAL BUSINESS

5. To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions, in terms of Sections 207 and / or 208 of the Companies Act, 2017, with or without modification:

   RESOLVED THAT the transactions carried out by the Company with related parties, during the year ended June 30, 2024, as disclosed in Note 41 of the financial statements of the Company for the said period, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified and confirmed.

   FURTHER RESOLVED THAT the Board of Directors of the Company is authorized to approve the related party transactions, for the year ending June 30, 2025. These related party transactions shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next general meeting for ratification and confirmation.

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

By Order of the Board

Lahore
September 18, 2024

Talha Saif
Company Secretary

NOTE:

1. **Closure of Share Transfer Books**
   The share transfer books of the Company shall remain closed from October 21, 2024 to October 28, 2024 (both days inclusive) for the purpose of holding AGM. Transfer requests received at the Company's Registrar office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore prior to the close of business hours on October 20, 2024 will be treated in time for the purpose of entitlement of dividend and attending the AGM.

2. **Participation in the AGM, via physical presence or through proxy**
   A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the meeting.

   a. The CDC shareholders are requested to bring original CNIC/Passport for the purpose of identification to attend the meeting.

   b. In case of corporate entity, the Board Resolution or Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

3. **Payment of Cash Dividend Electronically**
   Under the provisions of Section 242 of the Companies Act, 2017 and Circular No.18/2017, it is mandatory for a listed company to pay cash dividend to its shareholders ONLY through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly

into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on the Company's website and send it duly signed along with a copy of CNIC to:

a The Registrar of the Company, M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore in case of physical shareholders.

b The Broker/Participant/CDC account services in case the shares are held in CDC.

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

Shareholders who have not yet submitted copy of their CNIC/NTN certificate to the Company are requested to send the same at the earliest.

4. E-voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i) E-Voting Procedure

a Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before October 20, 2024.

b The web address, login details, will be communicated to members via email.

c Identity of the members intending to cast vote through E-Voting shall be authenticated through login.

d E-Voting lines will start from October 25, 2024, at 9:00 a.m., and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution has been casted by a member, he / she shall not be allowed to change it subsequently.

ii) Postal Ballot

a Members may alternatively opt for voting through postal ballot. For convenience of the members, the ballot paper is annexed to this notice and the same is also available on the Company's website www.pioneercement.com to download.

b The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC should reach the Chairman of the meeting through post at, 64-B/1, Gulberg III, Lahore by Sunday, October 27, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

5. Withholding tax on Dividend

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

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

Additionally, shareholders are informed that the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance 2001 are as folalows:

a	Rate of tax for filer of income tax returns	15%
b	Rate of tax for non-filer of income tax returns	30%

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

6. Unclaimed Shares and Dividend

As per section 244 of the Act, any shares issued, or dividend declared by the Company that remained unclaimed and/or unpaid for a period of three (03) years form the due date are required to be deposited with Securities and Exchange Commission of Pakistan for credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of shares issued, and dividend declared by the Company which have remained due for more than three years were sent to shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall after giving notice in the newspaper having wide circulation, proceed to deposit the unclaimed and/or unpaid amount and shares with the Federal Government in compliance of section 244(2) of the Act mentioned supra.

7. Distribution of Annual Report and Notice of Meetings Through Email (Optional)

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

a Name
b Registered Folio/ CDC Account No.
c Email/ Postal address
d CNIC Number
e Shareholding
f Contact Number

Shareholders are also requested to notify any change in their email/postal addresses to the Share Registrar of the Company.

8. Participation in the AGM Proceeding via the Video Conference Facility
In compliance with Section 134(1)(b) of the Companies Act, 2017, if the Company receives request from members holding aggregate 10% or more shareholding, residing at a geographical location to participate in the meeting through video link facility, at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city.

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

I/We,______ of ____ being a member of Pioneer Cement Limited and holder of ________ordinary shares as per Registered Folio/ CDC Account No.______ hereby opt for video conference facility at _______.

Signature of member

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

9. Conversion of Physical Shares into Book-Entry Form (i.e. CDC Account).
Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP.

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

10. Online facilitation to shareholders
In order to facilitate our shareholders, the Company shall also provide online facility for participation in AGM. Shareholders interested in attending the AGM online are hereby requested to get themselves registered by sending an e-mail at shares@pioneercement.com with subject: "Registration for AGM" at the earliest but not later than 72 hours before the meeting along with a valid copy of both sides of CNIC, Folio/CDC Account Number, and cell number.

After due verification, the Company shall share relevant details with the shareholders through email.

11. Circulation of Annual Report through QR Code and through Weblink
In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated March 21, 2023 of the Securities & Exchange Commission, the Company has obtained shareholders' approval in the 37th Annual General Meeting held on October 27, 2023 to circulate the annual report to members through QR enabled code and Weblink. The annual report is available through following QR code and Weblink.
http://www.pioneercement.com

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out the material facts pertaining to the special business item to be transacted at the AGM of the Company.

Agenda Item Number 5 of the notice - Ratification and approval (to the extent applicable) of the related party transactions / arrangements conducted / to be conducted by the Company.

The Company in the ordinary course of business enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some/majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, due to their shareholding or common directorships in related entities/parties. All the related party transactions have been disclosed in Note 41 to the financial statements for the year ended June 30, 2024. Such transactions were to be placed before the members in next general meeting for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

Relationship / Name	Nature of transaction	Rupee in thousands
Common Directorship		
Imperial Developers and Builders	- Project supervision and consultancy fee	150,000
(Private) Limited	- Operations and Maintenance charges	135,600
Haleeb Foods Limited	- Rent charged	34,596
	- Reimbursement of Operations and Maintenance charges	67,800
	- Other reimbursements	34,650

The Company carries out transactions and enters into arrangements with its related parties primarily at an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions / arrangements entered into with related parties require the approval of the Board Audit Committee, which is chaired by an Independent Director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in Note 41 to the financial statements of the Company for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2024.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties in the ordinary course of business, during the year ending June 30, 2025. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2025 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending June 30, 2025 shall be deemed to have been approved by the members.

1 ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

GEOGRAPHICAL PRESENCE

Plant
Chenki, District Khushab

Registered Office
64-B/1, Gulberg-III, Lahore

Liaison Office - Karachi
F-54 Block 7, Clifton, Karachi

Regional Office – Multan
House No. 218, Naqshband Colony
Khanewal Road, Multan

Regional Office – Faisalabad
Office No. 5, 3rd Floor, Sitara Tower,
New Civil Lines, Bilal Road, Faisalabad

PRINCIPAL BUSINESS ACTIVITIES

Pioneer Cement Limited (the Company) was incorporated in 1986. Its main business activity is manufacturing, marketing and sale of Cement and Clinker. Installed cement manufacturing capacity of the Company is 5,194,500 tons per annum. The plant is located at Chenki, District Khushab, Punjab province. The Company's shares are quoted on Pakistan Stock Exchange Limited.

MARKETS

Geographically, the plant is ideally located to cater the market needs of Central and South Punjab. The Company operates through distributors, dealers and retailers in the local market. The Company has also established its foothold in export markets, mainly in Afghanistan and India.

PRODUCTS

The Company produces and sells cement under brand "Pioneer Cement". The Company as part of its vertical integration strategy is also manufacturing interlocking concrete pavers. The Company also sells clinker based on local and international demand.

VISION, MISSION AND STRATEGIC OBJECTIVES

OUR VISION

To be the preferred provider of cement and building solutions in Pakistan.

OUR MISSION

To surpass stakeholder expectations by providing best in class products and solutions through safe, sustainable and innovative operations.

STRATEGIC OBJECTIVES

- Customers' satisfaction
- Maximize shareholders' value
- Efficient deployment of resources
- Research and development
- Environmental initiatives

CODE OF BUSINESS CONDUCT AND ETHICAL GUIDELINES

Code of Business Conduct

- Honest and ethical conduct

  a) Fair dealing
  b) Avoiding conflict of interest
  c) Protection of confidential information

- Applicable laws and regulations

  a) Compliance with laws, rules and regulations
  b) Insider trading laws
  c) Environmental laws

- Protection of employees and resources

  a) Protection of Company's assets
  b) Employee health and safety
  c) Cyber security

Ethical Guidelines

- Transparency and justice
- Sound business policies
- Judicious use of Company's resources
- Integrity at all levels
- Zero tolerance for harassment & discrimination
- Zero tolerance for abuse and violence

CULTURE

Our culture focuses on empowering people to be passionate and innovative in a reverential and inclusive way. It is free, fair, open, performance driven and collaborative. Contributing to a safe, healthy and sustainable future for the communities and the environment is a fundamental part of our business ideology. We are driven by the goal of achieving the highest level of governance and building a sustainable brand for all stakeholders.

QUALITY POLICY

We are committed to produce high quality cement as per the national and international standards. The management ensures that products of the Company always exceed product quality requirements to achieve customer satisfaction. We are committed to abide by all applicable laws and regulations and actively strive for continual improvement including prevention of pollution by establishing and monitoring our quality and environmental objectives. The Company is committed to communicate and maintain this policy at all levels and to achieve continual improvement through teamwork.

CORE VALUES

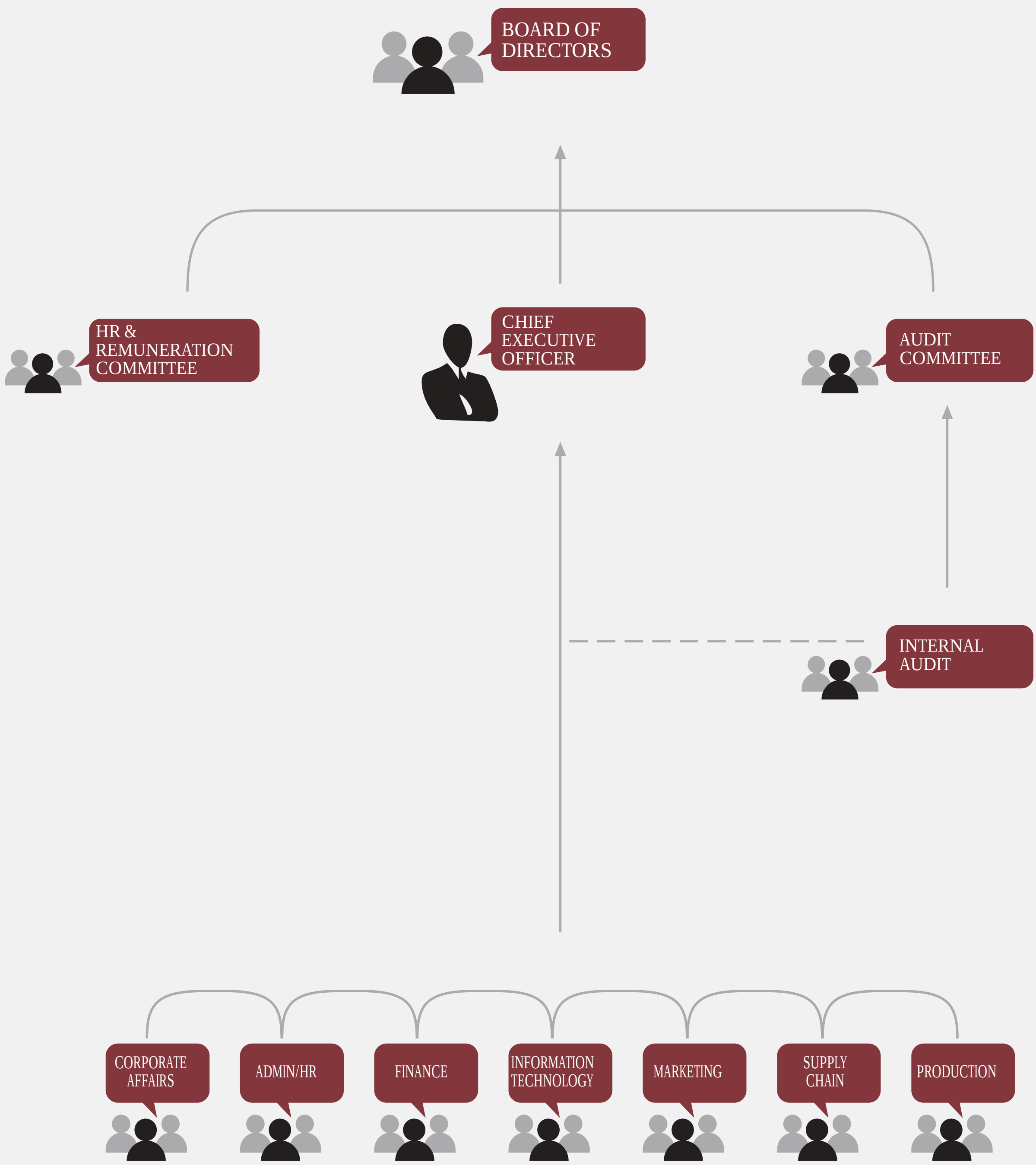
- Professional ethics
- Respect and courtesy
- Recognition of human asset
- Teamwork
- Innovation and improvement

Growth
Expansion
Progress

OWNERSHIP AND OPERATING STRUCTURE

The Company was incorporated in 1986 and its shares are quoted on Pakistan Stock Exchange Limited. Vision Holding Middle East Limited, holds 47% shares of the Company. Currently the Company has a free float of 45% out of total shares of 227,148,793. Further details are provided in Pattern of Shareholding annexed to this report.

ORGANIZATIONAL STRUCTURE



LEGENDS:
Functional Reporting
Administrative Reporting

BUSINESS MODEL

CAPITAL AS INPUTS

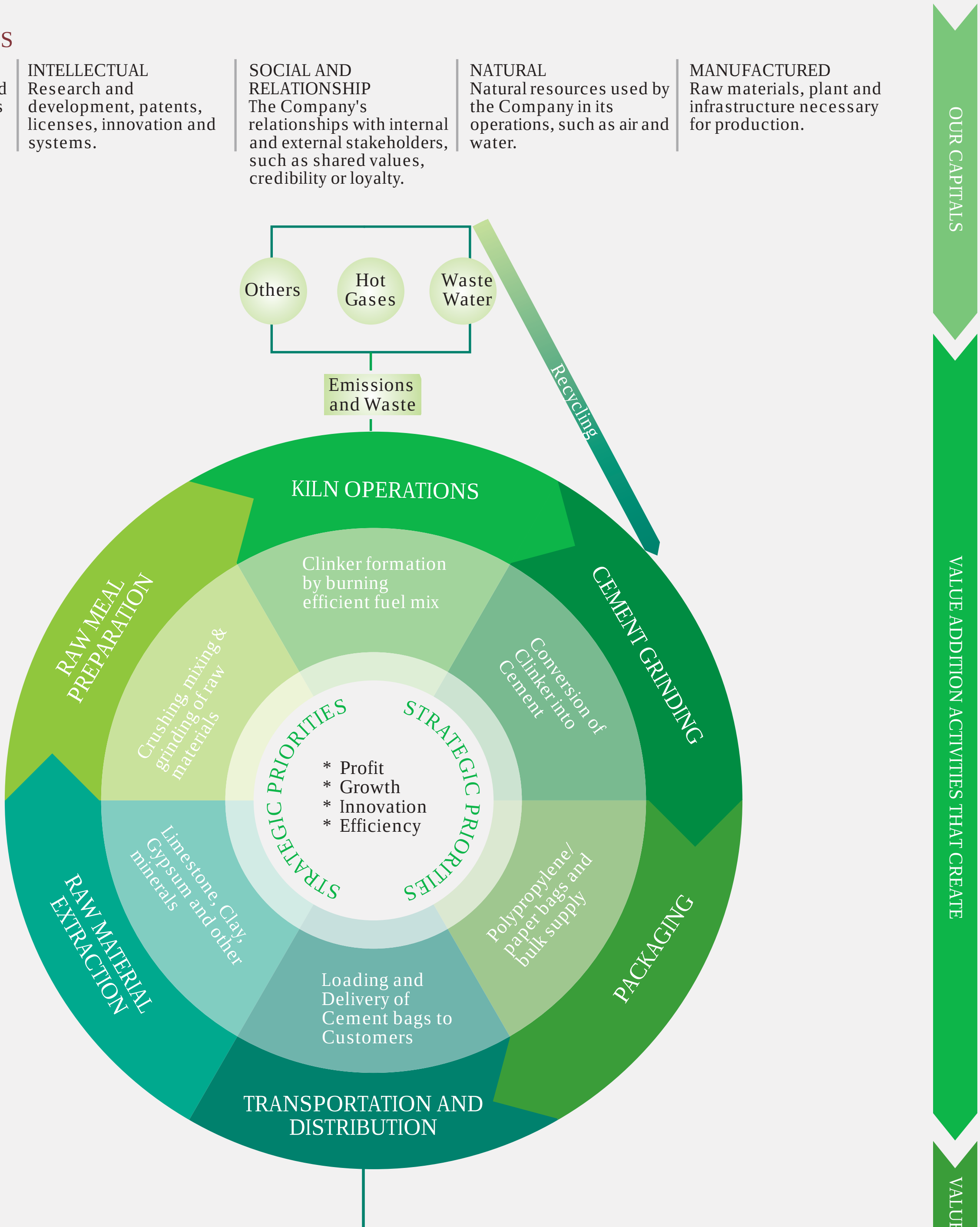
HUMAN
The knowledge, skills and experience of employees and managers.

INTELLECTUAL
Research and development, patents, licenses, innovation and systems.

SOCIAL AND RELATIONSHIP
The Company's relationships with internal and external stakeholders, such as shared values, credibility or loyalty.

NATURAL
Natural resources used by the Company in its operations, such as air and water.

MANUFACTURED
Raw materials, plant and infrastructure necessary for production.



OUTPUT

OUTCOME

SUPPLIERS
* Income
* Training
* Sound Relationships

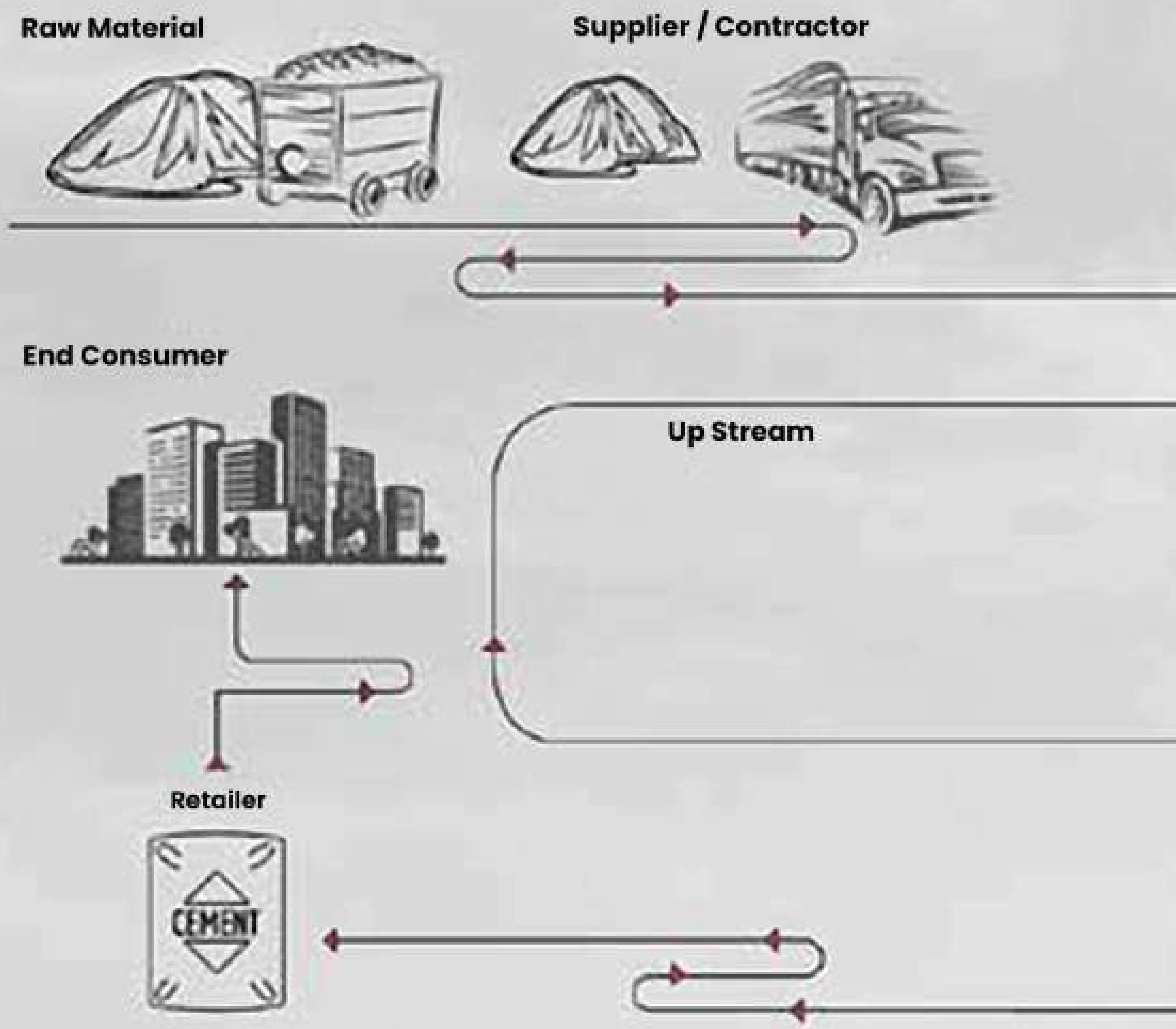
EMPLOYEES
* Safe workplaces
* Salaries
* Professional Development

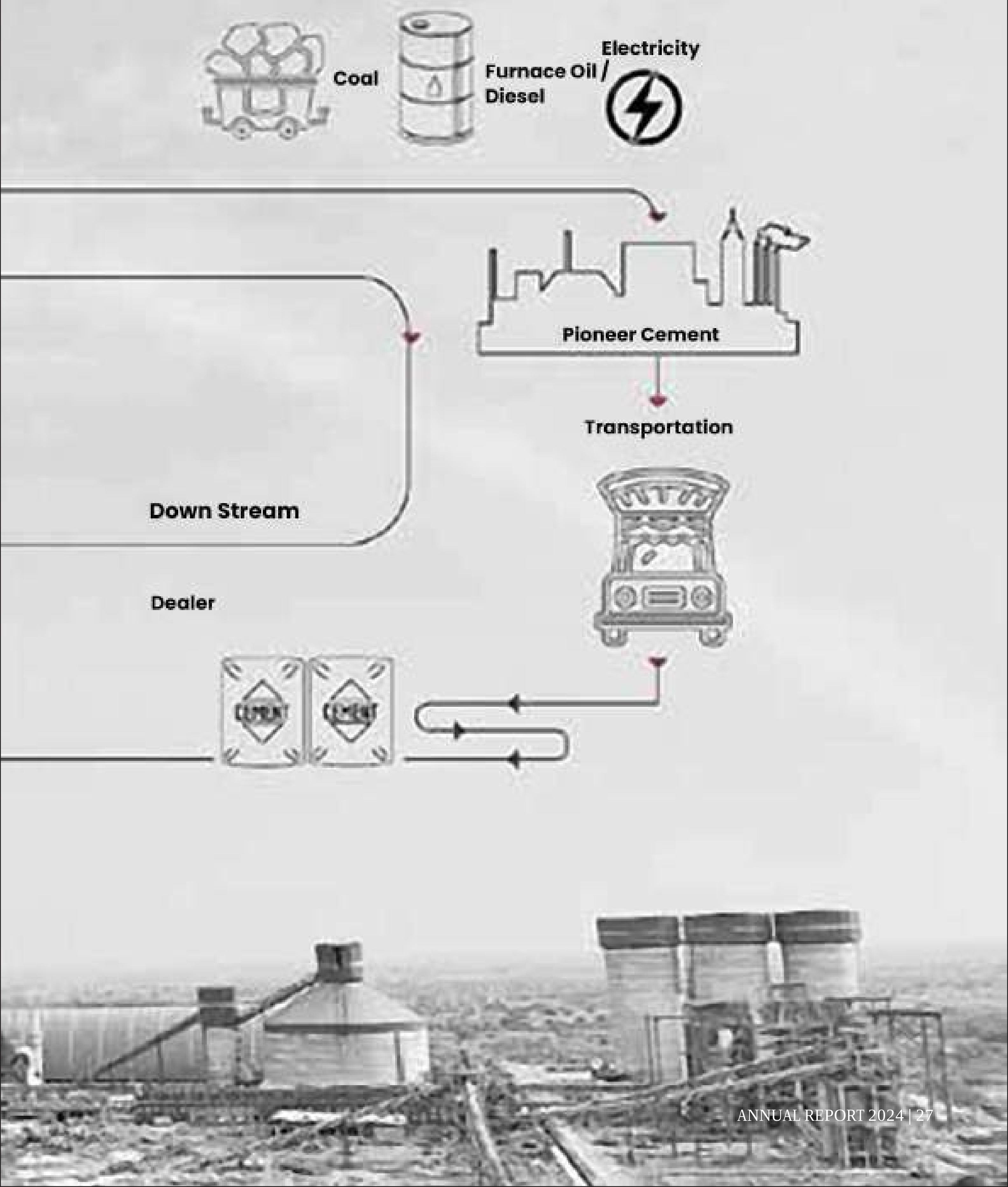
CUSTOMER AND CONSUMERS
* Increased well-being and quality of live
* Innovation

SHAREHOLDERS
* Returns
* Dividends

SOCIETY
* Jobs
* Taxes paid
* Healthcare economics
* Community Relationships

VALUE CHAIN ANALYSIS




Coal
Furnace Oil / Diesel
Electricity
Pioneer Cement
Transportation
Down Stream
Dealer
CEMENT
CEMENT

PESTEL ANALYSIS

External Factors	Description	Our Response
Political	Political instability together with associated regulatory and policy changes	• PCL regularly monitors the changes for continuous impact on business
Economic	Price hike in input costs Exchange rate fluctuations PSDP allocations	• Improve operations and processes to bring efficiency. • Use an optimal blend of local and imported coal. • Leaning towards Local coal to shield from adverse effects of exchange rate fluctuations and to bring further efficiency in process.
	Vulnerability to interest rate hikes due to high leverage	• Rapid reduction in outstanding debt. • Swapping high-cost financing with new low-priced debt.
	Post commodity super cycle inflation	• Cost rationalization drive across the Company.
Social	Community development	• Responsible and resourceful operating methods • Preferential recruitments of local community • Continuous CSR drives and activities
	Investment in health	• Construction and operations of Medical Center at our plant • Free emergency ambulance service • Public dispensary in Chenki village and provision of direct financial support to TB Center Foundation
	Investment in education	• Establishment of two fully funded primary schools in Chenki village • Funding the construction of an additional building in District Public School Jauharabad and Sargodha, enabling enrolment of additional 500 students
Technological	Technical obsolescence of production facilities	• Installation of state of the art line III • Regular BMR activities on old production lines • Continuous upgradation to remove bottlenecks of production lines • Maintenance of safety spare parts
Environmental	Requirements regarding treatments of wastes and carbon emissions Sustainable Planet Initiatives	• Clean and green strategy • Regular plantation campaigns • Installation of dust collectors • Water preservation strategies including construction of rain water storage ponds • Recently completed L.E.E.D certified HO building.
Legal	Compliance with applicable laws and regulations	• Company has both inhouse and external legal advisors / tax consultants in order to ensure compliance with all legal /regulatory requirements

THE LEGITIMATE NEEDS AND INTERESTS OF KEY STAKEHOLDERS

The Company gives special focus to identify, comprehend and fulfill the needs and interest of our valuable stakeholders. A list of the key stakeholders with their respective needs is tabulated below:

Stakeholder	Interest
Shareholder	• Maximization of wealth • Dividend payment • Timely and accurate provision of relevant information
Employee	• Market competitive remuneration • Business continuity • Employee welfare • Performance based reward system
Customer	• Premium quality products • Value for money • Availability of product
Supplier	• Timely payments • Accurate bookkeeping • Business continuity
Financial institutions	• Timely payments • Financial projections and project feasibilities • Business continuity
Regulators	• Adherence to laws and regulations • Periodic submission of reports

SWOT ANALYSIS

STRENGTHS

- Ideally catered to access Central and South Punjab markets
- Modern and state of the art machinery
- Competent and committed management team
- Reliable distribution network
- Multiple production lines providing manufacturing flexibility

WEAKNESS

- Single product which limits our ability to attract different cadre of customers
- Relatively homogeneous product limiting pricing strategies
- Distant location from ports

SWOT

OPPORTUNITIES

- PSDP allocations
- Demographic composition driving housing demand
- Lower cement consumption per capita in Pakistan compared to global standards

THREATS

- Higher Energy and other input cost
- Higher interest rates
- Political and economic instability will lead to cut on PSDP which may curtail demand
- Highly competitive global market makes export growth challenging

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

THREAT OF NEW ENTRANT: LOW

a) Capital and technology intensive industry
b) Distribution channels already engaged

SUBSTITUTE PRODUCT: LOW

There is no direct substitute of cement

BARGAINING POWER OF BUYER: LOW

Cement in Pakistan is not usually sold to end consumers directly. Manufacturers sell the product through a network of distributors, dealers and retailers who further supply to the end consumers.

BARGAINING POWER OF SUPPLIER: LOW

Raw material is obtained through long term lease contracts with Mines and Mineral Department, Government of the Punjab. Fuel is purchased after detail evaluation from different sources.

COMPETITIVE RIVALRY: HIGH

The cement companies are geographically situated all over Pakistan producing homogenous products that results in intensified competition as far as market share and charging the price is concerned. However, the Company has established itself as a reputable brand in the local market due to its superior quality.

LEGISLATIVE AND REGULATORY ENVIRONMENT

The Company usually operates in a tightly regulated environment due to nature of the sector and by virtue of being a public listed company. There is a list of regulatory compliances that have to be met which the government authorities closely monitor. Following are the applicable laws and regulations to which the Company is required to comply with:

a) Companies Act and related rules
b) Income Tax Ordinance and related rules
c) Sales Tax Act and related rules
d) Federal Excise Act and related rules
e) Code of Corporate Governance for listed Companies and related rules
f) Competition Act
g) Federal and Provincial laws pertaining to protection of environment
h) PSX regulations and guidelines
i) Foreign Exchange Regulation Act

In addition to compliance with above laws, the Company also complies with statutory financial reporting framework as disclosed in note 2 and 3 of accompanied financial statements.

STATEMENT ON ADOPTION OF AND COMPLIANCE WITH SECP'S CSR GUIDELINES

The Company has voluntarily adopted the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by SECP and is in the initial stages of its compliance.

ADOPTION OF INTERNATIONAL STANDARDS

Corporate Social Responsibility remains pivotal to Company's overall strategy and mission. In this regard, the Company is evaluating best CSR and sustainability practices in light of guidance provided by international standards. Certifications acquired and international standards adopted for best sustainability and CSR practices.

GLOBAL AND NATIONAL POLITICAL ENVIRONMENT

The growth of the cement sector in Pakistan is greatly influenced by the political environment, primarily contingent on government expenditure and development initiatives. Over the past few years, the sector has faced significant challenges due to a widening fiscal deficit, which has led to a substantial reduction in PSDP spending.

Furthermore, on a regional scale, trade restrictions were imposed by both India and Pakistan following heightened border tensions, resulting in the loss of a crucial export market. Additionally, high policy rates, imposition of new taxes and upward revision of royalty by the Government are anticipated to further worsen the future outlook of the cement industry, adding to the sector's woes.

Pakistan's heavy reliance on imported fuel to meet its energy needs has also come under strain due to external factors such as the ongoing Russia- Ukraine clash and the threat of potential regional conflict growing on a larger scale placing considerable pressure on the country's economy. These developments have had a direct impact on the input costs incurred by companies operating in the sector.

Seasonality also impacts business in terms of production and sales.

- Monsoon Season: Heavy rainfall and flooding disrupt transportation and construction activities, leading to decreased demand for cement.
- Winter Weather: Low temperatures, shorter days and foggy conditions slow down construction activities, resulting in reduced offtakes.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There is no significant change from prior year’s organizational and external environment

HISTORY OF MAJOR EVENTS

1986
Incorporation as a Public Limited Company

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

1994
Commencement of production with capacity of 2,000 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 2,350 tons clinker per day

2006
Commencement of production line-II with capacity of 4,300 tons clinker per day

2007
Received 'Brand of the Year' award

2014
Received 'Professional Excellence Award' from ICAP

2016
Commissioned 6 MW WHRPP & 6 MW CFPP

2017
Start of new projects: cement production line, power plants and head office building in Lahore

2018
Successfull upgradation of existing Cement Grinding Mills

2020
Commencement of production line-III with capacity of 10,000 tons cement per day

2021
Commissioned 12 MW WHRPP & 24 MW CFPP

2023
Highest ever net revenue of Rs. 36 billion

2024
* Achieved EPS of Rs. 22.79
* New head office building

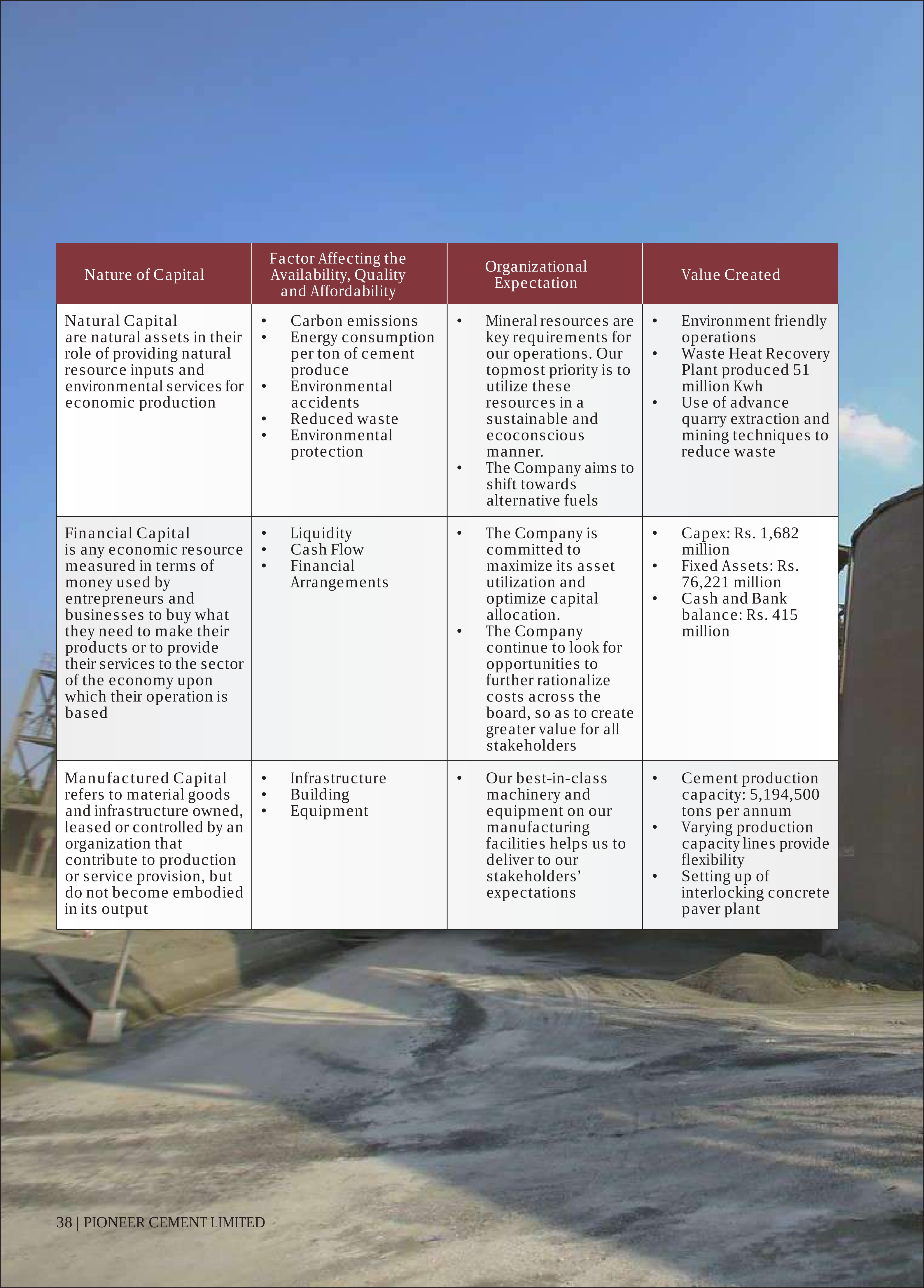
2 STRATEGY AND RESOURCE ALLOCATION

STRATEGIES IN PLACE TO ACHIEVE THE STRATEGIC OBJECTIVES

Goal Type	Objective	Strategies to Achieve
Short Term	Improved capacity utilization	• Develop new markets locally and internationally • Target 320+ days run factor on production lines • Ensure uninterrupted supply of raw materials fuel and power
	Cost competitiveness	• Effective use of resources • Optimal fuel blend • Efficient power generation mix
	Corporate social responsibility	• Continuous engagement with local community • Compliance to applicable laws and regulations
Medium Term	Economies of scale	• Brownfield expansion • Quantitative sale growth
	HR excellence	• Linking HR planning to overall business strategy • Professional training and development • Employee retention policies
	Higher return for investor	• Implement cost effective measures • Identification of new local and export markets • Capacity enhancement to cater market demand • Optimum financial management
Long Term	Modern production facility	• Continuous BMR and preventive plant maintenance • Eradicating operational inefficiencies via strong control system and ethical values • Improvement of organizational structure
	Exploring economical sources of energy	• Exploring new sources for economical energy like solar, wind etc. • Environment friendly operations

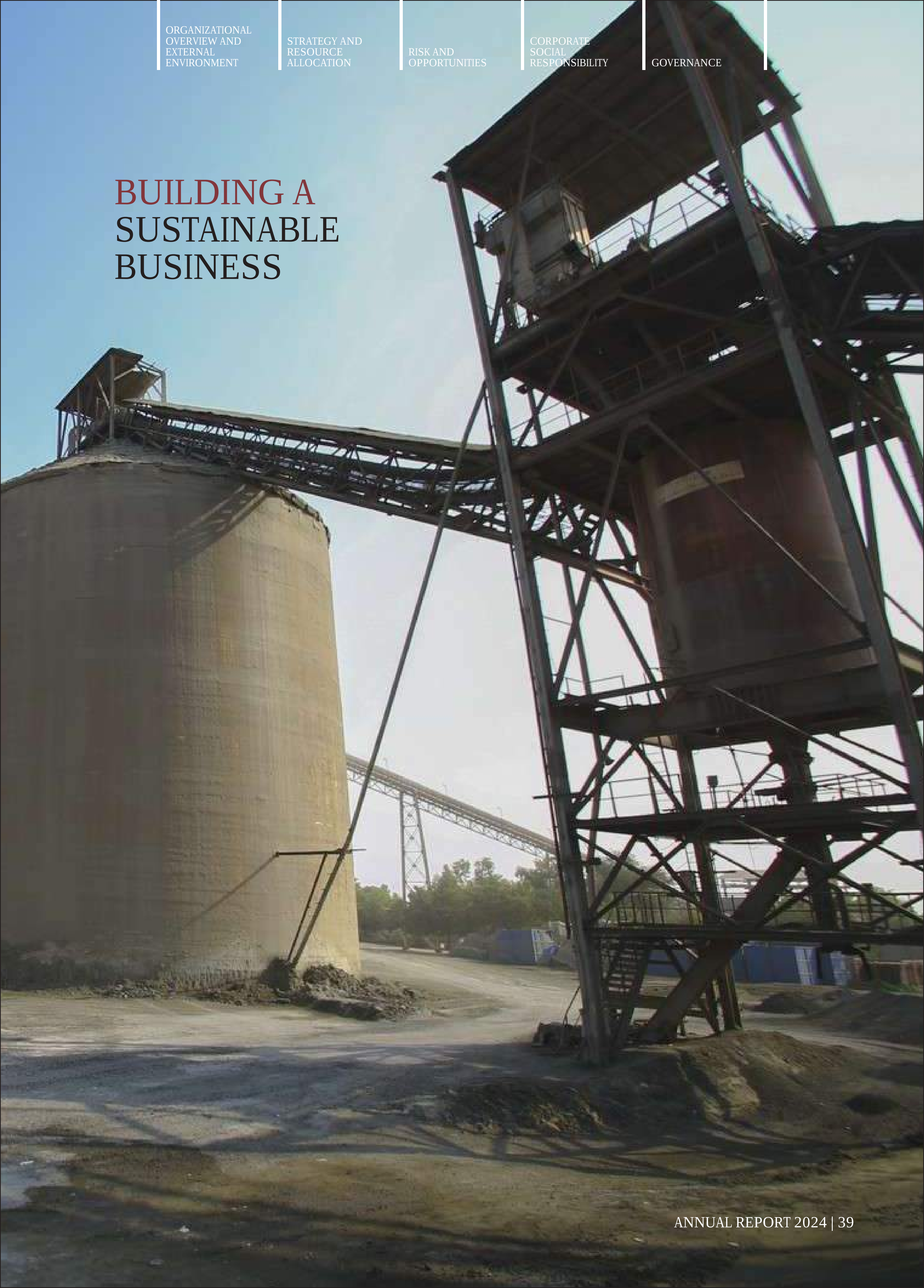
RESOURCE ALLOCATION

Nature of Capital	Factors Affecting the Availability, Quality and Affordability	Organizational Expectation	Value Created
Human Capital consists of employee knowledge, skills, knowhow, good health, ethics and education that the Company has invested in to realize their potential as productive members of the Company	• Number of employees • Diversity • Total investment in training • Injuries per million working hours • Severance rate • Compliance with labor laws	• Human capital is greatly valued at the Company. Our people are the strength behind our ability to deliver. Our operations require people with specialized skill sets for which we employ qualified engineering, geology, mining experts along with professional experts for support functions	• Employee strength 1,095 • Equal opportunity employer • Training of employees • No major injuries reported • Monitor employee turnover and HR cost per employee
Intellectual Capital is the value of a company's employee knowledge, skills, business training, or any proprietary information that may provide the company with a competitive advantage	• Brand awareness • Patents registered	• Over the period, the Company has established its premium brand in cement sector "Pioneer Cement"	• Brand "Pioneer Cement" is registered with Intellectual Property Rights Organization, Pakistan
Social and Relationship Capital involves the business itself, formal and informal entities and institutions associated with it, as well as the relationships with and among employees, communities and other stakeholders	• Great place to work ranking • Number of volunteers • Claims/lawsuits • Involvement in social activities • Involvement in cultural projects • Customer satisfaction index • Provisions for social projects • Social investment (money spent on philanthropy)	• As a responsible corporate citizen, the Company constantly contributes towards welfare of the society and is playing an active and continuous role in various community development programs	• Construction and maintenance of mosque • Medical dispensaries • Local ambulance service • Financial and practical support towards regional educational institutions • Development and maintenance of road infrastructure in plant vicinity • Tree plantation drives • Establishment of two fully funded primary schools in Chenki village



Nature of Capital	Factor Affecting the Availability, Quality and Affordability	Organizational Expectation	Value Created
Natural Capital are natural assets in their role of providing natural resource inputs and environmental services for economic production	• Carbon emissions • Energy consumption per ton of cement produce • Environmental accidents • Reduced waste • Environmental protection	• Mineral resources are key requirements for our operations. Our topmost priority is to utilize these resources in a sustainable and ecoconscious manner. • The Company aims to shift towards alternative fuels	• Environment friendly operations • Waste Heat Recovery Plant produced 51 million Kwh • Use of advance quarry extraction and mining techniques to reduce waste
Financial Capital is any economic resource measured in terms of money used by entrepreneurs and businesses to buy what they need to make their products or to provide their services to the sector of the economy upon which their operation is based	• Liquidity • Cash Flow • Financial Arrangements	• The Company is committed to maximize its asset utilization and optimize capital allocation. • The Company continue to look for opportunities to further rationalize costs across the board, so as to create greater value for all stakeholders	• Capex: Rs. 1,682 million • Fixed Assets: Rs. 76,221 million • Cash and Bank balance: Rs. 415 million
Manufactured Capital refers to material goods and infrastructure owned, leased or controlled by an organization that contribute to production or service provision, but do not become embodied in its output	• Infrastructure • Building • Equipment	• Our best-in-class machinery and equipment on our manufacturing facilities helps us to deliver to our stakeholders' expectations	• Cement production capacity: 5,194,500 tons per annum • Varying production capacity lines provide flexibility • Setting up of interlocking concrete paver plant

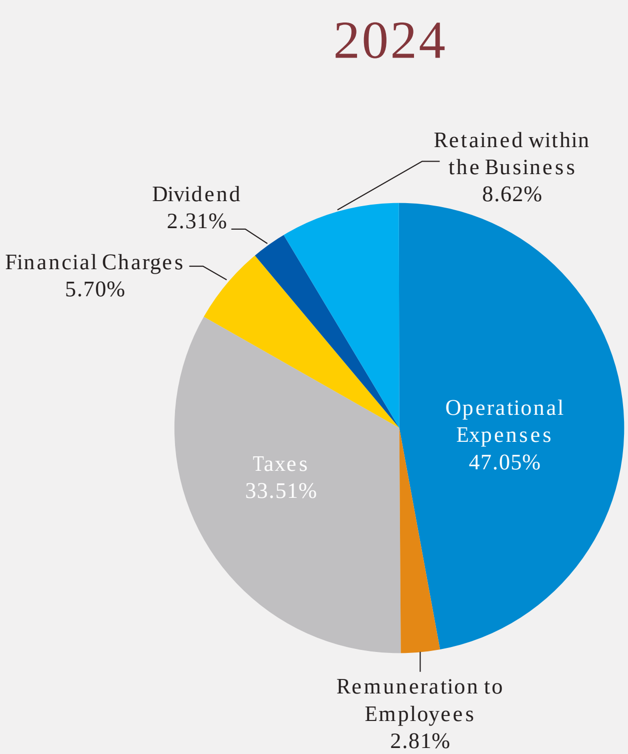
BUILDING A SUSTAINABLE BUSINESS

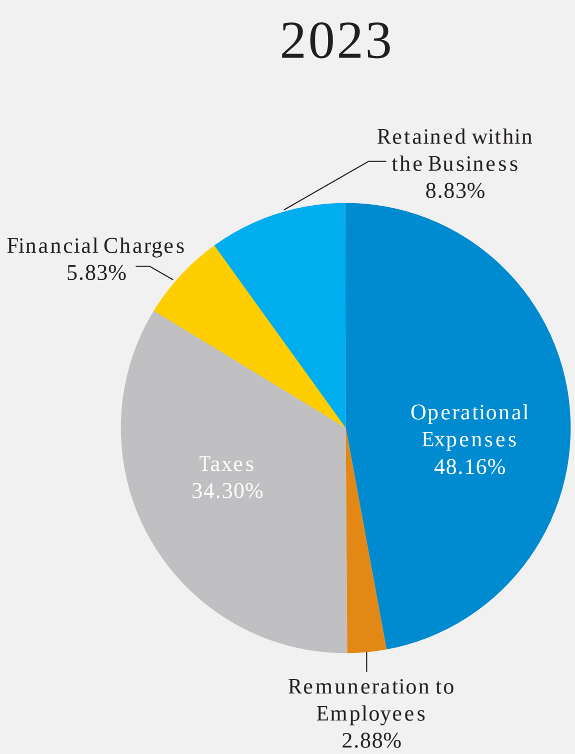


DISTRIBUTION OF VALUE CREATED BY BUSINESS

	2024	2023
	Rs. in million	
Operational Expenses	23,172	26,023
Remuneration to Employees	1,385	1,112
Taxes	16,505	15,861
Financial Charges	2,806	3,198
Dividend	1,136	-
Donations	0.246	0.346
Retained within the Business	4,247	2,752

Wealth Distribution





STRATEGIC OBJECTIVES

The Company's strategic objectives are carefully crafted to support and advance our overarching mission, vision and values. Our mission is to be a preferred provider of high-quality cement products, delivering exceptional customer experiences and contributing to the nation's infrastructure development. This guiding principle informs every strategic initiative, ensuring alignment with our core purpose.

Our strategic objectives also propel us toward our vision of building a sustainable future, fostering innovation, operational excellence and community engagement. This vision serves as a beacon, guiding our decisions and actions toward a brighter future for our stakeholders.

To achieve our mission and vision, we have identified key strategic objectives, including enhancing customer satisfaction and maximizing shareholder value, expanding market share through targeted growth initiatives, fostering strategic partnerships and collaborations and strengthening corporate social responsibility and sustainability. By linking strategic objectives to our mission, vision and values, we ensure clear direction and focus.

SUPPLY CHAIN STRATEGY

The risk of supply chain disruption in the cement sector is relatively low. However, the Company proactively monitors all risks and is adequately equipped to respond to challenges presented.

Factor	Mitigative Strategy
Input	• Captive Power Generation: We priortize generation of our own electricity, reducing dependence on the National Grid, mitigating potential power outage risks • Strategic Coal Stockpiling: A sizeable coal reserve ensures continuous operations, safeguarding against supply chain disruptions and market fluctuations • Secured Raw Material Access: Long-term lease contracts with the Mines and Mineral Department of the Government of Punjab guarantee stable access to essential raw materials, mitigating supply risks and supporting long-term growth
Process	• Multiple Production Lines: Diversified production capabilities across parallel lines prevent workflow disruption, guaranteeing continuous output
Outcome	• Extensive Logistics Network: Established relationships with multiple transportation providers • Expansive Customer Base: Diversified customer portfolio across regions, and markets

STRATEGIC DECISIONS MAKING

Strategic decisions are usually taken after detailed discussion and brainstorming. These are long term in nature and have implication on various tactical and operational areas.

Management team presents identified problems to the Board, and the Board then approves methodologies to counter the problem and minimize the impact. Following specific steps are normally used:

- Identification of problems
- Gathering of information
- Identification of possible solution
- Evaluation and selection of the best option
- Corrective and preventive measures

The Board after considering all available options, takes a decision which is implemented by management.

KEY RESOURCES AND CAPABILITIES

Following key resources and capabilities of the Company enable it to enjoy competitive advantage to place it in a favorable business position.

- Ideal location of our plant provides access to local markets in Central and South Punjab
- Modern and state of the art machinery
- Competent and professional management team
- Varying production capacity lines provide flexibility

EFFECT OF:

a) Technological Changes

The Company has taken several initiatives for its various processes so as to bring efficiencies and achieve economies of scales. The Company not only ensures that it acquires latest technologies and tools for its state-of-the-art production facility it also implements the newer technologies for its earlier lines as well. These investments in technology allows the Company to reap benefits in terms of efficiencies and lower costs in pursuance of its long and medium terms goals. The management maintains safety inventory of critical spares to ensure plant availability.

b) Societal issues

Pioneer Cement believes in giving back to the society and accordingly the societal issues relating to education, health and poverty alleviation are part of its strategic plans. For the employees, the Company has adequate health, safety and environment related policies and procedures. For the society at large, Company takes part in various philanthropic activities for betterment of society at large.

c) Environmental challenges

The Company acknowledges that our environment faces several problems and many of these seem to be worsening with time. The issues are creating environmental imbalances impacting our society as a whole. It is therefore increasingly important to raise awareness of the existence of these issues, as well as taking practical steps to reduce their negative impact.

KEY PERFORMANCE INDICATORS

KPI's	Unit	2024	2023	Increase/ (Decrease)
Sales Volume	Tons	2,362,216	2,703,988	(341,772)
EBITDA margin	Rs. in million	14,143	11,588	2,555
	% of revenue	39.82%	32.04%	7.78%
Fixed cost of sales - excluding depreciation	Rs. in million	1,454	1,392	62
	% of revenue	4.09%	3.85%	0.25%
ROCE	%	44.18%	34.08%	10.10%
Free Cash flows	Rs. in million	12,061	8,710	3,351
EPS	Rs.	22.79	11.50	11.29
Debt to Equity	Times	0.47	1.03	(0.56)
Debt Reduction	Rs. in million	6,980	4,728	2,252
Dividend per Share	Rs.	15.00	-	15.00
Current Ratio	Times	0.55	0.47	0.08

BOARD STATEMENT ON:

a) SIGNIFICANT PLANS AND DECISIONS

The Company always pursues a policy of inclusiveness where all the stakeholders are well informed of all material information by timely announcements on stock exchange and website. The Company does not have any plans for corporate restructuring or discontinuation of any business unit operations. However, the Company is continuously assessing new avenues for diversification and business ventures including green and brown field expansions.

b) BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURE

Apart from regular BMR activities the Company is also evaluating alternative green energy sources. This will help in reducing carbon footprint as well as adding value to the shareholders.

The Company's recently completed new head office building is L.E.E.D certified. It now serves as the corporate identity of the Company.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PRIOR YEARS

There is no significant change from prior year’s organizational strategy.

3 RISKS AND OPPORTUNITIES

KEY RISKS AND OPPORTUNITIES EFFECTING CAPITALS

The Company and industry at large, is facing major risk of constant increase in raw material cost as a direct consequence of royalty charges and an increase fuel & power generation cost. The increase in electricity cost from national grid is substantially attributable to transmission losses and fixed charges on account of under-utilized sanctioned load and capacities. The Company has responded to this by relying mainly on captive power generation using a blend of imported and local coal to reduce the adverse impact of high international prices. Further reliance on local coal consumption and substitution of cost effective packing mix have yielded the benefit of reducing overall cost.

Type of Capital	Risk	Key Risk Source	Opportunity	Mitigation Strategy
Financial	Surge in input cost Source: Magnitude: Likelihood:	• Increased fuel and power generation cost causes the cost of production to rise and squeeze margins of the Company	• The plant is designed to operate on varying fuel mix • 48 MW captive power generation capability	• Identification of alternate sources of energy • Evaluation and analysis of coal specifications and prices of various origins and suppliers and on a regular basis • Captive power generation to reduce reliance on national grid
	Inconsistent Government Policies Bulging fiscal deficit Source: Magnitude: Likelihood:	• Changes in Government policies with respect to public sector development expenditure • Fiscal measures to increase tax revenue such as imposition of super tax	• Improved margins by better fixed cost absorption through increased market share	• Regular monitoring of change in rules and regulation • Engaging with Government through relevant forums to ensure stabilized policies • Planning of capital expenditures
	Policy rate revisions Source: Magnitude: Likelihood:	• State Bank of Pakistan regularly conducts monetary policy reviews and accordingly revises policy rates to manage flow of capital	• Explore new avenues to yield higher rate of return	• Improve the Company's operating cycle • Debt reduction remains key focus of the management

Legends	Source		Magnitued			Likelihood		
	Internal	External	Low	Medium	High	Low	Medium	High

Type of Capital	Risk	Key Risk Source	Opportunity	Mitigation Strategy
Human	Brain Drain Source: Magnitude: Likelihood:	• Key employees and workers leave the Company causing drain of competent workforce	• Ensured motivated and skilled work force retention • Management trainee and apprenticeship programs to induct young blood	• The Company values its employees as the most essential capital • Provides congenial environment and growth opportunities • The Company has proper succession plan in place.Promote conducive and professional culture through employee empowerment and trainings
	Health & Safety Source: Magnitude: Likelihood:	• Personal health and safety risks at plant site • Special focus on under construction sites	• Safe work environment	• Periodic review of safety guidelines violations • Dedicated health and safety department
Manufact-uring	Technological Obsolescence Source: Magnitude: Likelihood:	• Technological shift rendering the Company's production process inefficient	• Increase value addition in production lines	• BMR and major capital expenditures are incurred regularly to continuously improve product quality and process efficiency State-of-the-art newly installed cement production line III is an example
	Break-down in operations Source: Magnitude: Likelihood:	• Machinery breakdown/ stoppages adversely affect the profitability of the entity as it hampers production and causes operational delays in addition to start-up costs	• Well formulated business continuity plan • Production lines with varying capacities ensure flexible plant operations	• Production team has set up number of operational checks to ensure smooth operations and avoid breakdown • Installation of early warning systems • Periodic training of technical workforce • Insurance from top rated companies
Natural	Environmental Risk Source: Magnitude: Likelihood:	• Potential threat of adverse effects on environment arising out of the plant operation	• Eco-friendly designed plants	• Waste heat recovery power plant has been commissioned reducing environmental degradation. The Company focuses on energy conservation, operational efficiencies and reducing carbon footprint

Legends

Source		Magnitued			Likelihood		
Internal	External	Low	Medium	High	Low	Medium	High

RISK MANAGEMENT METHODOLOGY

There are many potential disruptive threats which can occur at any time and affect the normal business process. The Company has considered a wide range of potential threats and has specifically examined each potential environmental disaster and emergency situation. The focus remained to ascertain the level of business disruption which could arise from each type of disaster.

ASCERTAINING THE LEVEL OF RISK TOLERANCE

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management system remains in place. As per the Board's directions, the Company has formulated a comprehensive risk management system, to help in integration of risk management practices across all the functions.

The Company manages the risk through Risk Management Team which is tasked to devise policies and oversee risk management function. The key objective of the risk management system is to support business success and ensure operations as a going concern.

STATEMENT BY THE BOARD ON ASSESSMENT OF THE COMPANY'S PRINCIPAL RISKS

The Board of Directors has overall responsibility to ensure that an effective risk management process is in place. This includes identifying and prioritizing strategic, financial, operational, legal and external risks and establishing controls to mitigate those risks. The Risk Management Team investigates potential risks by reviewing both internal and external indicators and challenges, and the key factors that may impact the business in the context of the environment in which the Company operates. The Board of Directors is regularly informed of risks towards future performance, solvency and liquidity of the Company.

THE INITIATIVES TAKEN BY THE COMPANY IN PROMOTING AND ENABLING INNOVATION

With an aim to promote and enable innovation, the Company is carrying out the following initiatives:

a) Looking for alternative energy efficient solutions for energy rich processes at kiln and cement mills
b) Investing on IT department to keep its approach proactive by developing and implementing tools like Power BI and dashboards
c) IT enabled sales force and logistic automation

STRATEGY TO OVERCOME LIQUIDITY RISK

The Company has a robust treasury management system that ensures effective cash flow management, safeguarding against any related risks. Cash flow forecasting and periodic evaluations of planned revenues are carried out to ensure smooth operations. Sufficient working capital facilities are also negotiated to bridge any financing gap.

ADDRESSING THE RISK OF INADEQUACY IN CAPITAL STRUCTURE

The prime objective of the Company is to maximize the value to its shareholders. In this regard, the Company ensures that an optimal mix of debt and shareholder equity is utilized to yield better return on financial capital. Any inadequacy in capital structure is primarily managed through internal cash flow generation, i.e., reduced operating cycle, improve margins and rationalize operating costs.

DEBT REPAYMENTS

To maintain optimal capital structure, the Company has reduced its total outstanding total debt by Rs. 6,980 million from the debt level reported at the end of last year. The loan repayments have been mainly sourced through cash flows that the Company has generated, despite the challenging circumstances in the current financial year. The aforesaid steps have improved the capital structure of the Company.

No default has been made in payment of any debt during the year. Moreover, the Company faces no risk of default in payment of any obligation. In addition, the Company has made early repayments of principal loans during the current year.

4 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORTING

CORPORATE SOCIAL RESPONSIBILITY

At Pioneer cement, we recognize the vital role which Corporate Social Responsibility (CSR) plays in driving long-term sustainability, business excellence, and positive impact on our stakeholders. Our Board of Directors reaffirms its commitment to adopting CSR best practices, ensuring our organization's continued success and contribution to societal well-being. Our CSR initiatives are strategically devised and effectively implemented to have a positive impact on health, education and environment.

We recognize the significance of sustainability-related risks and opportunities on our financial performance and long-term success. We are committed to transparency and proactive management of these factors.

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 Jauharabad and District Public School Sargodha, enabling the schools to enroll an additional 500 students. Furthermore, we provide ongoing support to SOS Schools and Vocational Training Institute of Quaidabad. We are also working with Pakistan's premier business school IBA to ensure the quality and relevance of their business curriculum. The Company has contributed in the construction of a residential facility for its faculty members. The Company demonstrates its dedication to philanthropic investments. Notably, we collaborate with Ghulam Ishaq Khan Institute to promote educational excellence, supporting various Olympiads that cultivate academic achievement and innovation.

HEALTH AND SAFETY

Our healthcare initiatives reflect our commitment to continuously give back to the community by supporting those in need. The Pioneer Medical Center at our plant provides free medical and emergency ambulance services not just to our employees but also to the local community. We have established a public dispensary in Chenki village and have also provided financial support to TB Center Foundation. Health, safety and wellbeing of people is of utmost importance to us. Our Health Safety and Environment (HSE) department is committed to provide and maintain healthy working conditions, equipment and systems at work, along with effective information, instruction, training and


Save
THE ENVIRONMENT

supervision. HSE department is responsible for promoting the health and safety of all the employees through effective occupational and environmental management practices.

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 and maintenance of a 15 km stretched road connecting Chenki village to Jabbi village, which provides convenience to thousands of commuters. The ongoing construction of 2.1-kilometer link road aims to alleviate traffic congestion in the local village, helping to reduce noise and dust pollution.

ENVIRONMENTAL PROTECTION

The future of our environment is deeply connected to what we do today. At Pioneer Cement, we use responsible and resourceful methods in all our operations. Our initiatives to reduce our environmental footprint include the installation of energy-efficient coal firing burners, which reduce the gaseous emissions, and Waste heat recovery power plants (WHRPP) that generate electricity from these emissions.

ENSURING ENVIRONMENT FRIENDLY OPERATIONS, PRODUCTS AND SERVICES

The Company believes 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 controls stack emissions and also reduces our carbon footprint. We are consistently adopting the latest technologies that are cleaner and greener. Our plants and processes are constantly improving to become more energy efficient. The Green Office Diploma by WWF Pakistan is an authentication of our quest towards a resource-efficient entity. HSE department at our plant plays a pivotal role in ensuring that we abide by international standards of having an ecofriendly and safe working environment. Pioneer Cement is ISO 9001:2015 certified for Quality Management Systems, ISO 14001:2015 certified for Environmental Management Systems and ISO 45001:2018. Our management systems were comprehensively audited by TUV Austria and we were awarded these qualifications.

LIFE AT PIONEER

Pioneer Cement Limited emphasizes greatly on professional growth of its employees as it considers them a key asset. Training and development activities are considered an essential part of the Company's culture as it boosts employee morale and provides an opportunity to increase their knowledge base. Pioneer strongly believes in maintaining a healthy work culture for employees. Several employee engagement activities are put in place for developing a sound work environment. Over the years, the Company has realized, these recreational activities rejuvenate the employees making them more productive and committed towards organizational goals. That's the reason, Pioneer has developed a culture of celebrating every significant event. As an equal opportunity employer, Pioneer believes in hiring young and enthusiastic graduates. The Company helps them in developing necessary skill set that can enhance their careers and align their goals. Pioneer also advocates gender diversity in our culture; women are employed, valued and promoted on the basis of their talent and achievements.

SUSTANIBILITY REPORTING

Key Risks	Key opportunities
Supply chain disruptions due to environmental factors	Cost savings from energy efficiency and resource optimization
Fluctuations in energy prices	Enhanced brand reputation and stakeholder trust
Resource depletion and water scarcity impacting operations	Access to new markets and partnerships
Strategic obsolescence due to technological advancements	Increased investor confidence, improved credit rating and access to capital
Climate change-related litigation and reputational damage	Enhanced community relationships & better health and safety conditions for employees and customers
	Contribution to societal well-being and development

Our performance framework consists of four key pillars, which are:

Core Content	Measurement Matrix
Pillar 1: Governance	- Board composition and independence - Executive leadership and accountability - Shareholder rights and engagement - Transparency and disclosure - Compliance with laws and regulations - Board performance evaluation
Pillar 2: Strategy	- Mission, vision, and values - Business model and segmentation - Market analysis and trends - Competitive landscape - Growth and development plans
Pillar 3: Risk Management	- Risk identification and assessment - Risk mitigation and management - Compliance and regulatory risks - Operational and financial risks - Cybersecurity and data protection
Pillar 4: Metrics & Targets	- Key Performance Indicators (KPIs) - Financial metrics (e.g., EPS, EBITDA) - Non-financial metrics (e.g., customer satisfaction, employee engagement) - Progress tracking and reporting

Climate change also significantly impacts the cement industry in numerous ways:

- Rising temperatures leader to greater energy consumption for operations.
- High moisture carries the risk of harming clinker quality leading to greater costs in storage facilities and moisture control systems.
- Supply chain disruptions caused by fog and seasonal rains.

5 GOVERNANCE

LEADERSHIP STRUCTURE OF THOSE CHARGED WITH GOVERNANCE

Composition of Board and its Committees

The Board is composed in line with the best corporate governance requirements and guidelines. Our Board of Directors is deliberately structured to leverage a rich tapestry of expertise, experience and perspectives, fostering a culture of informed decision-making and strategic governance. The Board's composition ensures diversity in:

- Industry expertise
- Leadership experience
- Regional representation
- Functional skills
- Gender and cultural background

To maintain independence and objectivity, the Board comprises of non-executive and independent directors. These directors bring fresh perspectives, unbiased by operational responsibilities, ensuring that the Company's interests are prioritized.

Non-executive and independent directors play an integral role in Board deliberations, participating equally in:

- All Board meetings
- Committee meetings (Audit, HR and R)
- Strategic planning sessions
- Key decision-making processes

Their active involvement:

- Encourages robust discussions and constructive debate
- Provides balanced oversight and guidance
- Fosters a culture of accountability and transparency
- Ensures alignment with stakeholder interests

By combining diverse expertise with independent oversight, our Board is well-equipped to navigate complex business challenges, drive sustainable growth and create long-term value for stakeholders.

Following is the composition of the Board and its sub committees along with number of meetings held and attendance status:

Sr. No.	Name of Directors	Attendance		
		Board of Directors	Audit Committee	HR & R Committee
	MEETING HELD DURING THE YEAR	4	4	1
1	Mr. M. Habibullah Khan Chief Executive Officer	4	-	1
2	Mr. Aly Khan (Chairman of BoD) Non-Executive Director	4	4	1
3	Ms. Aleeya Hasan Khan Non-Executive Director	3	3	1
4	Mr. Shafiuddin Ghani Khan (Chairman HR&R Committee) Independent Director	4	4	1
5	Mr. Manzoor Ahmed (Chairman Audit Committee) Independent Director	3	3	-
6	Mr. Mohammed Aftab Alam Non-Executive Director	4	4	1
7	Mirza Ali Hasan Askari Non-Executive Director	4	-	-
8	Mr. Doraib A Kisat Non-Executive Director	4	-	-
9	Mr. Jamal Nasim Term completed on October 26th, 2023	1	1	-

Mr. M Habibullah Khan was named as Chief Executive Officer of the Company on July 01, 2023.

Basis for Independence

Independent director means a director of company, not being a whole-time director and who is neither a promoter nor belongs to a promoter group. Here, promoter means a person or persons who are in over-all control of a company. Mr. Shafiuddin Ghani Khan and Mr. Manzoor Ahmed do not bear any executive role, nor are in any way related to the promoters. They are acting as independent directors in accordance with Code of Corporate Governance Rules.

PROFILE
OF DIRECTORS

Mr. M. Habibullah Khan is the Founder and Chairman of Mega Conglomerate. The Mega & Forbes Group of Companies (Mega Group - MFG) is a diversified conglomerate, with business holdings including two of the largest container terminals with land side facilities value addition rail-link to ICDs (40% market share with homeland security clearance for all USA traffic) in the country, third largest dairy producer (FMCG), top tier cement manufacturing company (5.2m++ tons/annum capacity), vertically integrated shipping & logistic company, majority ownership of Pakistan's largest independent power producer / energy utility / mining (appx 20% ttl countries power produced), oil & gas / E & P sector (gas fields, ex. ENI Italy assets), fintech (largest payment platform) and a progressive real-estate developer (hotel metropole, mixed multi-estate development and two of the largest corporate real estate transactions in the country) responsible for the first L.E.E.D. certified commercial building in Pakistan and currently introducing a new line of business of electric vehicles with BYD Auto Industry Limited in Pakistan, through HUBCO's subsidiary HPHL and its associated company Mega Motor Company (Private) Limited.

As a prolific philanthropist, Mr. Khan has been a patron of many social and environmental initiatives over the last four decades and is strongly associated with various CSR/charitable causes in the country.

Renowned global industrialist & businessman, especially with the expertise in operating large JV with several fortune 500 companies in the country's infrastructure, operates several of the largest listed companies in the Pakistan Stock Exchange.

Mr. Aly Khan holds a Master of Sciences from Boston College and a Bachelor of Sciences from Northeastern University.

Over the course of the last decade, he has cultivated his professional career working in London, Singapore and New York for various global institutions including Citi Group and Yang Ming Marine Transport Corporation in several management and training capacities.

In Pakistan, Mr. Khan has extended valuable contributions to multiple ventures through key management roles including spearheading the construction and operation of Pakistan's first commercial L.E.E.D. Certified Building, setting up a state-of-the-art 10,000 ton per day cement plant, and growing one of the country's largest dairy businesses' sales to 600,000 liters per day. Additionally, he has been instrumental in partnering with BYD for the widespread adoption of EVs in Pakistan.

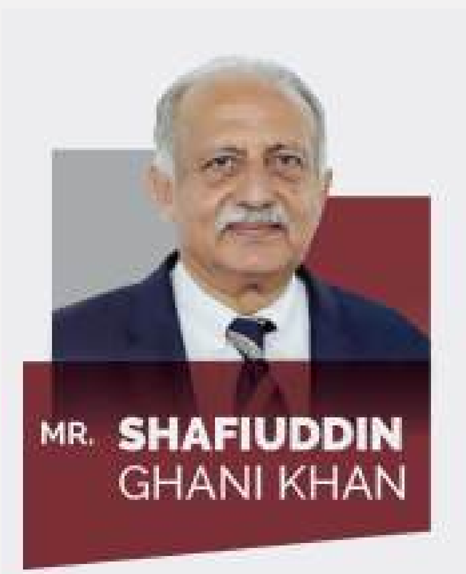
He is the Chairman of Pioneer Cement Ltd., Haleeb Foods Ltd. and a Director of Qasim International Container Terminal and HUBCO. He is a SECP certified director in corporate governance.

Ms. Aleeya Hasan Khan holds a Master's in Architecture from Columbia University and a Bachelor's in Urban Design & Architecture from New York University.

Aleeya spent time at New York-based award-winning-practice, Beyer Blinder Belle renowned for pioneering a different approach to design, during the wake of the urban renewal movement in the United States. After finishing her formal education, Aleeya Khan worked at Only - If Architecture specializing in facade and other architectural design techniques for projects in an urban metropolitan landscape. She returned to Pakistan in 2017, to explore the local real estate market (amidst a boom in development) within her family business as an Executive Director at Imperial Builders & Developers (Pvt.) Ltd. ("IDBL"), the construction and development arm of one of Pakistan's largest business groups - Mega Conglomerate.

As a female executive, Aleeya has led multi-disciplinary teams from design to project completion. Her passion for entrepreneurship and desire to disrupt stigmas around women-led practices in her region led to the creation of Aleeya. design studio (A.). Whilst cultivating her personal design philosophy, Aleeya Khan remains committed to achieving design excellence. Through her exposure and deep understanding of technical design, her firm's involvement in landmark project's combined with a women-led team - Aleeya Khan brings an alternate perspective and distinct identity, with a vision to leave a lasting impact on her region.

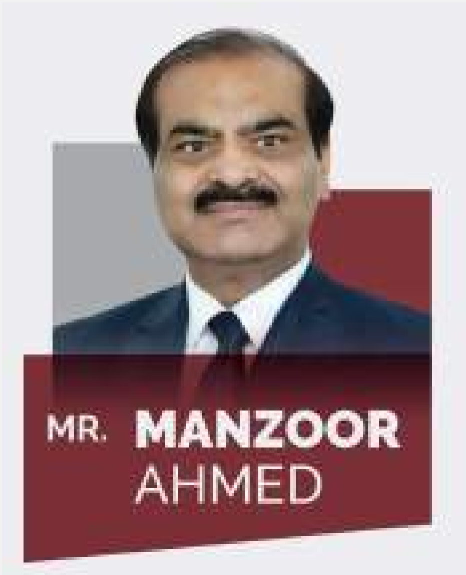
She also serves as a Director of HUBCO and Haleeb Foods Ltd. and is an SECP certified director in corporate governance.



Mr. Shafiuddin Ghani Khan holds a Bachelor of Science in Finance from the University of Oregon, USA. After completing his education, he returned to Pakistan and developed his family's real estate and construction business. He played a key role in constructing several townhouse projects in Karachi, particularly in the areas of DHA and Clifton.

Mr. Ghani has over two decades of management experience in the fields of construction, real estate and telecommunications. He had an illustrious career with M/s Forbes Group/Forbes Forbes Campbell & Co. (Private) Limited, where he rose to the position of Chief Executive Officer. He was responsible for overseeing the operational affairs of various business units within the group, including shipping lines, logistics and communication equipment. His professional responsibilities encompassed a diverse range of business units, including marketing and sales, customer service and support, accounts, finance and administration.

Mr. Ghani currently serves as a Non-Executive Director and member of the audit and remuneration committees on the Board of Pioneer Cement Limited. Since 2009, he has been providing guidance and leadership to the management. He is currently a Director at HUBCO and is also on the Board of Haleeb Foods Ltd.



Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs. 144 billion. He has experience of over 33 years of the Mutual Fund industry and has been placed at many key positions within NIT including capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of "The Institute of Bankers Pakistan". Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

Mr. Manzoor Ahmed has vast experience of serving on the boards of various top-ranking companies in Pakistan, belonging to the diverse sectors of economy.

Mr. Ahmed has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

He also represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Manzoor Ahmed is a member of the Defense Authority, Country and Golf Club - Karachi and the Rotary Club of Karachi.

Mr. Mohammed Aftab Alam has over thirty years of diversified management experience. Working at companies such as Coca Cola and Hutchison Port Holdings, he has managed roles across several functions including strategic business planning, finance and accounts, audit, corporate affairs, legal affairs, taxation, investment and business development.

Mr. Alam is a fellow member (FCA) of Institute of Chartered Accountants of Pakistan. He is also a fellow member (FICS) of Institute of Chartered Secretaries of Pakistan.

Mirza Ali Hasan Askari is a graduate in Marketing Management from American College Paris, France. He possesses more than thirty years of vast professional experience in various companies including Faysal Investment Bank, Societe Generale and Bank of Credit & Commerce International (BCCI). He is member of the Board and a SECP certified director in corporate governance.

Mr. Doraib A Kisat has over 30 years' experience in Finance, Audit and Administration and has held many senior management positions within Finance, Audit and Administration across a range of industries including aviation, services, gas and shipping. He has strong product knowledge of the industries he has worked in, nationally and internationally. Single-handedly, he has spearheaded many initiatives which demonstrate his leadership skills, a candid attitude, and the ability to manage a strong team. He is also SECP certified director in corporate governance

GOVERNANCE

COMPLIANCE WITH RESPECT TO MAXIMUM NUMBER OF DIRECTORSHIP

Listed Companies (Code of Corporate Governance) Regulations, 2019 require that subject to the requirements of section 155 of the Companies Act, 2017, that no person shall be elected or nominated or hold office as a director of a listed Company including as an alternate director of more than seven listed companies simultaneously. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

HOW THE BOARD OPERATES

The Board sets the overall strategy and direction for the management to run the Company. The Board oversees the conduct of the business and takes on the role of governance to make decisions about the direction of the Company, oversight of the business, strategic planning, decision-making, risk and control framework, regulatory compliance and financial planning to protect and enhance Company's long term and strategic value.

MATTERS DELEGATED TO THE MANAGEMENT

The Board through Chief Executive Officer has assigned routine matters to management and oversees the progress through periodic meetings. Procurement, production, sales and marketing are the key functions delegated by the Board to management team. To support these functions, cash flow management is also a part of delegated tasks. Board has also entrusted management with implementation of such internal controls required for the preparation of financial statements in compliance with Board regularly meets to approve those financial statements.

ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD AND ITS COMMITTEES

The Board has an evaluation process to assess its own performance particularly governance areas. The Board is committed to ensure high standards of Corporate Governance and Ethical Values to preserve and maintain stakeholders' value. Both the Company and the Board are committed to create a culture of respect and inclusivity for all the Board members. The performance of Board and its Committees is evaluated on annual basis and is measured considering following criteria:

- Conduct of meeting and participation by each member
- Formation of Committees
- Establishment of internal control system
- Review of financial statements and performance
- Competencies of Board members and knowledge of economic and business environment

PERFORMANCE EVALUATION OF CHAIRMAN OF THE BOARD

The Board has clearly defined the roles and responsibilities of the Chairman. The Chairman is responsible for leadership and ensures that the Board plays an effective role in fulfilling its responsibilities. He encourages an inclusive environment that enables directors to carry out Board's business in line with legal and regulatory requirements. The performance of Chairman of the Board is evaluated through criteria set by the Board itself.

PERFORMANCE EVALUATION OF CEO

CEO is responsible for operations and overall affairs of the Company under the oversight of the Board and its Committees. He is also entrusted with the powers of management of affairs of the Company underlined by applicable laws, guidelines provided by the Board and Memorandum / Article of Association of the Company. He is responsible for setting directions for overall culture of the Company.

The performance of the CEO is evaluated by criteria set by the Board comprising operational efficiencies, internal and external customer satisfaction, growth and quantum of value added to the shareholders.

BOARD'S PERFORMANCE EVALUATION BY EXTERNAL CONSULTANT

The performance of the Board is subject to internal evaluation as well as through an independent consultant. Internal evaluation of the Board's performance is performed annually. However, as per the applicable regulations, the Company is required to carry out evaluation by external consultant once in three-year period.

ORIENTATION COURSES FOR DIRECTORS

The Company arranges orientation session for newly elected directors in order to equip them with better understanding of applicable laws, regulations and best corporate practices. Orientation courses also acquaint directors with necessary understanding on operations of the Company so they can effectively perform their duties and responsibilities on behalf of shareholders.

DIRECTORS' TRAINING PROGRAM

All the Directors of the Company are duly certified or are exempted from Director's Training Program.

In addition to the mandatory training requirement of directors, Mr. Waqar Naeem, Chief Financial Officer of the Company has also completed Directors' Training Program from SECP approved institution.

EXTERNAL OVERSIGHT OF KEY FUNCTIONS OF THE COMPANY

The Company ensures the efficiency, effectiveness and credibility of its key functions through regular monitoring, benchmarking and assessment of progress against goals assigned to respective functions. All the processes and functions are subject to review by the internal audit department. However, the Company also seeks expertise from external local and foreign consultants namely on:

- Cement manufacturing processes with respect of technological advancements and process improvements
- Power generation units to bring improvement and efficiency
- The information systems and network security for technological advancements and safeguard against potential security breaches
- Accounting and financial reporting function of the Company is also subject to review by external experts

POLICY FOR RELATED PARTY TRANSACTIONS

All transactions with the related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director. Upon the recommendation of the Audit Committee, these transactions are placed before the Board of Directors for their approval. The transactions are disclosed in the financial statements, including the name, basis of the relationship, nature, and amounts in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

DETAILS OF ALL RELATED PARTIES TRANSACTIONS

The Company reviews all transactions with related parties of the Company. All such transactions are reported in light of applicable laws and regulations and disclosed in Note 41 of the attached financial statements and are placed before the Board for approval.

DISCLOSURE OF DIRECTORS' INTEREST IN RELATED PARTY TRANSACTIONS

As per Code of Corporate Governance applicable to listed companies, related party transactions where majority of the directors are interested shall be placed before the Annual General Meeting for shareholders' approval in compliance with the law ensuring transparency, accountability and oversight to prevent potential conflicts of interest.

Transactions during the year with related parties are disclosed in attached financial statements and are presented in Annual General Meeting for approval of members. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

DISCLOSURE OF BOARD'S POLICY ON:

a) Governance of Risk and Internal Controls
The Board of Directors has established an effective system of internal controls to ensure that business is conducted efficiently, assets of the Company are protected and financial statements are reliably presented. The Company has a competent and independent internal audit team that evaluates the application of financial controls periodically. The Company's risk management team is tasked to assess and reduce risks in order to safeguard shareholders' interests. Risk assessment is performed regularly to create a good understanding of the Company's key risks and take any relevant measures to address them.

b) Diversity
The Board of Directors of the Company continues to have a firm commitment in promoting diversity, equal opportunity and talent development at every level in the Company, including the Board and the management level. The Board has set clear guidelines to seek, attract and recruit highly qualified candidates for all positions in the Company. The Board of Directors firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of the Board.

c) Director's Interest in Significant Contracts and Arrangements
No director has any interest in significant contracts and arrangements other than those disclosed in annexed financial statements, if any.

d) Directors' Remuneration
Remuneration Policy for Directors is approved by the Board of Directors. In addition, no remuneration is being paid / payable to the Directors of the Company except meeting fee which is paid to all non-executive directors including Chairman at the rate of Rs. 50,000 to 125,000 per meeting attended. The breakup of which is disclosed in note 40 of the annexed the financial statements.

e) Retention of Meeting Fee by the Executive Director
All the elected directors are non-executive or independent. However, the CEO not being

elected director is deemed to be a director and is not entitled to receive meeting fee for any board meeting he attends.

f) **Security Clearance of Foreign Directors**
No foreign director was on Board of Directors of the Company during the year.

g) **Board Meetings Held Outside Pakistan**
No meeting of the Board of Directors of the Company was held abroad during the year.

h) **Human Resource Management and Succession Planning**
The Company recognizes its human resources as one of its most valuable assets, essential to driving business excellence. To foster a high-performance culture, we identify and reward exceptional performers through various recognition programs, encouraging innovation, teamwork, and leadership. This approach creates a conducive environment, motivating employees to strive for better performance.

Comprehensive succession planning is another critical aspect of our human resource management strategy. We identify key positions critical to business operations and develop succession plans, which are regularly reviewed and updated by the HR & Remuneration Committee. This ensures continuity and minimizes disruption, with prioritized placement of selected candidates into key roles.

To prepare future leaders, we provide ongoing development support through Individual Development Plans (IDPs) tailored to critical exposures. This includes strategic assignments, special projects, training, and coaching by professional experts, as well as mentorship programs and leadership development initiatives. Employees identified for succession benefit from regular feedback, coaching, exposure to diverse business functions, networking opportunities and career progression guidance.

The HR & Remuneration Committee oversees succession planning and talent development, reviewing and approving IDPs, monitoring progress and providing guidance to ensure alignment with business objectives. By investing in our people and planning for the future, we ensure business continuity, foster a culture of growth and development, attract and retain top talent, and drive long-term success and sustainability.

i) **Social and Environmental Responsibility**
The Company is committed to environment protection and conservation. Accordingly, has successfully achieved certification of ISO 14001:2015 and ISO 45001:2018. Further, the Company has also been awarded Green Office Diploma after complying with the criteria of reducing consumption of natural resources. The Company continues to comply with all the applicable environmental laws and standards.

j) **Communication with Stakeholders**
The Company puts special emphasis on meeting and understanding the demand of all the stakeholders through meetings on regular intervals. The Company always pursues a policy of inclusiveness where all the stakeholders are well informed of all material information by timely announcements on stock exchange and website. Frequency of communication with stakeholders is based on corporate and business requirements.

k) **Investors' Relationship and Grievances.**
Investor Grievance Policy has been developed in order to establish guidelines for effectively handling and resolving the grievances of investors and shareholders. The Company also holds corporate briefing session annually and participates in investor conferences.

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

m) **Whistle Blowing Policy**
The Company is committed to high standards of ethical, moral and legal business conduct. In line with Company's

commitment to open communication, this policy aims to provide an avenue for all the stakeholders to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing good faith that malpractices exist in the Company, he/she is encouraged to report these immediately on the designated email or landline number. The name of whistleblower is kept under strict confidentiality. All the complaints are addressed, however priority is given on basis of below criteria:

- The seriousness of the issue raised
- The credibility of the concern and
- The likelihood of confirming the allegation from credible sources

This policy also provides a platform for employees to call out behavior that violates the Company's policies. At Pioneer Cement, employees are encouraged to freely communicate their concerns in case they suspect anybody going against the Company's Code of Conduct.

n) Safety of Records

The objective of this Policy is to safeguard Company's record by taking effective actions pertaining to the creation, management, retention and disposal of record. This policy also provides the Company's employees with guidance on the use and retention of Company's record. The Company safely retains the record in order to fulfil minimum record keeping time period stipulated under corporate and tax laws.

o) Providing Reasonable Opportunity to the Shareholder for Participation in the AGM

Company encourages all shareholders to participate in AGM. In order to facilitate participation from shareholders of distant locations, Company also arranged video link facility for their convenience and flexibility.

p) Dividend policy

The aim of this policy is to maintain a consistent and sustainable dividend payout that balances the interests of shareholders, supports long-term growth and reflects the Company's financial performance.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board recognize the importance of business continuity and disaster recovery plans and accordingly has devised these plans as per the best global practices. These plans prescribe the recommended procedures in the event of an actual emergency situation. The principal objective of these plans is to develop, test and document a well-structured and easily understood plan which will help the Company in avoiding any interruptions in the business operations and recover as quickly and effectively as possible from an unforeseen disaster or emergency.

Further, the Company has comprehensive insurance cover in case of any catastrophic incident to indemnify it against any loss.

A BRIEF DESCRIPTION ABOUT ROLE OF THE CHAIRMAN AND THE CEO

Roles and responsibilities of the Chairman and CEO are in line with the legal and regulatory requirements. The Chairman of the Board and CEO of the Company have well defined, separate but complementary roles. The Chairman is responsible for leadership and ensures that the Board plays an effective role in fulfilling its responsibilities. He encourages an inclusive environment that enables directors to carry out Board's business.

CEO is responsible for operations and overall affairs of the Company under the oversight of the Board and its Committees. He is also entrusted with the powers of management of affairs of the Company underlined by applicable laws, guidelines provided by the Board and Memorandum / Article of Association of the Company. He is responsible for setting directions for overall culture of the Company.

TERMS OF REFERENCE OF BOARD COMMITTEES

Audit Committee

The Board has provided adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee include the following:

- Determination of appropriate measures to safeguard the Company's assets

- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors
- Review of preliminary announcements of results prior to external communication and publication
- Facilitating the external audit and discussion with external auditors
- Review of management letter issued by external auditors and management's response thereto
- Review of the scope and extent of internal audit, audit plan and reporting framework
- Consideration of major findings of internal investigations of activities
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of transactions
- Review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports
- Determination of compliance with relevant statutory requirements
- Monitoring compliance with the regulations and identification of significant violations thereof
- Review of arrangement for staff and management to report to audit committee in confidence
- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors
- Consideration of any other issue or matter as may be assigned by the Board

HR & Remuneration Committee

The Board has provided adequate resources and authority to enable the HR & Remuneration committee to carry out its responsibilities effectively.

The Board has approved following TOR's:

1. Devise policy and framework for appointment and remuneration of Directors, CEO and key management positions
2. Undertake annual evaluation of the Board and its Committees' performance
3. Recommend human resource management policy
4. Recommend to the Board for the selection, evaluation, development, compensation of CEO, CFO, CS and Head of Internal Audit
5. Consider and approve CEO's recommendation regarding key management positions

CHAIRMAN’S REVIEW REPORT

As has become the norm in our country, the past year has presented a unique set of challenges, driven by unprecedented inflationary pressures and macroeconomic uncertainties.

The general election held in February 2024 was originally viewed as a potential turning point for our fragile economy, with widespread expectations of relief for both the general public and industry. Unfortunately, the formation of a weak coalition government has tempered these hopes, particularly due to a reduction in the country's Public Sector Development Program, which has further dampened prospects for a meaningful stimulus.

The near-stagnant GDP, coupled with these reductions, has contributed to a notable decline in cement demand during the year. The FY 2025 federal budget, which introduced additional taxes, poses further challenges for the year ahead. On a provincial level, various new royalties on raw materials have made Punjab based plant costs considerably higher than those in other provinces.

Yet, despite these obstacles, Pioneer has once again demonstrated its resilience. Our strategic focus on enhancing cost efficiencies, particularly in production, has yielded remarkable results, as reflected in our EPS of Rs. 22.79. Several initiatives started by us have now gained traction across the cement industry, emphasizing the forward-thinking and proactive approach of our organization. The Board of Directors, through its various committees, continues to set a clear strategic course for our business. Our plan is centered on cost-effective production, leveraging local and Afghan coal, prioritizing captive power generation and maximizing the use of poly bags to enhance operational efficiencies. It is through this focused strategy we aspire to continue our trajectory of growth and excellence.

While the future may continue to pose various challenges, we are committed to deliver results by pushing our day-to-day targets without losing emphasis on long-term goals.

It is with this in mind that I would like to express my sincere appreciation to all of you for your steadfast confidence in Pioneer Cement. Your unwavering support has enabled our organization to continue to move to the next level.

Aly Khan
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS

Directors' Report to the Shareholders

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

The Directors of the Company are pleased to present their report on historic and exceptional performance of the Company together with audited financial statements for the year ended June 30, 2024 and auditor's report thereon.

Economy

In the context of a volatile global landscape characterized by increasing uncertainty and persistent conflicts, such as the ongoing Russia-Ukraine war, tensions on international trade routes, and concerns about the potential spread of regional conflicts, significant pressure continues to mount on trade dynamics and energy markets, with no imminent resolution in sight. As an import-driven economy, Pakistan is particularly affected by these developments. On the local front, despite a modest recovery, with GDP growth reaching 2.4 percent compared to a contraction of 0.2 percent in the previous year, the economy has yet to fully stabilize. Persistent political instability, particularly following the February 2024 general elections, has hindered more robust economic progress. However, a new agreement with the IMF, pending board approval, is expected to enhance economic stability and provide significant relief to the general public.

In summary, as the financial year progresses, these global and local factors will be pivotal in shaping the economic landscape, necessitating vigilant and adaptive policy responses.

Cement Industry

During the year under review, cement industry made volumetric dispatches of 45.29 million tons compared to 44.58 million tons dispatched during previous year. It comprises of 38.19 million tons of local dispatches (2023: 40.02 million tons) and 7.11 million tons of exports (2023: 4.57 million tons).

Business Performance

Production and Sales Volume

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

Particulars	Year ended June 30, 2024	2023	Variance
	Tons		%
Installed Capacity	5,194,500	5,194,500	-
Cement production	2,315,214	2,741,440	(15.55)
Cement sales	2,362,216	2,703,988	(12.64)

Financial Performance

The financial performance of the Company is as follows:

Particulars	Year ended June 30, 2024	2023	Variance
	Rs. in thousand		%
Net sales	35,519,271	36,165,267	(1.79)
Cost of sales	23,756,014	26,755,883	(11.21)
Gross profit	11,763,257	9,409,384	25.02
Operating profit	10,755,668	8,889,294	21.00
Profit before taxation	8,383,220	5,731,658	46.26
Profit after taxation	5,176,168	2,611,106	98.24
Earnings per share (Rs.)	22.79	11.50	98.24

Revenue

Gross sales for the year under review amounted to Rs. 49,235.02 million compared to Rs. 49,333.13 million in corresponding year. Deductions for the year amounting to Rs. 13,715.75 million on account of applicable taxes, duties and commission/discounts which have resulted in net sales of Rs. 35,519.27 million (2023: Rs. 36,165.27 million); decline of 1.79%. This is mainly attributable to 12.64% quantitative decline which is majorly offset by cost-driven increase in sale price.

Cost of Sales

Cost of sales for the current year amounted to Rs. 23,756.01 million as compared to Rs. 26,755.88 million during last year: a decrease of 11.21%. Total manufacturing cost for the year under review was Rs. 23,689.14 million compared to Rs. 27,730.08 million during comparative year: a decrease of 14.57%. The decline was due to lower production resulting from reduced demand in the local market. Analysis of manufacturing cost per ton of cement sold for the year is as follows:

- Fuel and power cost per ton of cement sold amounted to Rs. 6,597 compared to Rs. 7,361 during last year. In order to minimize adverse impact of imported coal cost, the Company switched to cost-effective local and Afghan origin coal resulting in reduction in per ton cost.

- With respect to power sourcing, the Company has largely relied upon captive power plants comprising Waste Heat Recovery and Coal Fired Power Plants. This has helped to offset the adverse impacts on power cost caused by upward revisions in electricity tariff and volatile fuel price adjustments.

- Packing material cost for the current year nominally increased to Rs. 786 per ton (2023: Rs. 782 per ton). To counter the adverse impact of craft paper prices in international market, the Company has proactively improved its poly to paper mix.

- Raw material per ton of cement sold amounted to Rs. 852 compared to Rs. 639 during last year. This substantial increase is attributable to increase in royalty on mineral extraction by the Government of Punjab.

Operating profit and profit after tax

The strategic shift to premium markets, along with improved sales pricing, proactive cost-control policies and enhanced production efficiencies, has effectively offset the challenges posed by escalating input costs and surging overheads. Resultantly the Company yielded operating profit of Rs. 10,755.67 million (2023: Rs. 8,889.30 million). Persistent debt reduction policy has resulted in reduced finance cost for the year which in comparison with last year figure of Rs. 3,197.65 million is Rs. 2,805.96 million. Total outstanding banking debt as of current reporting date amounted to Rs. 10,503.03 million, reflecting a net reduction of Rs. 6,980.20 million compared to the prior year's level of Rs. 17,483.22 million.

Hefty taxation charge of 38.26% amounting to Rs. 3,207.05 million (2023: Rs. 3,120.55 million) has resulted in Profit after tax of Rs. 5,176.17 million (2023: Rs. 2,611.11 million) translating into EPS of Rs. 22.79 as compared to Rs. 11.50 in last year reflecting historic growth.

EBITDA for current year clocked at Rs. 14,143.07 million (2023: Rs. 11,587.72 million) enabling the Company to early settle some of its debt obligations.

Composition of Board of Directors

Pursuant to election of directors in 37th AGM of the Company held on October 27, 2023 following seven directors were elected unopposed;

1. Mr. Aly Khan
2. Ms. Aleeya Hasan Khan
3. Mr. Shafiuddin Ghani Khan
4. Mr. Manzoor Ahmed
5. Mr. Mohammed Aftab Alam
6. Mirza Ali Hasan Askari
7. Mr. Doraib A Kisat

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

Total number of directors including CEO

a)	Male	7
b)	Female	1

Composition

i)	Independent Director (elected)	2
ii)	Non-Executive Directors (elected)	5
iii)	Chief Executive Officer	1

Meetings of Board of Directors and Committees

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

		Attendance		
Sr. No.	Name of Directors	Board of Directors	Audit Committee	HR & R Committee
	MEETING HELD DURING THE YEAR	4	4	1
1	Mr. M. Habibullah Khan Chief Executive Officer	4	-	1
2	Mr. Aly Khan (Chairman of BoD) Non-Executive Director	4	4	1
3	Ms. Aleeya Hasan Khan Non-Executive Director	3	3	1
4	Mr. Shafiuddin Ghani Khan (Chairman HR&R Committee) Independent Director	4	4	1
5	Mr. Manzoor Ahmed (Chairman Audit Committee) Independent Director	3	3	-
6	Mr. Mohammed Aftab Alam Non-Executive Director	4	4	1
7	Mirza Ali Hasan Askari Non-Executive Director	4	-	-
8	Mr. Doraib A Kisat Non-Executive Director	4	-	-
9	Mr. Jamal Nasim Term concluded on October 26th, 2023	1	1	-

Mr. M. Habibullah Khan was named as Chief Executive Officer of the Company on July 01, 2023.

Directors' Remuneration
The Company does not pay any remuneration to its non-executive directors including independent directors except for meeting fee which is determined by the Board as per approved policy. The breakup of remuneration paid to members of the Board is disclosed in Note 40 to the financial statements.

Adequacy of Internal Financial Controls
The Board of Directors has established an effective system of internal controls to ensure that business is conducted efficiently, assets of the Company are protected and financial statements are reliably presented. The Company has a competent and independent internal audit team that periodically evaluates the application of financial controls.

Corporate and Financial Reporting Framework
The Board reviews the strategic direction of the Company on a regular basis. The business plan and budgetary targets set by the Board are also reviewed regularly. The Board is committed to maintain a high standard of corporate governance and ensures comprehensive compliance to the Code of Corporate Governance. In this regard, the Board is pleased to confirm the following:

a) The financial statements prepared by the management present fairly its state of affairs, the result of its operations, its cash flows position and changes in its equity.
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 Financial Reporting 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 by Audit Committee and updated when required.
f) There is no significant doubt 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) No default has been made in payment of any debt.
j) There is no material change adversely affecting the financial position of the Company occurring between financial year end and date of audit report.
k) The Board has adopted a mission statement and a statement of overall corporate strategy.
l) As required by the Code of Corporate Governance, statements regarding the following are annexed:

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

CORPORATE SOCIAL PERFORMANCE
Health, Safety and Environment
The Company is dedicated to provide its employees with a safe, healthy, and supportive environment. In line with this commitment, we have achieved ISO 14001:2015 and ISO 45001:2018 certifications, demonstrating our adherence to international standards in environmental and occupational health and safety management. Additionally, the Company was honored with the Green Office Diploma in recognition of our efforts to minimize the consumption of natural resources.

Moreover, we remain fully compliant with all applicable environmental laws and standards. Throughout the year, several tree plantation drives were organized within the plant's vicinity to foster a greener and cleaner environment. These initiatives, along with our continued focus on energy conservation and waste reduction, underscore our proactive approach to environmental sustainability.

Gaseous and Dust Emission
The Company is committed in maintaining a pollution-free environment, and in line with this, electrostatic precipitators and dust collectors have been installed across all three production lines. To further reduce emissions, the Company has also set up two Waste Heat Recovery Power Plants with a combined generation capacity of 18 MW, effectively minimizing the release of waste hot gases during the production process. Moreover, the third cement production plant features state-of-the-art technology, designed with highly efficient processes that significantly reduce both fuel and power consumption.

Employee Safety
As a responsible corporate citizen, the Company places the utmost priority on the health and safety of its employees. To ensure occupational safety, employees are equipped with appropriate safety tools and protective devices. A dedicated Safety Department has been established to enforce compliance with safety regulations and best practices. These rules and procedures are regularly reviewed and evaluated, with necessary measures taken to prevent any undesirable incidents. Additionally, the Company conducts regular training sessions to reinforce best practices and maintain a safe and secure work environment.

Community Investment and Welfare Scheme
As a responsible corporate citizen, the Company is deeply committed to the welfare of society, actively participating in a wide range of community development and maintenance programs. These efforts include the construction and upkeep of a mosque, medical dispensaries, an ambulance service and primary schools in Chenki as well as financial support to the Divisional Public School in Jauharabad. Additionally, the Company actively contributes to charitable causes, including Olympiads held under Ghulam Ishaq Khan Institute to foster educational development. The Company also regularly donates cement to underprivileged communities ensuring that those in need receive essential building materials for shelter and infrastructure improvements.

The Company consistently engages with the communities surrounding the plant to address their socio-economic needs. Residents in the vicinity have continued to benefit from the Company, particularly through the creation of job opportunities. The ongoing construction of 2.1-kilometer link road aims to alleviate traffic congestion in the local village, helping to reduce noise and dust pollution. In addition, the Company is maintaining and developing nearby roads and other critical infrastructure in the area, aiming to enhance the overall living standards of neighboring communities. Multiple clean drinking water facilities have also been installed to ensure residents have access to safe water, further demonstrating our commitment to improving quality of life in the region.

Sustainability Risks and Opportunities

The Board is proactively integrating sustainability-related risks into the Company's comprehensive risk management framework, thereby enhancing our ability to deliver best Environmental, Social and Governance (ESG) performance and ensuring long-term value-added success.

The Company proactively monitors the impact of sustainability-related risks on its strategy and operations by tracking industry trends and regulatory developments. To mitigate these risks, we are strategically aligning our business to leverage clean technologies, digitize workflows, optimize waste management, restoring biodiversity and transition to environmental friendly sources of energy. The Company prioritizes impactful CSR initiatives, meaningful community engagements and strategic social investments to create lasting value for all the stakeholders, fostering a more equitable and sustainable work environment.

The Company cultivates a culture of Diversity, Equity and Inclusion by implementing inclusive hiring practices, promoting cultural awareness, and ensuring strong accountability and swift action in response to any incidents of discrimination, harassment or misconduct. Our workforce sports diverse educational backgrounds, experiences and perspectives, brought together through merit-based selection and tailored to specific job roles. Our employees celebrate the differences and leverage their unique strengths to drive innovation, collaboration, and business success.

EMPLOYEES WELFARE

Human Capital

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

Provident Fund / Gratuity

The Company operates a funded registered provident fund for all permanent employees while all contractual employees below the age of 60 years are entitled to gratuity. The fair value of the investments of the provident fund as on June 30, 2024 was Rs. 288.37 million (2023: Rs. 275.29 million).

Medical and Hospitalization

To ensure peace of mind and enable employees to focus on their professional responsibilities more productively, the Company provides comprehensive medical and hospitalization facilities to all eligible employees, along with coverage for their spouses and children, in accordance with Company policy.

Auditors

M/s. KPMG Taseer Hadi & Co. Chartered Accountants will retire at the conclusion of the 38th Annual General Meeting. They have offered themselves for re-appointment. As suggested by Audit Committee, the Board has recommended to the shareholders the re-appointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants for the next tenure.

Dividends

Keeping in view the exceptional financial performance together with timely and early settlement of ongoing debt servicing, the Board has recommended 100% final dividend of Rs. 10 per share. This is in addition to 50% interim dividend of Rs. 5 per share already announced in their meeting held on February 28, 2024.

Directors' Training Program

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

Evaluation of Board's Own Performance

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

Contribution to National Exchequer

The Company paid an amount of Rs. 15,580.00 million (2023: Rs. 14,518.35 million) into the Government Treasury on account of income taxes, levies, sales tax, excise and custom duties and royalties.

Pattern of Shareholding

Company's pattern of shareholding as at June 30, 2024 is in compliance with Section 227 (2) (f) of the Companies Act, 2017 and the relevant detail is annexed to the report.

Future Outlook

Political instability has consistently disrupted Pakistan's recent history, undermining policy continuity, weakening investor confidence, and posing significant challenges for businesses. The Government's push to increase revenues driven by the need to meet stringent IMF conditions, has resulted in further tax hikes. This is particularly evident in the FY 2025 budget, which imposed additional tax measures on the cement sector-a sector already burdened by high levies and taxes. In the absence of meaningful interventions to stimulate the economy, the upcoming year is expected to remain challenging. Demand is likely to stay subdued, leading to a continued slowdown in cement dispatches. However, amid all this, the Company is committed to proactive strategies and prudent risk management to effectively navigate these tough conditions.

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

M Habibullah Khan	Aly Khan
Chief Executive Officer	Chairman of the Board
September 18, 2024	September 18, 2024

AUDIT COMMITTEE REPORT

In compliance with the requirements of Code of Corporate Governance Regulations 2019, the Board has formed Audit Committee (the Committee) to primarily assist the Board in briefing on financial performance of the Company, status of legal compliances and suggestions for appropriate measures to safeguard the Company's assets. The Board has developed a mechanism for identification of risks and assigning appropriate measures which are regularly monitored and implemented by the management across all the major functions of the Company and are presented to the Committee for review. The Board ensures that majority members of each committee are financially literate as defined in Companies (Code of Corporate Governance) Regulations, 2019.

The composition of the Committee along with number of meetings held and members' attendance summary is tabulated below:

Sr No.	Name of Directors	Status	Attendance
1	Mr. Manzoor Ahmed (Chairman Audit Committee)	Independent	3
2	Mr. Aly Khan	Non-Executive	4
3	Ms. Aleeya Hasan Khan	Non-Executive	3
4	Mr. Mohammed Aftab Alam	Non-Executive	4
5	Mr. Shafiuddin Ghani Khan	Independent	4
6	Mr. Jamal Nasim (Term concluded on October 26th, 2023)	Independent	1
	Number of meetings held during the year		4

The Audit Committee has appointed Chief Internal Auditor as secretary of the Committee. CEO and CFO attended the meetings on invitation of Chairman of the Committee. External auditors also attended the meetings of the audit committee where matters related to accounts and audit were discussed.

For the financial year ended June 30, 2024, the Committee is pleased to report that:

- The Committee reviewed the quarterly, half yearly and annual financial statements of the Company.

- The Committee was also briefed on operations of the Company compared with comparative period's performance and against budgeted targets. Prior to publication by the Company, the Committee also reviewed preliminary announcements of financial results;

- The annual financial statements for the year ended June 30, 2024 were presented to the Committee. Specific attention was paid to key matters reported in Auditor's report pertaining to revenue recognition. Moreover, at the reporting date, there were multiple tax contingencies pending at different legal/tax authorities. After review of financial statements, the Committee was of the view that the above-mentioned matters have been fairly presented and disclosed for the understanding of users of financial statements. The Committee recommended the financial statement for approval of the Board;

- The Committee reviewed all the related party transactions and recommended the same for approval of the Board;

- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation and presentation of financial statements of the Company;

- Company's system of internal control is sound in design and is continually evaluated;

- The Committee approved the audit plan for the upcoming financial year presented by Head of Internal Audit which ensured that all major systems and operational areas are covered and reviewed periodically;

- The Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective responses. This has ensured the continual evaluation of controls and improved compliance. The review of internal audit reports also included findings, conclusions, recommendations and action plans agreed with management. Status of follow up on outstanding observations is regularly reviewed;

- The Committee reviewed the Annual Report of the Company and found it fair, balanced and understandable for the users of financial statements;

- The Committee ensured that statutory and regulatory obligations and requirements of best practices of code of corporate governance have been met. Present auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, one of the big four global auditing firms, are registered with Audit Oversight Board and have been given satisfactory rating under QCR program by ICAP;

- Appointment of external auditors and the matter related to fixing of their remuneration was reviewed. The Committee recommended to the Board for appointment of auditors for the financial year 2024-25 who shall retire at the conclusion of upcoming Annual General Meeting after completing the term.

- The Committee also observed that no cases of material complaints regarding accounting, internal accounting controls or audit matters, or whistle blowing were received by the Committee;

- The Head of Internal Audit has direct access to the Chairman of the Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that this function has all necessary access to management and the right to seek information and explanations;

- Performance of the Committee is annually reviewed by the Board as per the set criteria. However, the Committee is devising the checklist for self-evaluation of its performance.

Manzoor Ahmed
Chairman Audit Committee
September 18, 2024

ENTERPRISE RESOURCE PLANNING

The Company has deployed Oracle Systems' cutting-edge Enterprise Resource Planning (ERP) solution, empowering management to make informed decisions with timely, accurate, and structured data. This modular, fully integrated system streamlines our entire operations landscape, encompassing:

- Attendance and payroll management
- Customer order fulfillment and invoicing
- Procurement to payment processing
- Asset tracking and management
- Inventory and cost management
- Financial reporting

By leveraging Oracle ERP's comprehensive capabilities, we've optimized our business processes, enhanced operational efficiency and improved decision-making capabilities.

Our Management Information Systems (MIS) department comprises a skilled team of professionals dedicated to driving innovation and delivering exceptional support. Their expertise enables seamless day-to-day operations and facilitates strategic developments. Key responsibilities include:

- Implementing cutting-edge technological advancements
- Addressing evolving business needs through system enhancements
- Ensuring seamless integration and optimal performance

The MIS department receives unwavering support from management, guaranteeing access to necessary resources. This synergy empowers the team to stay ahead of the curve, leveraging the latest technologies to fuel business growth and excellence.

Comprehensive ERP Support and Governance

To ensure seamless ERP adoption, we provide:

- Orientation courses for new users
- Focused sessions for existing users on module updates and changes

Risk Management and Compliance

- A risk matrix is maintained, regularly audited and updated as part of system audits
- Process changes/developments are thoroughly tested on a cloned system before live implementation

Robust Access Control and Authorization

- Formal user authorization matrix grants role-based access
- Changes in user roles require department head approval
- Periodic reviews ensure authorization matrix accuracy and compliance

Streamlined HR and Finance Management

The Company has developed in house HRMS software, a cutting-edge, all-in-one digital solution, to unify human resources and financial processes on a single platform. This innovative system:

- Automates daily HR functions with precision
- Enhances organizational efficiency
- Saves valuable time, money and effort

By leveraging HRMS, we optimize resource allocation, focusing on core business activities and driving strategic growth.

CHAIRMAN'S SIGNIFICANT COMMITMENTS AND ANY CHANGES THERETO

Mr. Aly Khan, the Chairman of the Board has cultivated his professional career working in London, Singapore and New York for various global institutions including Citi Group and Yang Ming Marine Transport Corporation in several management and training capacities. He is also serving on board of Hub Power Company Limited, Haleeb Foods Limited and Qasim International Container Terminal. There is no significant change in his commitment from last year.

GOVERNMENT POLICIES AND IMPACT ON CEMENT SECTOR AND THE COMPANY

In Pakistan, cement demand is closely linked to the overall economic growth, particularly the infrastructure and housing sector. Pakistan's Public Sector Development Projects (PSDP) allocation plays an important role in driving the demand of cement. Annual allocation of PSDP by Federal and Provincial governments plays a vital role in demand for cement locally. Historical data related to the financial performance of the sector depicts a strong correlation with changes in economic environment. Slowdown in economic activity in the country affects cement demand on the back of slowdown in construction and development activities. The increase in FED on cement and royalty on mineral extraction by the Government of Punjab will further put pressure on the margins of companies operating in cement sector.

STATEMENT OF COMPLIANCE

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

Name of the Company Pioneer Cement Limited
Year ending June 30, 2024

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner: -

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

   a. Male: Seven
   b. Female: One

2. The composition of the Board is as follows:

a)	Independent Directors	Mr. Shafiuddin Ghani Khan Mr. Manzoor Ahmed
b)	Non-executive Directors	Mr. Aly Khan Mr. Mohammed Aftab Alam Mirza Ali Hasan Askari Mr. Doraib A Kisat
c)	Executive Director	Mr. M. Habib Ullah Khan (CEO)
d)	Female Director	Ms. Aleeya Hasan Khan

   The Company's current Board of Directors, elected on October 27, 2023, possesses the necessary skills, experience, independence and knowledge to fulfill its duties and responsibilities effectively. The Board believes that having two independent directors is sufficient and, therefore, has not rounded up the fractional number of independent directors.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Company;

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

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

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

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

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

9. All the directors of the Company are duly certified or are exempted from Director's Training Program;

10. The Board approves the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and has complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a)	Audit Committee	Mr. Manzoor Ahmed (Chairman) Mr. Aly Khan Ms. Aleeya Hasan Khan Mr. Shafiuddin Ghani Khan Mr. Mohammed Aftab Alam
b)	HR & R Committee	Mr. Shafiuddin Ghani Khan (Chairman) Mr. Aly Khan Ms. Aleeya Hasan Khan Mr. Mohammed Aftab Alam Mr. M. Habib Ullah Khan (CEO)

c) Nomination Committee
Considering the magnitude and similarity of the nature of terms of reference (TOR) of this Committee with that of HR&R Committee, the Board of Directors has decided to include the TOR of this Committee in the TOR of the HR&R Committee

d) Risk Management Committee
Considering the magnitude and similarity of the nature of TOR of this Committee with that of Audit Committee, the Board has decided to include the TOR of this Committee in the TOR of the Audit Committee.

13. The TOR of the aforesaid Committees have been formed, documented and advised to the Committee for compliance;

14. The frequency of meetings of the Committees were as per following;

a) Audit Committee (quarterly)
b) HR & R Committee (yearly);

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

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

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

18. We confirm that all requirements of the Regulations have been complied with; except 10, 10a, 19, and 35; and

19. Explanations for non-compliance with requirements 10, 10a, 19, and 35 are below:

Sr. No.	Regulation No.	Comments
1	Anti-harassment, Diversity, Equality and Inclusion (DE&I) & Sustainability Committees (Regulations 10, 10a and 35) In order to effectively discharge its sustainability related duties, the Board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing Board committee. The committee shall monitor and review sustainability related risks and opportunities of the Company, ensure DE&I practices are in effect at various Board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures. The Committee shall submit to the Board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	Pursuant to the amendment in the Regulations, via Securities and Exchange Commission Pakistan's (SECP) notification (S.R.O. (1)/2024) dated June 12, 2024 a new Regulation 10a and amendment to Regulation 10 and 35 have been inserted / added and accordingly, formation of committee for DE&I and sustainability related risks is under review and will be presented to the Board for its approval. The Company has made Anti-harassment policy as part of its Code of Conduct. Further, the Board has authorized senior officers of the Company to perform the requisite functions and apprise the Board accordingly.
2	35 Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's Committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.
3	19(3(i)) Directors' Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange training program certification for female executives over the next few years.

Mr. Aly Khan
Chairman of the Board
September 18, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Pioneer Cement Limited ("the Company") for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 2024.

KPMG Taseer Hadi & Co.
Chartered Accountants

Place: Lahore
Date: 26 Septmeber 2024
UDIN: CR202410114hiML1OXRW

GOVERNANCE PRACTICES
EXCEEDING LEGAL REQUIREMENTS

A robust compliance process is a part of the management philosophy and it includes, but is not limited to, compliance program administration, communication, continuous education and training of employees and periodic oversight by the Board to adhere to the best governance practices.

The Company ensures that, in addition to compliance with all mandatory legal requirements, it also carries out the other practices that are one step ahead of statutory requirements. Following is the set of examples of management philosophy of compliance beyond legal requirements:

a) Implementation of Environmental Protection Policies
It has always been the Company's endeavor to enhance its environment conservation measures, continue to be profitable and sensitive towards societal wellbeing. The Company has been consistently adopting new technologies that are cleaner and greener. The Company's processes are driven to become more energy efficient, given its quest to become better stewards of natural resources. In recognition of these efforts, the Company has also been awarded Green Office Diploma.

b) Implementation of Comprehensive Health and Safety Program
The cornerstone of the Company's compliance philosophy is emphasis on ensuring that the health and safety measures on manufacturing site are in line with best global practices. The Company is committed to provide its staff a safe, healthy and nurturing environment and accordingly has received certification of ISO 14001:2015 and ISO 45001:2018.

c) Timely Dissemination of Information on PSX and Company's Website
The Company ensures that all the material information is communicated to the stakeholders through PSX, and the SECP in shortest time possible.

d) Compliance with Non-mandatory Clauses of Code of Corporate Governance
The Company encourages that in addition to all those charged with governance, the management of the Company is also certified from Directors' Training Program. Further, the Company has also uploaded key policies on its website.

e) Disclosure of Financial Ratios, Reviews, Risk Matrices and Graphs
For better understanding of all the stakeholders of the Company, this annual report comprises of detailed management commentary on key ratios along with visual descriptions in shapes of graphs and tables.

f) Adoption of International Integrated Reporting
The Company is in initial stage of adoption of International Integrated Reporting Framework issued by Integrated Reporting Council.

6 ANALYSIS OF THE FINANCIAL INFORMATION

ANALYSIS
OF THE FINANCIAL PERFORMANCE

CURRENT YEAR VS PROJECTIONS

FY 2024 remained quite eventful with persistent political uncertainty, historic inflation, escalating national grid tariffs, amid general elections that have introduced a new political landscape. Industries, particularly fuel-intensive sectors like cement, continued to face significant challenges, contributing to a quantitative decline of around 10-15%. However, the Company was able to cushion the impact through improved sales strategies and retention efforts. Although actual performance remained below initial forecasts, strong sales retention, along with proactive cost-efficient strategies largely implemented in previous years, have yielded results, strengthened profitability and helped narrow the gap. We expect an improvement in dispatches, further bolstering the Company's future performance.

CURRENT YEAR VS LAST YEAR

Brief extracts of key performance indicators' results for current year compared with the last year's performance are tabulated below:

Key Performance	2024	2023	Variance
		Rupees in million	
Financial			
Net revenue	35,519	36,165	(646)
Finance cost	2,806	3,198	(392)
Profit before tax	8,383	5,732	2,651
Profit after tax	5,176	2,611	2,565
Outstanding total debt	10,503	17,483	(6,980)
		Tons	
Non - Financial			
Cement production	2,315,214	2,741,440	(426,226)
Cement dispatch	2,362,216	2,703,988	(341,772)
		No. of employees	
Head count	1,095	1,152	(57)

Dispatches and Net Revenue

The Company's topline contracted by 1.79%, amounting to Rs. 35,519.27 million in the current year compared to Rs. 36,165.27 million in the previous year. During this period, the Company dispatched 2,362,216 tons of cement in the local market, reflecting a decline of over 12% compared to 2,703,988 tons dispatched last year. However, net sales per ton increased to Rs. 15,036 from Rs. 13,375 in the prior year, marking a 12.42% rise. This increase in per-ton revenue has largely offset the impact of the quantitative decline.

Finance cost

Persistent debt reduction policy has resulted in reduced finance cost for the year which in comparison with last year figure of Rs. 3,197.65 million is Rs. 2,805.96 million.

Profitability

Despite challenging operating conditions, the management's emphasis on improving cost efficiencies in cement production has delivered substantial results. The various initiatives introduced by the Company, now being adopted across the industry, have yielded results. EPS for the current year stands at Rs. 22.79 in comparison with last year EPS of 11.50

Outstanding Total Debt

The Company has achieved a successful reduction in outstanding debt by 39.93%, primarily through the generation of internal cash flows. Net debt reduction has also resulted in reduced finance cost. Total outstanding banking debt as of current reporting date amounted to Rs. 10,503.03 million, reflecting a net reduction of Rs. 6,980.20 million compared to the prior year's level of Rs. 17,483.22 million.

A more detailed analysis on current year's performance is made part of the Directors' Report.

FINANCIAL HIGHLIGHTS
SIX YEARS AT A GLANCE

	2024	2023	2022	2021	2020	2019
		------------------Tons '000'------------------				
Production and Sales						
Clinker Production	2,021	2,409	2,893	2,955	1,540	1,257
Cement Production	2,315	2,741	3,373	3,408	1,737	1,443
Cement / Clinker Dispatches						
Domestic Market	2,362	2,704	3,388	3,368	1,723	1,384
International Market	-	-	-	13	12	62
Cement Capacity Utilization	2,362	2,704	3,388	3,381	1,735	1,446
(based on installed capacity)	44.57%	52.78%	64.93%	65.61%	50.42%	65.72%
		------------------Rupees in million------------------				
Financial position						
Assets Employed						
Property plant and equipment	76,221.48	77,802.60	63,243.22	42,945.19	41,557.94	36,106.52
Other long term assets	753.25	439.19	179.50	153.16	150.45	140.85
Current assets	8,103.22	8,913.58	8,467.82	8,382.55	7,326.13	6,030.04
Total Assets	85,077.94	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41
Financed by						
Shareholders equity	22,313.46	16,921.45	13,593.07	12,481.13	10,417.09	10,505.27
Surplus on revaluation of fixed assets-net of tax	23,358.39	23,599.99	16,178.27	2,618.16	2,711.13	2,816.08
Long term liabilities	24,688.93	27,755.93	24,331.69	18,596.26	21,566.66	19,268.47
Other Current liabilities	14,717.17	18,877.99	17,787.50	17,785.35	14,339.63	9,687.60
Total Funds Invested	85,077.94	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41
Turnover and profit / (Loss)						
Net turnover	35,519.27	36,165.27	31,879.21	21,817.61	6,286.95	9,733.65
Gross profit	11,763.26	9,409.38	7,203.11	4,117.95	(103.09)	2,134.69
Operating profit / (loss)	11,189.18	8,929.31	6,600.83	4,020.72	(362.63)	1,593.94
Profit / (loss) before taxation	8,383.22	5,731.66	3,944.65	2,203.04	(755.38)	1,323.23
Profit / (loss) after taxation	5,176.17	2,611.11	1,050.27	1,974.46	(209.62)	790.38
EBITDA	14,143.07	11,587.72	7,762.52	5,001.94	62.64	2,102.99
Earnings per share (Rs.)	22.79	11.50	4.62	8.69	(0.92)	3.48
Breakup value per share (Rs.)	201.07	178.39	131.07	66.47	57.80	58.65
Cash flow summary						
Net cash generated from operating activities	12,628.64	9,199.58	8,191.01	4,399.84	524.52	3,284.90
Net cash used in investing activities	(962.00)	(1,246.61)	(543.85)	(2,302.17)	(5,854.15)	(13,591.03)
Net cash (outflow) / inflow from financing activities	(11,594.61)	(8,093.63)	(7,500.34)	(2,126.45)	5,484.93	10,023.79
Increase / (Decrease) in cash and cash equivalents	71.04	(140.66)	146.82	(28.78)	155.29	(282.34)
Cash and cash equivalents at beginning of the year	343.60	484.26	337.44	366.21	210.92	493.26
Cash and cash equivalents at end of the year	414.63	343.60	484.26	337.44	366.21	210.92

FINANCIAL RATIOS

		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Gross Profit ratio	%	33.12	26.02	22.60	18.87	(1.64)	21.93
Net Profit to Sales	%	14.57	7.22	3.29	9.05	(3.33)	8.12
EBITDA Margin to Sales	%	39.82	32.04	24.35	22.93	1.00	21.61
Return on Shareholders' Funds	%	23.20	15.43	7.73	15.82	(2.01)	7.52
Return on Capital employed	%	44.18	34.08	23.27	13.52	(1.26)	6.85
Shareholders' Funds	%	53.68	46.49	41.41	29.33	26.77	31.51
Return on Equity	%	12.01	7.43	4.68	13.99	(1.59)	5.87
Liquidity Ratios							
Current ratio	Times	0.55	0.47	0.48	0.47	0.51	0.62
Quick / Acid test ratio	Times	0.18	0.15	0.19	0.26	0.30	0.39
Cash to current liabilities	Times	0.03	0.02	0.03	0.02	0.03	0.02
Cash flow from operations to sales	Times	0.36	0.25	0.26	0.20	0.08	0.34
Operating cash flow to capital expenditures	Times	7.76	7.22	8.39	1.89	0.09	0.24
Cash flow coverage ratio	Times	1.20	0.53	0.37	0.16	0.02	0.15
Investment /Market Ratios							
Earnings per Share	Rs.	22.79	11.50	4.62	8.69	-0.92	3.48
Price Earnings ratio	Times	7.40	7.54	13.05	15.08	-68.31	6.51
Price to Book ratio	%	83.88	48.56	46.03	197.18	109.07	38.62
Dividend Yield ratio	%	2.96	0.00	0.00	0.00	0.00	0.00
Dividend Payout ratio	%	21.94	0.00	0.00	0.00	0.00	0.00
Cash Dividend per share	Rs.	15.00*	-	-	-	-	-
Market value per share at the year end	Rs.	168.65	86.63	60.33	131.07	63.04	22.65
Breakup value per share i. Without Surplus on Revaluation of property, plant and equipment	Rs.	98.23	74.49	59.84	54.95	45.86	46.25
ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments	Rs.	201.07	178.39	131.07	66.47	57.80	58.65
Free Cash Flow	Rs. in million	12,061	8,710	7,830	4,290	443	3,071
Economic Value Added (EVA)	Rs. in million	(2,128)	(3,044)	(2,485)	(969)	(4,401)	(1,785)
Capital Structure							
Financial leverage ratio	Times	0.23	0.43	0.75	1.80	2.06	1.61
Weighted average cost of debt	%	24.02	18.22	10.77	9.05	14.41	11.22
Debt to Equity ratio	Times	0.47	1.03	1.63	2.15	2.55	2.04
Interest Cover	Times	5.04	3.62	2.92	2.75	0.16	7.77
Activity / Turnover Ratios							
Total Assets turnover ratio	%	41.25	45.48	51.68	43.41	13.77	27.27
Fixed Assets turnover ratio	%	45.89	51.21	59.94	51.53	16.15	32.89
No. of Days in Inventory	Days	88	76	65	70	150	105
No. of Days in Receivables	Days	14	13	12	13	18	12
No. of Days in Payables	Days	95	97	93	108	210	88
Operating cycle	Days	7	(8)	(15)	(26)	(42)	29
Employee Productivity ratios							
Production per Employee	Tons	2,114	2,380	3,001	3,110	1,589	1,369
Revenue per Employee	Rs. in million	45	43	40	30	14	13
Others							
Spares Inventory as % of Assets Cost	%	3%	3%	3%	4%	4%	2%
Maintenance Cost as % of Operating Expenses	%	1%	1%	0%	1%	1%	1%

* This includes final dividend of Rs. 10 per share for the year ended June 30, 2024

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

	2024	2023	2022	2021	2020	2019
	Rupees in million					
Share capital and reserves	22,313.46	16,921.45	13,593.07	12,481.13	10,417.09	10,505.27
Surplus on revaluation of fixed assets	23,358.39	23,599.99	16,178.27	2,618.16	2,711.13	2,816.08
Long term liabilities	24,688.93	27,755.93	24,331.69	18,596.26	21,566.66	19,268.47
Current liabilities	14,717.17	18,877.99	17,787.50	17,785.35	14,339.63	9,687.60
Total equity and liabilities	85,077.94	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41
Non current assets	76,974.72	78,241.79	63,422.71	43,098.36	41,708.39	36,247.37
Current assets	8,103.22	8,913.58	8,467.82	8,382.55	7,326.13	6,030.04
Total assets	85,077.94	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41
Vertical analysis	%					
Share capital and reserves	26.23	19.42	18.91	24.24	21.24	24.85
Surplus on revaluation of fixed assets	27.46	27.08	22.50	5.09	5.53	6.66
Long term liabilities	29.02	31.85	33.85	36.12	43.98	45.58
Current liabilities	17.30	21.66	24.74	34.55	29.24	22.91
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	90.48	89.77	88.22	83.72	85.06	85.74
Current assets	9.52	10.23	11.78	16.28	14.94	14.26
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis (i)						
Cumulative						
Share capital and reserves	112.16	60.89	29.24	18.67	(0.95)	(0.12)
Surplus on revaluation of fixed assets	650.70	658.46	419.94	(15.86)	(12.87)	(9.50)
Long term liabilities	123.80	151.60	120.56	68.57	95.50	74.66
Current liabilities	230.68	324.16	299.66	299.61	222.19	117.67
Total equity and liabilities	192.25	199.39	146.95	76.84	68.44	45.23
Non current assets	234.08	239.58	175.27	87.05	81.02	57.32
Current assets	33.48	46.83	39.48	38.08	20.68	(0.67)
Total assets	192.25	199.39	146.95	76.84	68.44	45.23
Horizontal analysis (ii)						
Year vs Year						
Share capital and reserves	31.86	24.49	8.91	19.81	(0.84)	(0.12)
Surplus on revaluation of fixed assets	(1.02)	45.87	517.93	(3.43)	(3.73)	(9.50)
Long term liabilities	(11.05)	14.07	30.84	(13.77)	11.93	74.66
Current liabilities	(22.04)	6.13	0.01	24.03	48.02	117.67
Total equity and liabilities	(2.38)	21.23	39.65	4.99	15.98	45.23
Non current assets	(1.62)	23.37	47.16	3.33	15.07	57.32
Current assets	(9.09)	5.26	1.02	14.42	21.49	(0.67)
Total assets	(2.38)	21.23	39.65	4.99	15.98	45.23

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2024	2023	2022	2021	2020	2019
	---Rupees in million---					
Net turnover	35,519.27	36,165.27	31,879.21	21,817.61	6,286.95	9,733.65
Cost of sales	(23,756.01)	(26,755.88)	(24,676.10)	(17,699.66)	(6,390.05)	(7,598.97)
Gross profit / (loss)	11,763.26	9,409.38	7,203.11	4,117.95	(103.09)	2,134.69
Distribution cost	(171.16)	(141.77)	(119.46)	(118.60)	(252.70)	(182.38)
Administrative expenses	(309.97)	(168.70)	(134.23)	(128.39)	(108.60)	(143.06)
Other income / (charges)	(92.96)	(169.61)	(348.59)	149.76	101.77	(215.31)
Operating profit / (loss)	11,189.18	8,929.31	6,600.83	4,020.72	(362.63)	1,593.94
Finance cost	(2,805.96)	(3,197.65)	(2,656.19)	(1,817.68)	(392.75)	(270.70)
Profit / (loss) before taxation	8,383.22	5,731.66	3,944.65	2,203.04	(755.38)	1,323.23
Taxation	(3,207.05)	(3,120.55)	(2,894.38)	(228.58)	545.76	(532.86)
Profit / (loss) after taxation	5,176.17	2,611.11	1,050.27	1,974.46	(209.62)	790.38
	---%---					
Vertical analysis						
Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(66.88)	(73.98)	(77.40)	(81.13)	(101.64)	(78.07)
Gross profit / (loss)	33.12	26.02	22.60	18.87	(1.64)	21.93
Distribution cost	(0.48)	(0.39)	(0.37)	(0.54)	(4.02)	(1.87)
Administrative expenses	(0.87)	(0.47)	(0.42)	(0.59)	(1.73)	(1.47)
Other income / (charges)	(0.26)	(0.47)	(1.09)	0.69	1.62	(2.21)
Operating profit / (loss)	31.50	24.69	20.71	18.43	(5.77)	16.38
Finance cost	(7.90)	(8.84)	(8.33)	(8.33)	(6.25)	(2.78)
Profit / (loss) before taxation	23.60	15.85	12.37	10.10	(12.02)	13.59
Taxation	(9.03)	(8.63)	(9.08)	(1.05)	8.68	(5.47)
Profit / (loss) after taxation	14.57	7.22	3.29	9.05	(3.33)	8.12
Horizontal analysis (i)						
Cumulative						
Net turnover	250.94	257.32	214.97	115.56	(37.88)	(3.83)
Cost of sales	224.95	265.99	237.54	142.11	(12.59)	3.94
Gross profit / (loss)	318.52	234.77	156.28	46.51	(103.67)	(24.05)
Distribution cost	2.54	(15.07)	(28.43)	(28.94)	51.40	9.27
Administrative expenses	217.79	72.96	37.62	31.63	11.34	46.67
Other income / (charges)	(61.05)	(28.93)	46.07	(162.76)	(142.65)	(9.78)
Operating profit / (loss)	384.89	286.96	186.05	74.24	(115.71)	(30.93)
Finance cost	2,856.87	3,269.63	2,699.05	1,815.45	313.88	185.26
Profit / (loss) before taxation	278.87	159.04	78.27	(0.44)	(134.14)	(40.20)
Taxation	463.96	448.75	408.98	(59.80)	(195.97)	(6.30)
Profit / (loss) after taxation	214.85	58.82	(36.12)	20.10	(112.75)	(51.92)
Horizontal analysis (ii)						
Year vs Year						
Net turnover	(1.79)	13.44	46.12	247.03	(35.41)	(3.83)
Cost of sales	(11.21)	8.43	39.42	176.99	(15.91)	3.94
Gross profit / (loss)	25.02	30.63	74.92	(4,094.36)	(104.83)	(24.05)
Distribution cost	20.73	18.67	0.72	(53.07)	38.55	9.27
Administrative expenses	83.74	25.68	4.55	18.22	(24.09)	46.67
Other income / (charges)	(45.19)	(51.34)	(332.76)	47.16	(147.27)	(9.78)
Operating profit / (loss)	25.31	35.28	64.17	(1,208.78)	(122.75)	(30.93)
Finance cost	(12.25)	20.38	46.13	362.80	45.09	185.26
Profit / (loss) before taxation	46.26	45.30	79.06	(391.65)	(157.09)	(40.20)
Taxation	2.77	7.81	1,166.24	(141.88)	(202.42)	(6.30)
Profit / (loss) after taxation	98.24	148.61	(46.81)	(1,041.91)	(126.52)	(51.92)

STATEMENT OF CASH FLOWS
DIRECT METHOD

Rupees in million	2024	2023
Cash flows from operating activities		
Cash receipt from customers-net	49,276	49,157
Cash paid to suppliers and employees	(35,242)	(39,110)
Cash generated from operation	14,034	10,046
Income tax paid	(1,597)	(547)
Long term deposits - net	264	(259)
Gratuity paid	(18)	(19)
Earned leaves paid	(56)	(22)
	(1,406)	(847)
Net cash generated from operating activities	12,628	9,200
Cash Flow from Investing Activities		
Capital expenditure incurred	(1,628)	(1,274)
Proceeds from disposal of property, plant and equipment	148	9
Receipt of return on bank deposits	30	19
Proceeds from redemption of short term investment	652	-
Short term investment made	(164)	-
Net Cash used in from investing activities	(962)	(1,247)
Cash Flow from Financing Activities		
Repayment of long-term financing	(6,450)	(4,509)
Proceeds from long-term financing	1,000	-
Repayment of short-term borrowings - net	(1,530)	(219)
Finance cost paid	(3,493)	(3,365)
Dividend paid	(1,122)	-
Net Cash used in from financing activities	(11,595)	(8,094)
Net increase / (decrease) in cash and cash equivalents	71	(141)
Cash and cash equivalents at beginning of the year	344	484
Cash and cash equivalents at end of the year	415	344

SHARIAH COMPLIANCE RATIOS

Shariah Ratios	Benchmark	2024	2023	Status
Interest bearing debt to total assets	<37%	9.76%	14.31%	✓
Illiquid assets to total assets	>25%	96.74%	96.34%	✓
Net liquid assets vs market price per share (MPPS)	> MPPS	48.80	54.73	✓

COMMENTARY ON SIX YEARS FINANCIAL PERFORMANCE

Profit & Loss:

Over the past five years, the Company has witnessed a nearly threefold increase in sales turnover. This substantial growth can be attributed to the installation of a state-of-the-art cement production facility. The Company's primary strategic focus has remained on the domestic market, with exports being pursued solely when favorable margins were attainable.

Despite increasing production costs driven by currency devaluation and rising energy input costs, the Company has successfully maintained its profitability. This achievement is attributed to our strategic focus on enhancing sales pricing, proactive cost-control policies and improved production efficiencies. The effectiveness of these initiatives is evident in our continuously improving gross profit margin. By offsetting the upward pressure on costs, we have safeguarded our profitability and demonstrated resilience in the face of adverse market conditions. However, Fiscal Year 2020 proved to be an exception due to unprecedented industry challenges. A significant downturn in sales prices led to a gross loss, temporarily disrupting our upward trajectory.

Overall, the Company has successfully maintained prudent control over Administrative and Distribution expenses. Contributions to organizations like WPPF and WWF have naturally aligned with the Company's profit trajectory.

To support our strategic growth initiatives, the Company secured multiple long-term loans to finance expansion projects. Although these loans enabled us to drive business growth, the escalating applicable interest rates resulted in a steady increase in finance costs over the years. However, in Fiscal Year 2024, we witnessed a notable decline in finance costs wherein we utilized internally generated cash flows to repay outstanding debt.

The shift in super tax rate from 4% to 10% from FY 2023 onwards has adversely impacted our bottom line, leading to a tax charge of Rs. 3,207.05 million in FY 2024, equivalent to 38.26% of Profit Before Tax (PBT).

Profitability Ratios:

All financial indicators have shown a consistent upward trend post FY 2020 , which witnessed industry wide decline. This revival was realized through improvements in the production process and a strategic shift towards relying on captive power generation plants rather than the national grid.

Balance Sheet:

The Company's asset base has experienced significant expansion, amounting to Rs. 42,800.53 million over the past five years, primarily own account of setting up of new cement plant, HO building and captive power generation facilities. During fiscal year 2023, a revaluation of fixed assets led to a net increase of Rs. 7,421.72 million in the surplus balance.

The growth in equity, which has surged by a factor of 2.35 over the last six years, can be predominantly attributed to the aforementioned revaluation surplus and a noteworthy 112.16% increase in revenue reserves.

Furthermore, during the financial year, the Company managed to reduce its net borrowings by Rs. 7,051.23 million, primarily through the generation of internal cash flows. This reduction was achieved by streamlining the operating cycle, enhancing profit margins, and optimizing operational expenses.

Cash Flow Statement:

Profitability and the generation of operating cash flows have consistently aligned. Investments have been directed towards new cement plants, captive power plants, and business modernization and renovation (BMR) activities, which were funded through a combination of operating cash flows and the disbursement of new financing facilities. Over the past four years, substantial cash outflows have been notable primarily due to financing activities, notably driven by the repayment of long-term loans.

Liquidity Ratios:

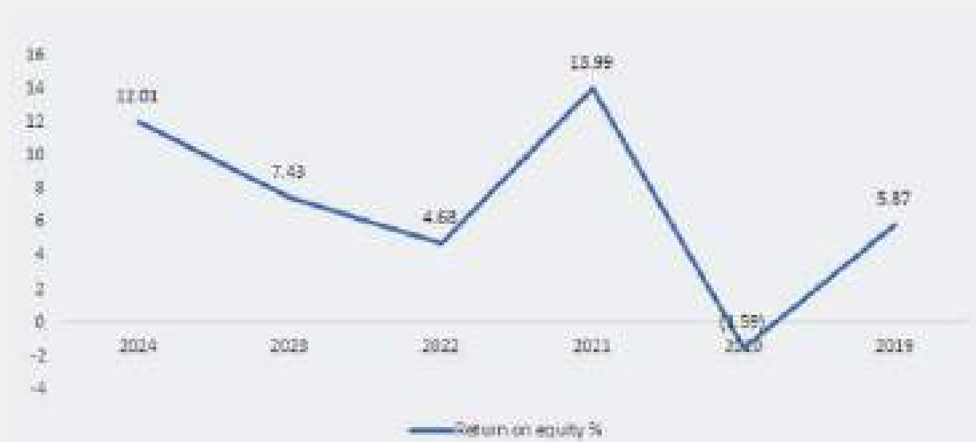
Liquidity indicators have begun to show signs of improvement in recent years. The commencement of operations at the new cement plant, bolstered by captive power plants, has led to a substantial uptick in operating cash flows, consequently contributing to a noteworthy enhancement in liquidity ratios. We anticipate that the liquidity position will continue to strengthen in the forthcoming years, aided by enhanced cash margins and the repayment of loans secured for expansion purpose.

FREE CASH FLOWS

Free cash flows to the Company are indicative of the cash generated through its operations, adjusted for maintenance capital expenditures required to sustain the current operational capacity of the plant. During FY 2019 and 2020, there was a decline in free cash flows attributable to the Company's inability to pass on the increased production costs to end consumers. However, in the current year and when compared to the preceding year, free cash flows have seen a significant rebound. This resurgence can be attributed to volumetric growth after commencement of production from new effective line and cost control measures, further supported by captive power generation facilities, resulting in substantial volumetric growth in free cash flows.

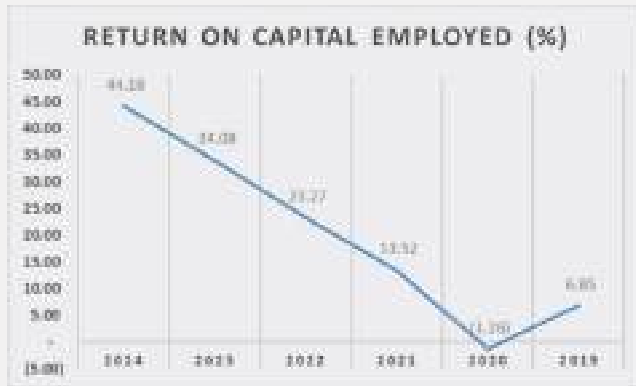
DUPONT ANALYSIS

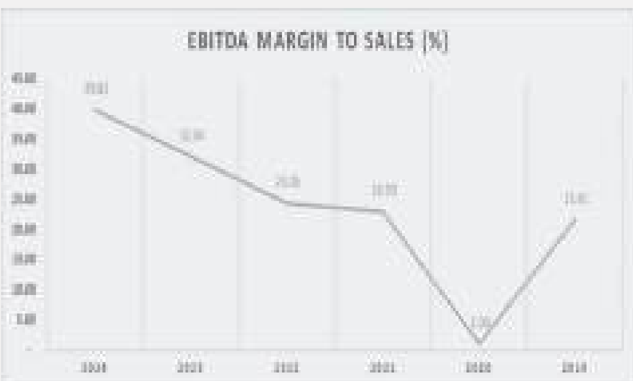
Particulars	Unit	2024	2023	2022	2021	2020	2019
Profit / (loss) margin	%	14.57	7.22	3.29	9.05	(3.33)	8.12
Asset turnover	Times	0.41	0.45	0.52	0.43	0.14	0.27
Equity multiplier	Times	1.86	2.15	2.41	3.41	3.74	3.17

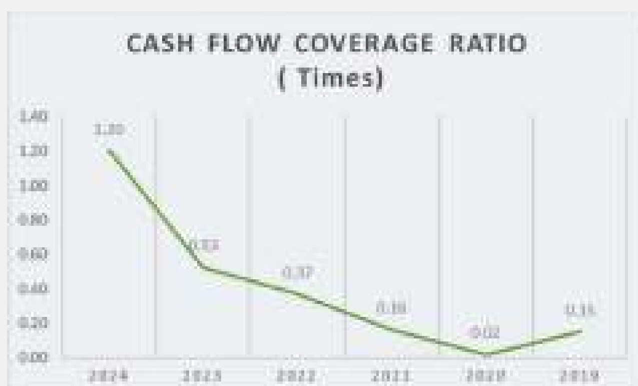


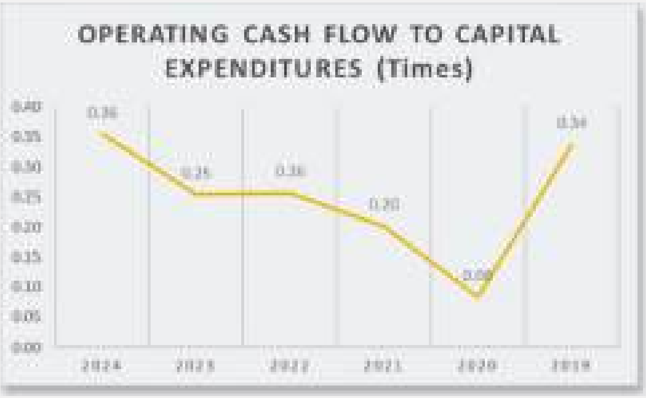
The DuPont analysis is a method employed to dissect the various components contributing to the return on equity. In the context of the previous section on free cash flows, this ratio experienced a decline during FY 2020. The subsequent recovery in 2021 was driven by dispatches and improved selling prices in the local market. However, in the last year, the decline in the ratio is mainly attributed to a significant rise in tax charges which have had a constraining effect on the Company's bottom line. However, for the year under review, growth is witnessed mainly due to cost efficient strategies implemented by management backed by improved selling margins.

GRAPHICAL PRESENTATION





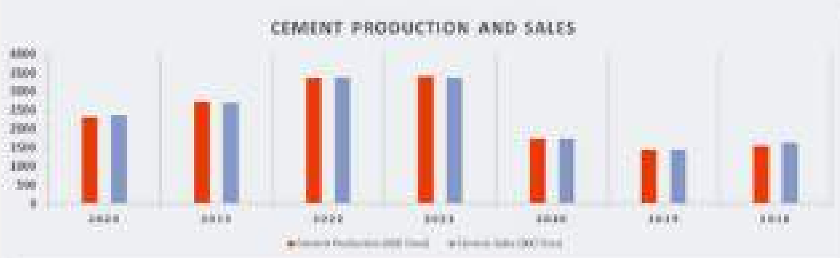


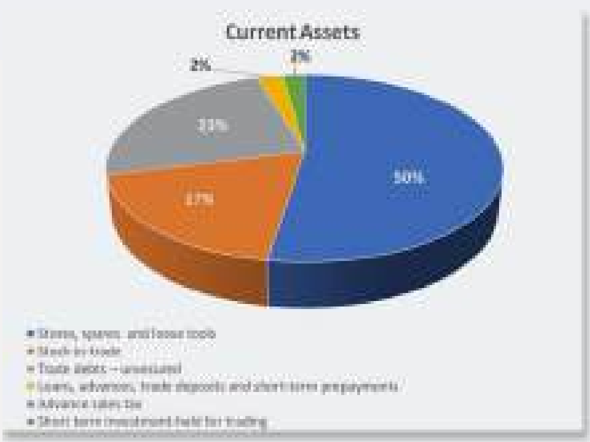

OPERATING CASH FLOW TO CAPITAL EXPENDITURES (Times)
0.40
0.35
0.30
0.25
0.20
0.15
0.10
0.05
0.00
2024
2023
2022
2021
2020
2019


EARNINGS PER SHARE (Rs.)
25.00
20.00
15.00
10.00
5.00
-5.00
2024
2023
2022
2021
2020
2019


BREAK UP VALUE PER SHARE (Rs.)
2024 2023 2022 2021 2020 2019
98.23 74.49 59.84 54.95 45.86 46.25
201.07 178.39 131.07 66.47 57.80 58.65
Without Revaluation Surplus
With Revaluation Surplus


Working Capital Cycle (Days)


CEMENT PRODUCTION AND SALES
4000
3500
3000
2500
2000
1500
1000
500
0


Current Assets
2%
2%
23%
17%
50%

QUARTERLY PERFORMANCE ANALYSIS

Rupees in million	FY 2024 Actual					FY 2023
Particulars	Q1	Q2	Q3	Q4	Total	Actual
Turnover - Net	8,712	10,113	8,550	8,144	35,519	36,165
Cost of sales	6,062	6,620	5,810	5,264	23,756	26,756
Gross profit	2,650	3,492	2,740	2,881	11,763	9,409
Distribution costs	61	49	34	27	171	142
Admin expense	79	82	54	94	310	169
Other operating expence	79	175	98	174	526	210
Loss / (Profit) on Investment	-	-	-	(0.41)	(0.41)	6
Other income	(54)	(253)	(54)	(71)	(433)	(46)
Finance cost	950	626	680	550	2,806	3,198
Profit before tax	1,535	2,813	1,928	2,108	8,383	5,732
Taxation	602	1,121	725	760	3,207	3,121
Profit after tax	933	1,693	1,202	1,348	5,176	2,611

METHODS AND ASSUMPTIONS USED IN COMPILING THE INDICATORS

Key Performance Indicators (KPI's) are the vital indicators of progress toward an intended result. KPI's provide a direction for strategic and operational improvement, create an analytical basis for decision making and help priorities on what matters the most.

Following is the step-by-step methodology used by management in compiling the indicators:

1) Select and design performance measures that are meaningful
2) Bring measures to business in a consistent way using the right data
3) Design insightful and actionable KPI's that are focused on improvement
4) Convincingly hit performance targets and make measurement about transformation

As a general rule of thumb, the best KPI's are related to revenue and GP margin. The Company has ranked revenue and GP margin related KPI's as the best indicator of performance.

SEGMENTAL REVIEW

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the management to make decisions. However, the activities of Pioneer Cement Limited are classified into one operating segment, therefore, the Company is not subject to reporting under segment review.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

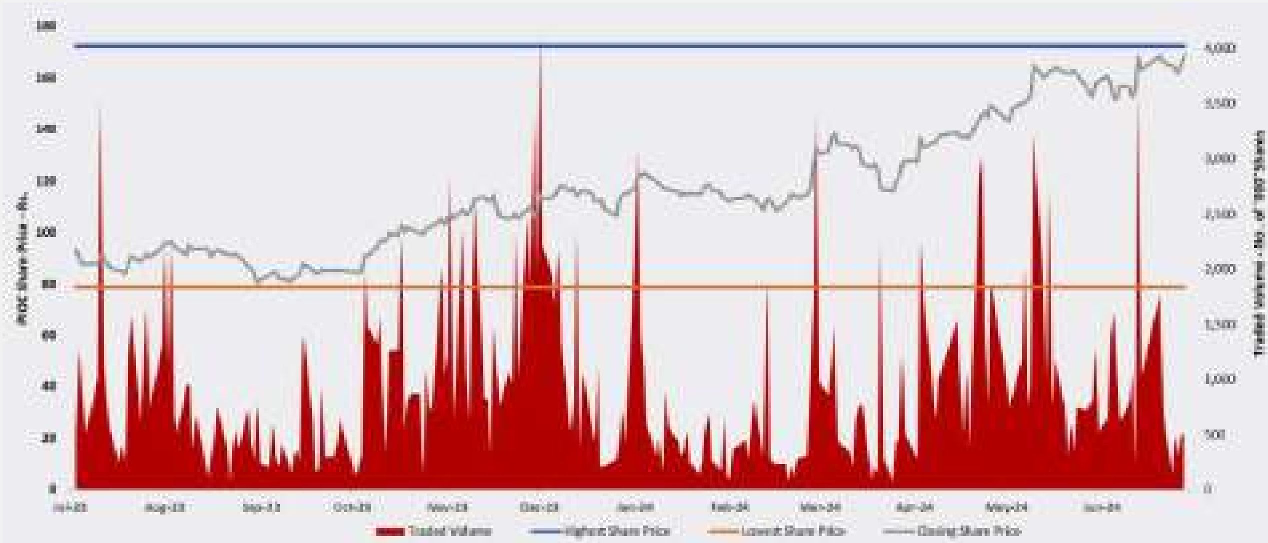
The Company being a responsible corporate entity is committed to timely discharge its responsibilities in this regard. Amount payable to statutory authorities, separately disclosed in Note 23.2 of annexed financial statements, represents liability in the normal course of business and is not due yet. The Company in current year has contributed PKR 15,580 million (2023: PKR 14,518 million) into the Government Treasury on account of income taxes, excise duty, sales tax, and other government levies.

CEO'S PRESENTATION ON THE COMPANY'S BUSINESS PERFORMANCE

The CEO's briefing on business performance of the Company and future outlook is uploaded on website of the Company under investor information section. Below is the link of section;
http://pioneercement.com/about-us/investors-information

SENSITIVITY ANALYSIS

SHARE PRICE



SHARE PRICE SENSITIVITY ANALYSIS

Pioneer Cement Limited was incorporated in Pakistan as a public company limited by shares on February 09, 1986. The shares of the Company are quoted on Pakistan Stock Exchange. Share price in general is effected by number of factors. Primary factors that immediately impact share price is financial performance of Company and general public sentiment towards political environment of the country. In compliance with laws and regulations issued by competent authority, the Company diseminates price sensitive information timely on designated data portals and website.

Brief synopsis of performance of the Company's share during financial year 2024 is:

	Rs. per share
Highest Share Price	172.50
Lowest Share Price	78.65
Average Share Price	115.89
Closing Share Price - Jun 30, 2024	168.65

The equity profile of the Company on June 30, 2024 is:

Number of Shares	227,148,793
Free Float - Number	102,216,957
Free Float - %	45%
Total Market Captalization	38,308,643,939

Key Variables / Factors effecting share price are:

SELLING PRICE:

A marginal alteration in the price of a cement bag can exert a substantial influence on the Company's overall profitability, potentially leading to notable shifts in its financial performance.

OPERATIONAL COST

The Company's operations are heavily focused on energy-related activities, with fuel and power accounting for nearly 70% of its total manufacturing expenses. To mitigate reliance on the national grid, the Company has established its own power generation capacity. Nevertheless, as coal plays a significant role in fuel and power generation, the Company is susceptible to fluctuations in international coal prices, which can subsequently affect its stock price.

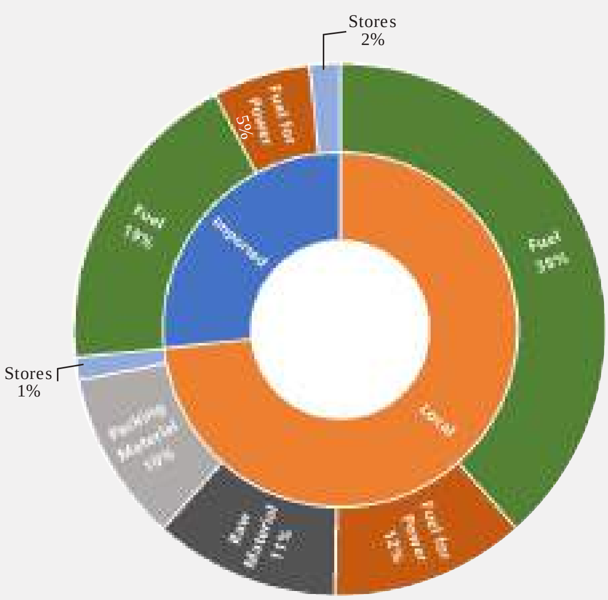
INTEREST RATE

The cement industry is characterized by its significant capital requirements, encompassing both the initial investment and ongoing expenses related to maintenance and expansion. Pioneer Cement Limited, like many others in the sector, carried a substantial amount of debt. Consequently, any changes, whether upward or downward, in policy interest rates can have a direct impact on the Company's profitability.

COMPOSITION OF LOCAL VS IMPORTED MATERIAL

Rupees in million	2024	2023
Imported fuel	3,369	8,658
Imported stores & spares	336	226
Imported fuel for power	1,056	2,124
Total Imported	4,761	11,009
Local raw material	2,013	1,727
Local fuel	6,863	4,927
Local fuel for power	2,113	1,046
Local stores & spares	240	199
Local packing material	1,857	2,114
Total Local	13,086	10,013
Sensitivity for each 5% change in US$ parity,		
Each 5% increase in USD Vs. PKR	238.05	550
Each 5% decrease in USD Vs. PKR	(238)	(550)

Financial Year 2024



Financial Year 2023

7 IT GOVERNANCE AND CYBER SECURITY

IT GOVERNANCE
AND CYBER SECURITY

CYBER RISK AND BOARD'S RESPONSIBILITY

Cyber security attacks are among the gravest risks that businesses face today, therefore, stakeholders want to better understand how companies are preparing for and responding to cyber security incidents. The management and the Board have a clear understanding of potential cyber threats. In order to evaluate and implement the appropriate response plan, the Board has formed the Risk Management Team through which they apprehend the legal and regulatory implications related to cyber risks, cyber security and data protection. Since the Board is steward of the Company therefore it ensures that adequate policies and related guidelines are in place.

The Board is fully aware of the fact that any failure to provide appropriate oversight might result in damage to the corporate reputation along with the potential liability through litigation from stakeholders, especially investors. Best practices are adopted continuously with an aim to adequately manage and monitor cyber risks. Risk Management Team closely monitors technological advancements to keep the Board updated. There was no breach of cyber security during the year.

INFORMATION TECHNOLOGY (IT) GOVERNANCE

Comprehensive IT policies and procedures are in place to regulate quality assurance, data and system ownership, information security and responsibility segregation. The Risk Management Team ensures that IT related investments are evaluated, selected and funded effectively in accordance with business needs. MIS department is involved in pertinent decision-making processes to ensure that business requirements are met on time. Management is focused on establishing a framework for IT governance by aligning IT strategy with overall business strategy in order to manage risk effectively and optimize resource utilization.

CYBER SECURITY PROGRAM

While overseeing cyber security plans, the Board applies the same approach that they apply to other business risks. A risk preparedness oversight approach addresses issues related to culture that cyber security risk is not only an IT concern but also an enterprise-wide business issue. When establishing an oversight framework, the Board has established the right structure, hires the right people and inculcates a culture to address issues related to policies and processes. The MIS department of the Company has separately prepared IT related disaster recovery and business continuity plan, this is to make sure that in case cyber incidents occur, the Company has the right team to respond with planned protocols to reduce any negative consequences.

Specific to cement sector, the Central Control Room (CCR) integrates the advanced technologies to control complete manufacturing process and to monitor equipment performance. Therefore, protection from Cyber Security attacks is of paramount importance.

On the industry trend, manufacturing companies are seeing an increase in cyber-related risks associated with the control systems used to manage operations. These systems can range from programmable logic controllers and distributed control systems to industrial IoT devices. Collectively, these control systems make up the operational technologies that allow facilities to operate.

OVERSIGHT OF IT GOVERNANCE AND THE CYBER SECURITY RISK BY THE BOARD

The Board is charged with overseeing the Company's cyber security risk. In response to new challenges, the Board has a charter which includes following:

1. That cyber security risk is not only an IT concern but also an enterprise-wide business issue

2. Directors need to be familiar with the legal implications of cyber risks related to the Company

3. Board should be equipped with adequate access to cyber security expertise

4. Discussions about cyber-risk management should be given regular and adequate time on board meeting agenda

5. Management should be provided with the guidelines to establish an enterprise-wide cyberrisk management framework with adequate staffing and budget

OVERSIGHT OF IT GOVERNANCE AND CYBER SECURITY BY THE BOARD

The Board manages the oversight of IT governance and cyber security risks through Risk Management Team which is tasked to devise policies. In this regard, the Board has specifically delegated its powers to the CEO of the Company to look after the matters.

EARLY WARNING SYSTEM

Global trends have shown that cyber criminals typically attack private institutions with the goal of acquiring data, primarily targeting personal data and intellectual property. In order to protect Company's and employee's data, the Risk Management Team regularly conducts the training and education programs for awareness of employees regarding early signs of cyber security breach. In this regard, a comprehensive manual is designed which features early signs such as slow browser, an unexplainable increase in popup messages, sudden computer or program crashes, and suspicious anti-virus warnings. Employees are advised to immediately contact designated helpdesk established for the purpose.

SECURITY ASSESSMENT OF TECHNOLOGY ENVIRONMENT

With ever-increasing importance of data and related cyber security breaches, The Companies across the globe are giving special emphasis on data security. The Board is well aware of its responsibilities to support and participate in the development, implementation and enforcement of information security policies. In this regard, the Board has tasked Risk Management Team to carry out comprehensive security assessment internally prior to hiring independent expert. The team is currently in process of evaluating the security assessment internally.

CONTINGENCY AND DISASTER RECOVERY PLAN FOR POSSIBLE IT FAILURE OR CYBER BREACH

The Board recognize the importance of business continuity and disaster recovery plans and accordingly has devised these plans as per the best global practices. These plans prescribe the recommended procedures in the event of an actual emergency situation. The MIS department of the Company has separately prepared IT related disaster recovery and business continuity plan, this is to make sure that in case cyber incidents occur, the Company has the right team to respond with planned protocols to reduce any negative consequences.

DISCLOSURE OF ADVANCEMENT IN DIGITAL TRANSFORMATION

The Fourth Industrial Revolution heralds an era of tremendous potential for innovation and growth. Digital transformations are revolutionizing all aspects of business operations. The right application of technology leads to more informed decision making, new opportunities for upskilling and cross-functional collaboration. Depending on needs and based on cost versus benefit analysis, the Company is using a mix of cloud based and onsite system.

The Company is using weigh bridge linked dispatch recording system to mitigate the chances of human error by eliminating manual data input.

After the evolvement of artificial intelligence in businesses particularly manufacturing sector, The Company is also evaluating the use of RPA, block chain and other techniques of artificial intelligence to further streamline its processes.

EDUCATION AND TRAINING OF EMPLOYEES TO MITIGATE CYBER SECURITY RISKS

The Company encourages employees to follow cyber security protocols and for this purpose has develop a comprehensive training program. Key points of the program are listed as follows:

- Educate employees in cyber security, especially to:

    1. Protect from phishing attacks
    2. SOP to use strong passwords and change regularly
    3. Use updated versions of software
    4. Introduce multifactor authentication for logins
    5. Instructions to use secure Wi-Fi and VPN's and
    6. Install updated virus protection software and firewall

- Use software to monitor and protect endpoints
- Establish and set up proper data backups.
- Protect sensitive data with encryption.
- Adopt a zero-trust security model.
- Inject cyber security into work culture DNA

8 FUTURE OUTLOOK

FORWARD LOOKING STATEMENT

Global Level Outlook

The global economic outlook is marked by a mix of uncertainty and optimism, amidst heightened geopolitical tensions. The escalating Iran-Israel conflict, ongoing Ukraine-Russia war and Middle East tensions disrupt supply chains, drive commodity price volatility and fuel inflationary pressures. Yet, global economy is projected towards growth, driven by technological innovation, increased consumer spending and proactive governments policies. Core inflation is expected to decline globally, as advanced economies lead the digital transformation, reshaping industries and creating new opportunities. Key economies have favored the policy of central banks' interest rate hike which aim to stabilize pricing and have demonstrated support for sustainability initiatives, significantly influencing economic performance. In an increasingly complex business world, adaptability, expert analysis and judicious decision-making are essential for achieving success.

National Level Outlook

Pakistan's economy, despite limited global value chain engagement, remains vulnerable to the economic performance of its key trading partners. The cyclical patterns observed in Pakistan's manufacturing sector, significantly impact the broader economy. The fluctuations in manufacturing activities have a cascading effect, affecting various other sectors within the economy. Pakistan's outlook for economic growth has been closely linked with global inflation and rising commodity prices, leading to domestic inflationary pressures and a worsening trade balance fueled with diminished SBP reserves. External imbalances and fiscal deficits further exacerbate the risks to economic growth. The country's reliance on recurring IMF bailout packages to bridge fiscal deficits underscores the need for a comprehensive government strategy. This should focus on rationalizing imports, managing expenditures, and implementing policies that foster private sector-led growth to ensure a sustainable economic future.

Industry Level Outlook

The cement industry finds itself in a state of flux due to the unprecedented inflation and prevailing political instability which have impacted PSDP allocations and consumer demand as observed from a marginal increase in volumetric dispatches despite capacity enhancements. Several factors are contributing to significant shifts within the industry, making it challenging to anticipate what lies ahead. Key factors impacting the cement sector include the rising costs of raw materials, constrained government expenditures, escalating national grid tariff and the fears of demand contraction. The recent government measures aimed at boosting tax revenue, including doubling FED rates and hiking royalty charges on mineral extraction, pose significant challenges to the growth of the cement sector. These aforementioned factors collectively contribute to the uncertainty surrounding the industry's future trajectory.

Company Level Outlook

Developing markets are prone to be more vulnerable to operational challenges where profitability and growth are susceptible to the changing dynamics of these factors. However, the Company's management maintains a positive outlook regarding the attainment of operational efficiencies. Their objective is to generate additional value for shareholders and optimize returns for the general public. Following are factors that will affect the operations of the Company in future are as follows:

Factors	Impacting Area	Type	Outlook
Market Demand	Revenue	External	Short Term
High Input Cost	Revenue	External	Short Term
Reduction in PSDP allocation	Operations	External	Medium Term
Loss of Human Capital	Resources	Internal	Short Term
Change in Technology	Operations	External	Long Term
Environment	Operations	External	Long Term

The impact of afore-mentioned factors, particularly of short-term kind, on key financial indicators is quantified below:

(Rs in thousands)	Projected Impact on		
For each	Revenue	Gross Profit	Profit Before Tax
10% Increase in Sales Volume	3,551,927	1,548,961	1,440,534
Rs 10 per Bag increase in Price	392,128	392,128	364,679
5% Increase in Production Cost		(1,001,483)	(931,379)
1% Increase in Policy Rate			(105,030)

IMPACT OF EXTERNAL ENVIRONMENT ON FUTURE OUTLOOK OF THE COMPANY

Type	Explanation	Tenure Impact	Business
Political	• Political stability and importance of Construction sector in the country's economy. • Taxation - tax rates and incentives • Industrial safety regulations in the Industrials sector.	Short Term Short Term Medium Term	High High Moderate
Economic	• Government intervention in the free market and related Industrial measures • Skill level of workforce in Construction and building Materials industry. • Labor costs and productivity in the economy Unemployment rate	Short Term Medium Term Long Term Long Term	Moderate Moderate High Low
Social	• Demographics and skill level of the population • Culture (gender roles, social conventions etc.) Leisure interests	Long Term Long Term Long Term	Moderate Low Low
Technological	• Technology's impact on product offering • Impact on value chain structure in Industrials sector • Recent technological developments	Long Term Short Term Short Term	High Moderate Moderate
Environmental	• Climate change • Waste management in Industrials sector • Attitudes toward "green" or ecological products	Medium Term Short Term Long Term	High High Moderate

STATUS OF THE PROJECTS IN PROGRESS
The Company's new head office building, which is Lahore's first L.E.E.D. certified building, is now complete .

DISCLOSURE REGARDING ACTUAL PERFORMANCE AGAINST PREVIOUS YEAR'S FUTURE OUTLOOK
During the financial year 2023-24, the cement industry in Pakistan experienced a marginal increase in sales volume. However, the decline in local market can be attributed to a variety of factors, including high inflation, expensive raw and packing material cost, elevated business operational costs and heated political environment throughout the year. Among these factors, the primary contributor to the industry's challenges was surge in coal prices and the upward revisions in electricity tariffs, which eroded the sector's cost competitiveness in the international market. Despite these escalating costs, the Company managed to mitigate the adverse impacts by adopting cost control strategies and improving sales retention. The trend in actual performance is in line with last year projections as much of the adverse factors impacting profitability and growth prevailed in the year under review.

SOURCE OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS
While designing forward statement, the Company has based the statement on historic data, available contracts, benchmarking against best industry practices and professional judgment of experienced management team.

In order to derive assumptions, both internal or external sources of information are used. Internal information is obtained through a collaborative effort of various departments within the Company. While external information, such as market trends, industry analysis current and forecasted interest, foreign currency rates, seasonal variations and competitors' actions are obtained through various publications and forums.

THE COMPANY'S ABILITY TO RESPOND TO THE CHALLENGES
Economic and political difficulties are part and parcel of operations in developing markets and ours is no exception. The Company will forge ahead with a renewed emphasis on how to be better at every process. The management of the Company is fully aware of challenging circumstances going forward and is confident of its abilities, sufficiency and availability of its capitals to face uncertainty and future risks. Following are the Capitals that enhance Company's ability to respond to new challenges.

Human:	Competent and professional team of 1,095 employees.
Intellectual:	Brand recognition of "Pioneer Cement".
Social and Relationship:	Strong foothold in CSR activities in local community.
Natural:	Environment Friendly Operations.
Financial:	Company's ability to generate internal and external cash flows.
Manufactured:	Flexible and efficient production lines

COMPANY'S RESEARCH AND DEVELOPMENT INITIATIVES
As part of our cost optimization and sustainability strategy, the Company is actively exploring renewable energy options to reduce dependence on fossil fuels. With fuel and energy costs making up a significant portion of our production expenses, this initiative aims to achieve substantial cost savings while minimizing our environmental footprint. By transitioning to these alternatives, we expect to reduce our energy costs, lower greenhouse gas emissions, enhance energy independence and improve our brand reputation.


Pioneer Cement Limited

9 STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS' ENGAGEMENT POLICY

The stakeholders' engagement policy provides direction on identification and how to engage stakeholders. It facilitates gaining stakeholders inputs and responding to their needs. It supports coherence in engagement of stakeholders with the aim to improve transparency and accountability, build trust and ownership, draw on stakeholders' expertise, and enhance delivery of results. The Company acknowledges and honors the trust reposed by our stakeholders. The Company strives to enforce a transparent relationship with them. For this purpose, the Company conducts frequent interactions to communicate its financial and operational performance, outlook, regulatory and economic environment. The key objectives of stakeholder policy are:

- Increase participation in sessions
- Enhance contribution to the design, implementation, monitoring and evaluation
- Facilitate understanding of policies and priority action points
- Enable the Company to understand and respond to their perceptions and interests

Stakeholders are identified through stakeholder analysis tools on the basis of their interest and influence in business.

STAKEHOLDERS' ENGAGEMENT PROCESS AND THE FREQUENCY

Stakeholder	Category	Communication Mode	Interest	Influence	Expectation	Frequency
Institutional Investor	External	Phone, Email, In Person Meeting, Investor Road Show	High	High	Return on investment	Quarterly, Annually, Need Basis
General Shareholder	Internal	Phone, Email, General Meeting	High	Moderate	Return on investment	Annually, Need Basis
Sponsor	Internal	Phone, Email, In Person Meeting	High	High	Return on capital employed, Payback period	Daily, Monthly, Quarterly,Annually
Customer	External	Phone, Email	Moderate	High	Higher product quality, Order fulfillment	Need Basis
Supplier	External	Phone, Email	Moderate	High	Timely payments, Contract compliance	Need Basis
Financial Institution	External	Phone, Email, In Person Meeting	High	High	Debt servicing	Monthly, Need Basis
Statutory Bodies	External	Email, Web Portal	High	High	Fair presentation, Timely compliance	Need Basis
Employees	Internal	Phone, Email	High	Moderate	Health & Safety, Market based remuneration, Job security, Personal development	Daily, Monthly, Quarterly,Annually
Community	External	In Person Meeting	Low	Low	Environmental safety, Corporate social responsibility, Growth & innovation	Need Basis
Media	External	Phone, Press Release	Low	Low	Public announcements	Need Basis
Analyst	External	Phone, Email, Press Release	Low	Low	New developments, Performance reviews	Annually, Need Basis

LEGENDS: Phone | Email | In Person Meeting | General Meeting | Investor Road Show | Press Release | Web Portal | High | Moderate | Low

Aforementioned relationship with stakeholders provides the Company with vital insight regarding not only on current best practices in the corporate environment but also helps the Company in deriving its future strategies. Apart from this, managing these relationships leads to better outcomes as effective stakeholder engagement warrants value creation and process improvement in shape of:

- Improved decision-making
- Greater transparency and therefore understanding of decision-making processes
- Improved collaboration and opportunities for partnership
- Opportunities to leverage existing community skills and expertise
- Increased capacity to innovate
- Greater community understanding and sector reforms
- Formalized, open, consistent and transparent communication channels
- Align the Company's initiatives to their need, resulting in better planned, targeted and informed commissioning activities

ENCOURAGE THE MINORITY SHAREHOLDERS TO ATTEND THE GENERAL MEETINGS

The Company values its shareholders' who are providers of equity finance to the Company. The Company also encourages minority shareholders to participate meetings and corporate briefing sessions. The Company takes numerous steps to encourage its minority shareholders to attend the general meetings, namely:

- Sending notice of the meetings to all the shareholders at least twenty-one days before the general meeting and at least seven days prior to holding of corporate briefing session
- Publication of notice for general meetings in newspapers having country-wide circulation
- Notices are also posted on the Company's website and disseminated to stock exchange for better reach to the shareholders
- Providing printed proxy forms to every shareholder to enable them to nominate any other shareholder to attend and vote in the meeting on his/her behalf
- Postal ballot/e-voting

INVESTORS' RELATIONS SECTION ON THE CORPORATE WEBSITE

For ease of investors and to keep them updated about price sensitive information and performance, the Company has created a specific section on its corporate website http://www.pioneercement.com namely "Investors' Information".

ISSUES RAISED IN THE LAST AGM, DECISIONS TAKEN AND THEIR IMPLEMENTATION STATUS

The Company maintains regular communication with its shareholders through various channels. The inclusive approach ensures that shareholders are kept well-informed about the business's current status. The most recent AGM took place on October 27, 2023.

During the previous general meeting, the questions posed by shareholders were inquisitive in nature and were addressed satisfactorily by the Chairman. None of the questions raised necessitated any immediate action.

CORPORATE BRIEFING SESSIONS (CBS) AND ANALYST BRIEFINGS

As part of the Company's commitment in keeping its stakeholders well-informed about its business operations, the Company regularly organizes investor briefing sessions, including the mandatory CBS.

The most recent CBS for general public was conducted on November 24, 2023, with invitations extended to all stakeholders through announcements on the PSX portal and the Company's website. To enhance accessibility and flexibility for participation, the session was conducted via a video link facility. During this session, the Company's management provided participants with insights into the financial performance and future prospects of both the Company and the industry. Towards the conclusion of the session, there was an interactive Q&A segment to encourage active engagement from stakeholders.

INVESTORS' COMPLAINTS

The Company values its relationship with all its stakeholders, and strives to protect and safeguard their interests. The Company recognizes the importance of timely and fair disclosure of all material information to all stakeholder to enable them in making timely and informed decisions.

The Company values the feedback of its stakeholder and for this purpose has a designated email address where the shareholders can lodge their complaints or queries. A dedicated section has been formed to handle shareholders' queries. The policy ensures that grievances notified by the shareholders are handled and resolved efficiently. The proper record is maintained along with respective actions taken for resolution. The Company's contact details are disclosed in the 'Investor Relations' section on its website and mentioned in the 'Company Information' section of this Report.

CORPORATE BENEFIT TO THE SHAREHOLDERS

The Company remains committed to maximizing shareholder benefits through effective management and governance practices. Our efforts have yielded outstanding results, demonstrated by a remarkable PKR 82.03 year-on-year share price appreciation, reflecting the Company's strong financial performance and growth prospects.

In recognition of our shareholders' trust, the Company distributed an interim dividend of Rs 5 per share and a final dividend of Rs 10 per share, consequently, total payout amounts to Rs 15 per share. This dividend payment demonstrates our commitment to sharing our success with shareholders and providing attractive returns on investment, consistent dividend income, and significant capital appreciation.

10 STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

BOARD'S STATEMENT ON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Board has established effective oversight on Company's compliance with IFRS. The compliance is ensured through:

- Team of finance and accounting professionals
- Through inclusion of finance literate members on the Board. Finance literate members of the Board are qualified from recognized body of professional accountants
- Qualified memebers from reputable professional body and institutions on the Board
- Compliance is also ensured through regular audits of accounting and cost record by external audit firms

In this regard, the Board is pleased to confirm the following:

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

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) The 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:

i) IFRS issued by the International Accounting Standards Board as notified under the Companies Act, 2017 (the Act)

ii) Provisions of and directives issued under the Act

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

e) 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.

ADOPTION OF INTEGRATED REPORTING FRAMEWORK

The Company has adopted the Integrated Reporting Framework by applying the fundamental concepts, content elements and guiding principles as described in the IR Framework.

11 FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members of Pioneer Cement Limited
Report on the audit of the Financial Statements

We have audited the annexed financial statements of Pioneer Cement Limited ("the Company"), which comprise the statement of financial position as at 30 June 2024, 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 material 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, the 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 2024 and of the profit, and other 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 is the key audit matter:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue** Refer to notes 5.13 and 28 to the financial statements. The Company's revenue for the year ended 30 June 2024 was Rs. 35,519 million. The Company generates revenue from sale of cement to domestic customers. Revenue is a key performance indicator and therefore in internal and external stakeholders' focus. Consequently, there might be pressure to achieve forecasted results. This could lead to an increased audit risk relating to revenues recorded near year-end.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design and implementation. • Assessing the appropriateness of the Company's accounting policy for revenue recognition and compliance of the policy with applicable accounting standards; • Comparing a sample of revenue transactions recorded near year end with sales orders, sales invoices, delivery challans and other relevant underlying documents;

Sr. No.	Key audit matters	How the matter was addressed in our audit
	We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue may be recognized without transferring the control near year end.	• Verifying, on a sample basis, that specific revenue transactions recorded just before and just after the financial year end date have been recognized in the appropriate financial period by comparing with sales orders, sales invoices, delivery challans and other relevant underlying documents; and • Testing journal entries relating to sales during the year which met specific risk based criteria by inspecting underlying documentation to assess whether such transactions have adequate business purpose and are consistent with adopted accounting policies and in accordance with relevant financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2024 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, 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, the 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 Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ali.

Lahore
Date: 26 September 2024
UDIN: AR202410114ZLtgySXQ0

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

Rupees in thousand	Note	2024	2023
ASSETS			
Non current assets			
Property, plant and equipment	6	76,221,475	77,802,602
Investment property	7	669,541	94,926
Long-term advances and deposits	8	83,708	344,264
		76,974,724	78,241,792
Current assets			
Stores, spares and loose tools	9	4,012,660	4,435,649
Stock-in-trade	10	1,403,519	1,631,574
Trade receivables	11	1,864,186	1,825,648
Loans and advances	12	185,115	199,627
Short-term prepayments		8,930	6,027
Other receivables	13	50,525	9,952
Short-term investments	14	163,652	461,502
Cash and bank balances	15	414,631	343,596
		8,103,218	8,913,575
TOTAL ASSETS		85,077,942	87,155,367

Chief Financial Officer

Chief Executive Officer

Chairman

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

Rupees in thousand	Note	2024	2023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	16	3,500,000	3,500,000
Issued, subscribed and paid up share capital	17	2,271,489	2,271,489
Capital reserves			
Share premium	18	197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax	19	23,358,385	23,599,990
		23,555,902	23,797,507
Revenue reserve - unappropriated profit		19,844,450	14,452,447
		45,671,841	40,521,443
LIABILITIES			
Non current liabilities			
Long-term financing	20	3,301,167	8,033,010
Long-term deposits	21	44,981	41,384
Deferred liabilities	22	21,342,780	19,681,537
		24,688,928	27,755,931
Current liabilities			
Trade and other payables	23	5,381,438	7,040,360
Retention money payable		78,549	843,944
Provision for taxation - net		1,117,310	411,796
Contract liabilities		65,872	108,469
Sales tax payable - net		150,566	10,094
Accrued mark-up / profit on financing	24	646,985	952,532
Short-term borrowings	25	2,431,737	3,961,845
Current portion of long-term financing	20	4,770,123	5,488,369
Unclaimed / unpaid dividend	26	74,593	60,584
		14,717,173	18,877,993
		39,406,101	46,633,924
Contingencies and commitments	27	-	-
TOTAL EQUITY AND LIABILITIES		85,077,942	87,155,367

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

Rupees in thousand	Note	2024	2023
Revenue from contracts with customers - net	28	35,519,271	36,165,267
Cost of sales	29	(23,756,014)	(26,755,883)
Gross profit		11,763,257	9,409,384
Distribution cost	30	(171,155)	(141,767)
Allowance for expected credit losses	11.1	(47,879)	(77,633)
Administrative expenses	31	(309,970)	(168,699)
Other expenses	32	(478,585)	(131,991)
		(1,007,589)	(520,090)
Operating profit		10,755,668	8,889,294
Other income	33	433,103	46,161
Remeasurement gain/(loss) on assets held at fair value - net	34	405	(6,149)
Finance costs	35	(2,805,956)	(3,197,648)
		(2,372,448)	(3,157,636)
Profit before taxation		8,383,220	5,731,658
Taxation	36	(3,207,052)	(3,120,552)
Profit after taxation		5,176,168	2,611,106
Earnings per share - basic and diluted (Rs.)	37	22.79	11.50

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

Rupees in thousand	Note	2024	2023
Profit after taxation		5,176,168	2,611,106
Items that may be reclassified to statement of profit or loss subsequently		-	-
Items that will not be reclassified to statement of profit or loss subsequently:			
Adjustment to / surplus on revaluation of property, plant and equipment	6.1.9	1,822,578	15,603,456
Related deferred tax		(710,805)	(6,074,486)
Increase in deferred tax liability on revaluation surplus due to change in tax rate	36.2	-	(1,388,903)
		1,111,773	8,140,067
Re-measurement loss on defined benefit plan		(2,950)	(1,755)
Related deferred tax		1,151	684
		(1,799)	(1,071)
Other comprehensive income for the year		1,109,974	8,138,996
Total comprehensive income for the year		6,286,142	10,750,102

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

Rupees in thousand		Reserves				
		Capital		Revenue		
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits	Sub-Total	Total equity
Balance as at July 01, 2022	2,271,489	197,517	16,178,271	11,124,064	27,499,852	29,771,341
Profit after taxation for the year	-	-	-	2,611,106	2,611,106	2,611,106
Other comprehensive income for the year	-	-	8,140,067	(1,071)	8,138,996	8,138,996
	-	-	8,140,067	2,610,035	10,750,102	10,750,102
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(718,348)	718,348	-	-
Balance as at June 30, 2023	2,271,489	197,517	23,599,990	14,452,447	38,249,954	40,521,443
Profit after taxation for the year	-	-	-	5,176,168	5,176,168	5,176,168
Other comprehensive income for the year	-	-	1,111,773	(1,799)	1,109,974	1,109,974
	-	-	1,111,773	5,174,369	6,286,142	6,286,142
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(1,353,378)	1,353,378	-	-
Interim cash dividend at Rs.5 per share for the year ended June 30, 2024	-	-	-	(1,135,744)	(1,135,744)	(1,135,744)
Balance as at June 30, 2024	2,271,489	197,517	23,358,385	19,844,450	43,400,352	45,671,841

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

Rupees in thousand	Note	2024	2023
Cash flows from operating activities			
Cash generated from operations	38	14,034,035	10,046,298
Income tax paid - net		(1,596,931)	(547,383)
Employees' compensated absences paid	23.5	(55,825)	(22,083)
Gratuity paid	22.2.2	(17,789)	(18,592)
Increase/ (decrease) in long-term deposits		264,153	(258,664)
Net cash generated from operating activities		12,627,643	9,199,576
Cash flows from investing activities			
Capital expenditure incurred		(1,627,926)	(1,274,246)
Proceeds from disposal of property, plant and equipment		147,707	9,029
Receipt of return on bank deposits		29,713	18,606
Proceeds from redemption of short term investment		652,161	-
Short term investment made		(163,652)	-
Net cash used in investing activities		(961,997)	(1,246,611)
Cash flows from financing activities			
Repayment of long-term financing		(6,450,089)	(4,509,438)
Proceeds from long-term financing		1,000,000	-
Decrease in short-term borrowings - net		(1,530,108)	(218,661)
Finance cost paid		(3,492,679)	(3,365,450)
Dividend paid		(1,121,735)	(79)
Net cash used in financing activities		(11,594,611)	(8,093,628)
Net increase/(decrease) in cash and cash equivalents		71,035	(140,663)
Cash and cash equivalents - at the beginning of the year		343,596	484,259
Cash and cash equivalents - at the end of the year	39	414,631	343,596

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

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 64-B/1 Gulberg-III, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province.

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

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

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

2.1.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Company's financial statements.

2.1.2 The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Company's liabilities and cash flows, and the Company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement.

  The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

  - Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 01, 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after January 01, 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments.

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant

The amendments apply for reporting periods beginning on or after January 01, 2026. Earlier application is permitted .

The above amendments are effective from annual periods beginning on or after July 01, 2024 and are not likely to have impact on the Company's financial statements.

3 BASIS OF PREPARATION

3.1 Basis of measurement

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

3.2 Presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All 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 accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management in the application of accounting and reporting standards, as applicable in Pakistan that are relevant to the financial statements are documented in the following accounting policies and notes, and relate primarily to:

	Note
- Useful lives of property, plant and equipment	5.1
- Fair value of investment property	5.3
- Provision for obsolescence and slow-moving stores	5.4.1
- Stock in trade	5.4.2
- Defined benefit plans (gratuity);	5.7
- Provision for taxation;	5.9
- Expected credit loss model	5.15
- Provisions and contingent liabilities.	5.8

4 CHANGES IN MATERIAL ACCOUNTING POLICIES

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from July 01, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in financial statements

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The material accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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.

5.1 Property, plant and equipment

5.1.1 Operating property, plant and equipment

a) Measurement

All operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for, freehold land, factory building on freehold land, plant and machinery, waste heat recovery plants and coal power plants, 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.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates, the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

b) Depreciation

Depreciation is calculated at the rates specified in note 6.1 to these financial statements on straight line method. Depreciation on additions is charged when the asset is available for use. Assets’ residual values and useful lives are reviewed and adjusted, if appropriate at each reporting date.

c) De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in statement of profit or loss in the year the asset is de-recognized.

5.1.2 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 the course of their construction and installation. Cost also includes applicable borrowing cost, if any. Transfers are made to relevant operating fixed assets category as and when assets are available for use as intended by the management.

5.1.3 Surplus on revaluation of fixed assets

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

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

5.2 Borrowing costs

Borrowing 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss as and when incurred.

5.3 Investment property

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

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

5.4 Inventories

5.4.1 Stores, spare parts and loose tools

These are valued at lower of weighted average cost and net realizable value, except items in transit, which are stated at invoice amount plus other charges paid thereon. Provision for obsolescence and slow moving stores and spares is based on parameters set out by the management of the Company, which includes ageing, expected use and realizable values. Value of items is reviewed at each statement of financial position date to record provision for any slow moving items, damaged and obsolete items. Provision for slow moving, damaged and obsolete items are charged to statement of profit or loss.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as capital spare parts and are carried at cost less accumulated impairment, if any.

5.4.2 Stock in trade

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

i) Raw and packing materials
at weighted average cost comprising of purchase price, transportation and other overheads.

ii) Work in process and finished goods
at weighted average cost comprising quarrying cost, transportation, non recoverable government levies, direct cost of raw material, labour and other manufacturing overheads.

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

5.5 Contract balances

a) Trade receivables
A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 5.12. "Financial instrumnets".

b) Contract liabilities
A contract liability is recognized if a payment is received from a customer before the Company transfers the related goods. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods to the customer).

5.6 Cash and bank balances

Cash and bank balances are carried in the statement of financial position at cost. Cash and bank balances comprise cash in hand, cash at banks in current, savings 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above, and net of outstanding bank overdrawn as they are considered an integral part of the Company’s cash management.

5.7 Employees' benefits

5.7.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss when they are due.

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. The Company's contributions are recognized as employee benefit expense when they are due.

5.7.2 Defined benefit plan – contractual workers

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

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

The cost of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. Discount rate is determined by reference to market yields on government bonds, since the long-term private sector bond market is not deep enough in Pakistan. The term of the assumed yield of the government bonds is consistent with the estimated term of the post-employment benefit obligations.

Mortality rates are based on State Life Corporation (SLIC) 2001 - 2005 ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries ("PSOA"). These mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are provided in Note 22.2.

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.

5.8 Provisions and contingencies

a) Provisions
Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

b) Contingencies
A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

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

5.9 Taxation

5.9.1 Income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The charge for income tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period and 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred tax

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.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

5.9.2 Sales tax

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

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

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

5.10 Operating segments

For management purposes, the activities of the Company are organized into one operating segment i.e., manufacturing, marketing and sale of cement. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

5.11 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

5.12 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.

5.12.1 Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income, 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 receivables 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 receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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.

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

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

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

Financial assets at amortized cost (debt instruments)
The Company measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Company's financial assets at amortized cost includes receivables, long term deposits and cash and bank balances.

Financial assets at fair value through OCI (debt instruments)
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 any financial assets measured at fair value through OCI.

Financial assets designated at fair value through OCI (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 has not elected to classify any financial assets under this category.

Financial assets at fair value through profit or loss
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.

The Company does not have any financial assets that are measured at fair value through profit or loss.

5.12.2 Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, 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 trade and other payables (excluding due to statutory authorities), long-term loans, short-term borrowings, mark-up accrued on borrowings, retention money payable and unclaimed dividend.

Subsequent measurement
For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)
This is the category most relevant to the Company. 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.

5.12.3 Derecognition

a) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statement of financial position) 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 of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. 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.

b) Financial liabilities
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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

5.12.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

5.13 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

a) Sale of goods
The Company sells cement and revenue from sale of which is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are handed over to the customer. The normal credit terms for customers is as per sale order.

The Company also receives advance payments from certain customers for the sale of goods with a delivery lead time of up to 30 days after receipt of payment. The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

b) Other Revenue

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

5.14 Dividend and appropriation reserves

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

5.15 Impairment of financial and non-financial assets

5.15.1 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) 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.

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.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. 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).

5.15.2 Impairment of non-financial assets

Assets that have an indefinite useful life, for example freehold land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate, that the carrying amount may not be recoverable. Carrying amounts of other non-financial assets are also reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, equal to the amount by which the asset's carrying amount exceeds its recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment loss are restricted to the depreciated cost of the asset. An impairment loss, or the reversal of an impairment loss, is recognized in the statement of profit or loss for the year.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statements of profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the total number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.17 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or bank balances unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current. Deferred tax liabilities are classified as non-current assets and liabilities.

5.18 Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Company will assess if the information affects the amounts that it recognizes in the financial statements.

The Company will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognized in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

5.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at reporting date, the Company has fair value modelling for financial or non-financial assets as mentioned in Note 46.

Rupees in thousand		Note	2024	2023
6	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	6.1	73,525,369	73,326,002
	Capital work in progress	6.2	2,636,467	4,416,961
	Capital spares		59,639	59,639
			76,221,475	77,802,602

6.1 Operating fixed assets

		2024												
		COST / REVALUATION						DEPRECIATION					Written Down Value	
	Note	As at July 01, 2023	Additions/ transfers	Adjustment (note 6.1.9)	Revaluation surplus	Disposals/ Transfers	As at June 30, 2024	As at July 01, 2023	Disposals	For the year	Revaluation surplus	As at June 30, 2024	As at June 30, 2024	Depreciation rate %
		(Rupees in thousand)												
Owned														
Freehold land	6.1.1	699,693	5,603	-	-	-	705,296	-	-	-	-	-	705,296	-
Factory building on freehold land	6.1.1	10,149,656	121,734	-	-	-	10,271,390	5,931,461	-	312,460	-	6,243,921	4,027,469	4
Head Office Building		-	2,030,056	-	-	-	2,030,056	-	-	40,038	-	40,038	1,990,018	4-10
Leasehold improvements		10,833	-	-	-	(10,833)	-	10,833	(10,833)	-	-	-	-	33
Roads and quarry development		56,008	-	-	-	-	56,008	56,008	-	-	-	56,008	-	20
Plant and machinery line I	6.1.1	12,757,440	50,262	-	-	-	12,807,702	9,693,976	-	170,967	-	9,864,943	2,942,759	2.86
Plant and machinery line II	6.1.1	15,873,386	131,364	-	-	(109,644)	15,895,106	5,957,479	(47,521)	861,051	-	6,771,009	9,124,097	4.00
Plant and machinery line III	6.1.1	45,048,839	147,726	(1,822,578)	1,822,578	-	45,196,565	3,297,567	-	1,086,337	-	4,383,904	40,812,661	2.86
Waste heat recovery plant (WHR) - II	6.1.1	3,577,819	-	-	-	-	3,577,819	313,417	-	97,594	-	411,011	3,166,808	3.33
WHR & coal power plant - I	6.1.1	4,087,642	9,208	-	-	-	4,096,850	1,049,297	-	101,563	-	1,150,860	2,945,990	3.33
Coal power plant - II	6.1.1	7,881,080	66,387	-	-	-	7,947,467	557,980	-	218,035	-	776,015	7,171,452	3.33
Furniture and fixtures		42,173	239,934	-	-	-	282,107	33,749	-	9,218	-	42,967	239,140	10
Office equipment		81,040	26,593	-	-	-	107,633	58,018	-	4,741	-	62,759	44,874	10
Computers and accessories		37,867	8,581	-	-	(711)	45,737	36,031	(711)	1,066	-	36,386	9,351	33
Vehicles		182,615	377,938	-	-	(23,336)	537,217	164,273	(23,337)	50,827	-	191,763	345,454	20
		100,486,091	3,215,386	(1,822,578)	1,822,578	(144,524)	103,556,953	27,160,089	(82,402)	2,953,897	-	30,031,584	73,525,369	

	2023												
	COST / REVALUATION						DEPRECIATION					Written Down Value	
	As at July 01, 2022	Additions/ transfers	Adjustment	Revaluation surplus	Disposals/ Transfers	As at June 30, 2023	As at July 01, 2022	Disposals	For the year	Revaluation surplus	As at June 30, 2023	As at June 30, 2023	Depreciation rate %
	(Rupees in thousand)												
Owned													
Freehold land	671,841	-	-	27,852	-	699,693	-	-	-	-	-	699,693	-
Factory building on freehold land	7,599,582	-	-	2,550,074	-	10,149,656	4,194,911	-	246,520	1,490,030	5,931,461	4,218,195	4
Leasehold improvements	10,833	-	-	-	-	10,833	10,833	-	-	-	10,833	-	33
Roads and quarry development	56,008	-	-	-	-	56,008	56,008	-	-	-	56,008	-	20
Plant and machinery line I	8,738,475	186	-	4,018,779	-	12,757,440	6,411,521	-	228,902	3,053,553	9,693,976	3,063,464	2.86
Plant and machinery line II	10,823,582	52,434	-	4,997,370	-	15,873,386	3,333,533	-	748,908	1,875,038	5,957,479	9,915,907	2.86
Plant and machinery line III	37,319,939	92,116	-	7,636,784	-	45,048,839	1,747,929	-	992,311	557,327	3,297,567	41,751,272	2.86
Waste heat recovery plant (WHR) - II	2,700,310	2,367	-	875,142	-	3,577,819	144,835	-	92,028	76,554	313,417	3,264,402	4
WHR & coal power plant - I	3,136,831	-	-	950,811	-	4,087,642	679,894	-	125,474	243,929	1,049,297	3,038,345	4
Coal power plant - II	5,894,693	2,857	-	1,983,530	-	7,881,080	217,033	-	200,492	140,455	557,980	7,323,100	4
Furniture and fixtures	42,473	260	-	-	(560)	42,173	32,504	(560)	1,805	-	33,749	8,424	10
Office equipment	81,213	87	-	-	(260)	81,040	52,388	(260)	5,890	-	58,018	23,022	10
Computers and accessories	36,832	1,272	-	-	(237)	37,867	35,497	(237)	771	-	36,031	1,836	33
Vehicles	186,575	4,031	-	-	(7,991)	182,615	156,949	(7,991)	15,315	-	164,273	18,342	20
	77,299,187	155,610	-	23,040,342	(9,048)	100,486,091	17,073,835	(9,048)	2,658,416	7,436,886	27,160,089	73,326,002	

6.1.1 The latest revaluation of freehold land, factory building on freehold land, plant and machinery, waste heat recovery plants and coal power plants was conducted as at June 30, 2023 by Hamid Mukhtar & Company which created an additional revaluation surplus of Rs. 10,642 million (2022: Rs. 9,529 million) - net of tax (refer note 6.1.9). Fair values of these assets are based on prices of transactions of similar nature, location and condition. For fair value hierarchy, techniques and inputs used, refer to note 46 to the financial statements.

6.1.2 The carrying value if carried at cost would have been as follows:

		Net book value	
Rupees in thousand	Cost	2024	2023
Freehold land	208,856	208,856	203,253
Factory building on freehold land	4,512,460	1,409,983	1,489,600
Head office building	2,030,056	1,990,018	-
Plant and machinery line I	7,775,392	1,554,109	1,327,652
Plant and machinery line II	6,650,572	3,100,536	3,031,838
Plant and machinery line III	23,179,331	20,378,795	22,519,608
WHR & coal power plant - I	1,898,782	1,207,416	1,223,214
Waste heat recovery plant - II	1,608,208	1,369,060	1,397,510
Coal power plant - II	4,200,073	3,692,739	3,710,591
	52,063,730	34,911,512	34,903,266

6.1.3 Forced Sale Values of the assets under revaluation at the date of revaluation were as follows:

Freehold land	594,739
Factory building on freehold land	3,374,559
Plant and machinery line I	2,450,347
Plant and machinery line II	7,933,146
Plant and machinery line III	33,400,930
WHR & coal power plant - I	2,430,675
Waste heat recovery plant - II	2,611,522
Coal power plant - II	5,858,479
	58,654,397

Rupees in thousand	Note	2024	2023
6.1.4 Depreciation for the year has been allocated as follows:			
Cost of sales	29	2,389,604	2,177,345
Cost of sales (fuel and power)		480,338	473,200
Distribution cost	30	3,542	1,381
Administrative expenses	31	80,413	6,490
		2,953,897	2,658,416

6.1.5 The operating fixed assets include fully depreciated assets having cost of Rs. 1,724.6 million (2023: Rs. 1,686.4 million).

6.1.6 Particulars of immovable fixed assets

Description of asset	Location	Area of Land
Head office building	Plot No. 64, Block B1, Gulberg-3, Lahore	3.859 Kanals
Manufacturing plant	Mouza Chenki Shumali, District Khushab	2,429.45 Kanals

6.1.7 Particulars of rented premises

Description of asset	Location
Sales office	House No. 218, Naqshband Colony, Khanewal Road, Multan
Sales office	Office No. 5, 3rd Floor, Sitara Tower, Bilal Chowk, New Civil Lines, Faisalabad
Liaison office	F-54 Block 7, Clifton, Karachi

6.1.8 Disposal of property, plant and equipment

Rupees in thousand

Description of Assets	Name of Buyer	Cost	Accumulated deprecation	Net Book Value	Sale Proceeds	Grain	Mode of Disposal and Basis of Relationship
Plant and machinery line II							
Stacker Shed	IGI General Insurance Limited	109,644	47,521	62,123	117,049	54,926	Insurance Claim
		109,644	47,521	62,123	117,049	54,926	
Others	,	34,880	34,880	-	30,658	30,658	Third parties & Employees
		144,524	82,401	62,123	147,707	85,583	

6.1.9 Pursuant to reconciliations with contractors/suppliers, the Company has made an adjustment to the amount payable and assets capitalized in prior years. As the assets are measured under the revaluation model and the latest revaluation was carried out on June 30, 2023, the revalued amount remains unaffected. To reflect this change, a corresponding adjustment of Rs. 1,822.58 million has been made to the revaluation surplus during the year.

Rupees in thousand	Note	2024	2023
6.2 Capital work in progress			
Opening balance		4,416,961	2,958,225
Additions during the year	6.2.1	1,336,680	1,458,736
Transferred to operating fixed assets			
- Head office building	6.2.2	(2,030,056)	-
- Others		(506,716)	-
Transferred to investment property	6.2.3	(574,210)	-
Projects abandoned, charged to profit or loss		(6,192)	-
Closing balance		2,636,467	4,416,961
Represented by:			
Civil work at factory including non plant building		2,399,320	2,330,882
Other plant and machinery items		229,333	183,051
Office premises under construction		-	1,856,122
Other civil works		7,814	46,906
		2,636,467	4,416,961

6.2.1 The amount includes borrowing cost capitalized during the year amounting to Rs. 381.20 million (2023: Rs. 340.10 million). The applicable financing rates for the under construction projects was 6-month KIBOR plus 150 bps, 3-month KIBOR plus 70 bps and 3 month KIBOR plus 75 basis points. (2023: 6-month KIBOR plus 150 bps and 3-month KIBOR plus 70 bps).

6.2.2 This represents new head office building located at 64-B/1, Gulberg-III, Lahore, having land area of 3.859 kanals, capitalized during the year.

6.2.3 This represents cost of floors leased out under an operating lease agreement in new head office building located at 64-B/1, Gulberg-III, Lahore.

Rupees in thousand	Note	2024	2023
7 INVESTMENT PROPERTY			
Opening balance	7.1	94,926	90,396
Transferred from capital work in progress	6.2.3	574,210	-
Net gain from fair value adjustment		405	4,530
Closing balance		669,541	94,926

7.1 This includes property reclassified from owner-occupied property to investment property during financial year 2013 and comprises of an office building in Karachi leased out under operating lease agreement. Investment property includes Office No. 701,702,703 and 704, 7th Floor, Lackson Square Building Number 3, Karachi having total covered area of 9,630 square feet .

7.2 The latest valuation of investment properties was conducted as at June 30, 2024 by professional valuers using a sales comparison approach. The forced sale value of investment properties, based on valuation at year end, is Rs. 566.58 million (2023: Rs. 80.69 million).

Rupees in thousand		Note	2024	2023
7.3	Breakup of net profit arising from investment property is as follows:			
	Rental income		47,043	11,200
	Operating expenses		(4,434)	(3,920)
	Net profit		42,609	7,280
8	LONG-TERM ADVANCES AND DEPOSITS			
	Advance		-	259,760
	Security deposits against utilities		36,716	36,716
	Others		46,992	47,788
		8.1	83,708	344,264

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

Rupees in thousand		Note	2024	2023
9	STORES, SPARES AND LOOSE TOOLS			
	Stores		1,327,026	2,036,677
	Spare parts		2,709,304	2,429,019
	Loose tools		20,955	17,947
			4,057,285	4,483,643
	Stores in transit		3,369	-
			4,060,654	4,483,643
	Provision for slow moving stores and spare parts	9.1	(47,994)	(47,994)
			4,012,660	4,435,649
9.1	Set out below is the movement of slow moving stores and spare parts			
	Opening balance		47,994	47,994
	Allowance for the year		-	-
	Closing balance		47,994	47,994
10	STOCK-IN-TRADE			
	Raw materials		84,134	73,514
	Packing materials		76,953	248,751
	Work in process		1,072,895	722,507
	Finished goods		169,537	586,802
			1,403,519	1,631,574
11	TRADE RECEIVABLES			
	Trade receivables		2,030,646	1,944,229
	Allowance for expected credit losses	11.1	(166,460)	(118,581)
			1,864,186	1,825,648

11.1 Set out below is the movement of the allowance for expected credit losses of trade receivables:

Rupees in thousand	2024	2023
Opening balance	118,581	40,948
Allowance for the year	47,879	77,633
Closing balance	166,460	118,581

The aging analysis of these trade receivables and their credit risk exposure using a provision matrix is disclosed in Note 45.4.

Rupees in thousand	Note	2024	2023
12 LOANS AND ADVANCES			
Loans to employees	12.1	7,765	3,860
Banks' margin against letter of credit		27,193	9,051
Advances to:			
Suppliers		26,161	33,421
Contractors		118,727	146,572
Service providers		5,269	6,723
	12.2	150,157	186,716
		185,115	199,627

12.1 The loans are granted to the employees of the Company in accordance with the Company's employment terms with each eligible employee. These loans are for maximum period of 10 and 18 months. The loan is secured against salary. The loans are interest free and are repayable in cash in accordance with the predefined repayment schedule.

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

Rupees in thousand	Note	2024	2023
13 OTHER RECEIVABLES			
Receivable from WAPDA	13.1	19,381	19,381
Others		53,498	12,925
		72,879	32,306
Less: allowance for expected credit losses		(22,354)	(22,354)
		50,525	9,952

13.1 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 continues to pursue for recovery. However, allowance for expected credit losses of full amount has already been made in these financial statements.

Rupees in thousand	Note	2024	2023
14 SHORT-TERM INVESTMENTS			
At fair value through profit or loss (FVTPL)			
Investments with Shariah compliant funds			
Meezan Islamic Fund		-	219,522
Units Nil (June 30, 2023: 4,004,681)			
NBP Islamic Stock Fund		-	241,176
Units Nil (June 30, 2023: 23,222,138)			
Meezan Islamic Income Fund		-	804
Units Nil (June 30, 2023: 15,601)		-	461,502
At Amortised cost			
Term Deposit Receipts	14.1	163,652	-
		163,652	461,502

14.1 This represents monthly and yearly term deposits with banks, bearing markup at rates of 18%-21%, maturing latest by 31 May 2025 (2023: Nil).

Rupees in thousand	Note	2024	2023
15 CASH AND BANK BALANCES			
Cash in hand		4,590	707
Balance with banks in:			
- Deposit accounts	15.1	197,926	129,006
- Current accounts		212,115	213,883
	15.2	410,041	342,889
		414,631	343,596

15.1 These carry profits at rates ranging from 7.2% to 22.4% (2023: 6.6% to 19.5%) per annum.

15.2 Out of this, an aggregate amount of Rs. 62.02 million (2023: Rs. 24.05 million) has been deposited with Shariah compliant Islamic Banks

	2024	2023	2024	2023
	Share in thousand		Rupees in thousand	
16 AUTHORIZED SHARE CAPITAL				
Ordinary shares of Rs.10/- each	300,000	300,000	3,000,000	3,000,000
Preference shares of Rs.10/- each	50,000	50,000	500,000	500,000
	350,000	350,000	3,500,000	3,500,000
17 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL				
Issued for cash ordinary shares of Rs.10/- each	184,464	184,464	1,844,642	1,844,642
Issued for consideration other than cash				
Ordinary shares of Rs.10/- each (Note 17.2)	23,223	23,223	232,228	232,228
Ordinary shares of Rs.10/- each (Note 17.3)	4,394	4,394	43,937	43,937
	27,617	27,617	276,165	276,165
Issued as fully paid bonus shares				
Ordinary shares of Rs.10/- each	15,068	15,068	150,682	150,682
	227,149	227,149	2,271,489	2,271,489

17.1 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 (2023: 106.863 million) ordinary shares of Rs. 10 each as on June 30, 2024 comprising 47% of paid up share capital. William Gordan Rodgers is authorized agent of VHMEL.

17.2 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 October 31, 2009. The premium of Rs.5/- per share has been shown under capital reserve account in the statement of changes in equity.

17.3 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 October 25, 2010. The premium of Rs.5/- per share has been shown under capital reserve account in the statement of changes in equity.

18 SHARE PREMIUM

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

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

Rupees in thousand	Note	2024	2023
Gross surplus			
Balance as at July 01		38,371,112	23,945,276
Adjustment to / Surplus on revaluation carried out during the year	6.1.9	1,822,578	15,603,456
Transferred to accumulated profits in respect of incremental depreciation charged during the year		(2,218,653)	(1,177,620)
	19.1	37,975,037	38,371,112
Less: Deferred tax liability			
Balance as at July 01		14,771,122	7,767,005
Increase in surplus revaluation carried out during the year	6.1.9	710,805	6,074,486
Incremental depreciation charge on related assets		(865,275)	(459,272)
Increase in deferred tax liability due to change in tax rate		-	1,388,903
		14,616,652	14,771,122
Balance of surplus on revaluation - net of tax as at June 30		23,358,385	23,599,990

19.1 This includes surplus on revaluation of freehold land amounting to Rs. 496.44 million (2023: Rs. 496.44 million).

Rupees in thousand	Note	2024	2023
20 LONG-TERM FINANCING			
Islamic long-term financing arrangements			
Meezan Bank Limited - III	20.1	-	291,667
Meezan Bank Limited - IV	20.2	475,000	950,000
Meezan Bank Limited - Syndicate	20.3	1,296,431	1,814,997
National Bank of Pakistan - Syndicate I	20.4	429,236	959,266
		2,200,667	4,015,930
Conventional long-term financing arrangements			
National Bank of Pakistan - Syndicate I	20.4	3,120,623	6,240,449
National Bank of Pakistan - Syndicate II	20.5	-	440,000
National Bank of Pakistan - Bilateral facility	20.6	-	825,000
National Bank of Pakistan - Bilateral facility	20.7	1,000,000	-
Allied Bank Limited - facility I	20.8	750,000	1,000,000
Allied Bank Limited - facility II	20.9	1,000,000	1,000,000
		5,870,623	9,505,449
Total long-term financing		8,071,290	13,521,379
Less: current portion		(4,770,123)	(5,488,369)
Non-current portion		3,301,167	8,033,010

20.1 This loan has been repaid during the year.

20.2 The Company has obtained Diminishing Musharaka (Sale & Lease Back) facility amounting to Rs. 950 million. This facility carries markup / profit at 3 months KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in five years including a grace period of one year ending on November 27, 2025. The facility is secured by way of exclusive charge over cement grinding capacity enhancement project and lien over investments of the Company with Al Meezan Investments Management Limited and NBP Funds Management Limited.

20.3 The Company has obtained Syndicated Diminishing Musharaka facility amounting to Rs. 2,600 million to finance 24 MW Coal Power Plant. Meezan Bank Limited is the lead arranger and agent of this facility. This facility carries markup / profit at 6 months KIBOR plus 1.1% per annum payable semi annually whereas the principal is repayable in seven years including a grace period of two years ending on July 18, 2026. 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.

20.4 The Company has obtained syndicated facility amounting to Rs. 15,000 million to finance new integrated cement plant supported by a 12 MW Waste Heat Recovery Plant. This comprises of Rs. 13,000 million term finance loan and Rs. 2,000 million musharaka facility. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 6 months KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of two years ending on May 15, 2025.

This facility is secured by first pari passu charge by way hypothecation over all present and future fixed assets of the Company excluding existing waste heat recovery power plant, cement grinding up gradation project and 24 MW coal power plant with 25% margin; and by first pari passu mortgage over land and building of the Company with 25% margin.

20.5 This loan has been repaid during the year.

20.6 This loan has been repaid during the year.

20.7 During the year, the Company has obtained a long term loan facility of Rs. 1,000 million from National Bank of Pakistan. This facility carries markup at 3 months KIBOR plus 0.75% per annum payable quarterly whereas the principal is repayable in eight years including grace period of two year ending on June 30, 2031. The facility is secured against first pari passu charge by way of MOCTD (Memorandum of Constructive Title Deed) of Rs. 1,334 million with 25% margin over head office land and building.

20.8 The Company has obtained a long term loan facility of Rs. 1,000 million from Allied Bank Limited. This facility carries markup at 3 months KIBOR plus 0.70% per annum payable quarterly whereas the principal is repayable in five years including grace period of one year ending on May 25, 2027. The facility is secured against first pari passu charge over existing waste heat recovery power plant of the Company with 25% margin.

20.9 The Company has obtained a long term loan facility of Rs. 1,000 million from Allied Bank Limited to finance the construction of head office building. This facility carries markup at 3 months KIBOR plus 0.70% per annum payable quarterly whereas the principal is repayable in eight years including grace period of two years ending on June 30, 2030. The facility is secured against first pari passu mortgage charge over the project with 25% margin.

Rupees in thousand	2024	2023
21 LONG-TERM DEPOSITS		
Security deposits payable in respect of:		
- Goods and services	39,967	36,492
- Office building	5,014	4,892
	44,981	41,384

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

Rupees in thousand	Note	2024	2023
22 DEFERRED LIABILITIES			
Deferred tax liability	22.1	21,064,418	19,450,155
Defined benefits obligation	22.2	278,362	231,382
		21,342,780	19,681,537

Rupees in thousand		Note	Opening Deferred tax liability/ (asset)	Deferred tax expense/(income) Charged to statement of profit or loss	Charged to OCI	Closing Deferred tax liability/ (asset)
22.1	Deferred tax liability					
	As at June 30, 2024					
	Taxable temporary differences					
	Accelerated depreciation for tax purposes		7,790,590	702,470	-	8,493,060
	Revaluations of property, plant and equipment		14,771,122	(865,274)	710,805	14,616,653
			22,561,712	(162,804)	710,805	23,109,713
	Deductible temporary differences					
	Post-employment benefits		(122,620)	(14,876)	(1,151)	(138,647)
	Provision for slow moving stores and spare parts		(18,718)	-	-	(18,718)
	Expected credit losses of debt instruments		(54,965)	(18,672)	-	(73,637)
	Unabsorbed depreciation losses available for offsetting against future taxable income	22.1.1	(1,869,264)	1,300,044	-	(569,220)
	Alternate corporate tax recoverable against tax charge in future years	22.1.2	(394,853)	(89,790)	-	(484,643)
	Minimum tax recoverable against tax charge in future years	22.1.2	(566,071)	-	-	(566,071)
	Others		(85,066)	(109,293)	-	(194,359)
			(3,111,557)	1,067,413	(1,151)	(2,045,295)
			19,450,155	904,609	709,654	21,064,418
	As at June 30, 2023					
	Taxable temporary differences					
	Accelerated depreciation for tax purposes		6,344,333	1,446,257	-	7,790,590
	Revaluations of property, plant and equipment		7,767,006	(459,272)	7,463,388	14,771,122
			14,111,339	986,985	7,463,388	22,561,712
	Deductible temporary differences					
	Post-employment benefits		(87,052)	(34,884)	(684)	(122,620)
	Provision for slow moving stores an spare parts		(15,838)	(2,880)	-	(18,718)
	Expected credit losses of debt instruments		(20,890)	(34,075)	-	(54,965)
	Unabsorbed depreciation losses available for offsetting against future taxable income		(2,737,322)	868,058	-	(1,869,264)
	Alternate corporate tax recoverable against tax charge in future years		(333,542)	(61,311)	-	(394,853)
	Minimum tax recoverable against tax charge in future years		(566,071)	-	-	(566,071)
	Others		(40,381)	(44,685)	-	(85,066)
			(3,801,096)	690,223	(684)	(3,111,557)
			10,310,243	1,677,208	7,462,704	19,450,155

22.1.1 This represents deferred tax asset on unused tax losses (depreciation loss) amounting to Rs.569.22 million (2023: Rs. 1,869.26 million) recognized on the basis of future expected taxable profits.

22.1.2 This represents deferred tax credits on minimum and alternate corporate tax amounting to Rs.1,050.71 million (2023: Rs. 960.92 million) available for adjustment against normal tax liability in tax years ranging from 2025 to 2033.

Rupees in thousand		Note	2024	2023
22.2	Defined benefits obligation	22.2.1	278,361	231,382

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

Rupees in thousand	Note	2024	2023
Present value of defined benefit obligation	22.2.2	277,997	229,822
Benefit payable		364	1,560
		278,361	231,382

22.2.2 Movements in the present value of defined benefit obligation:

	2024	2023
Opening balance	229,822	199,721
Current service cost	25,362	22,420
Past service cost	460	-
Interest cost on defined benefit obligation	35,998	25,134
Benefits due but not paid (payable)	(94)	(616)
Benefits paid	(16,501)	(18,592)
Actuarial (gains)/losses from changes in financial assumptions	(808)	1,339
Experience adjustments	3,758	416
Closing balance	277,997	229,822

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

	2024	2023
Current service cost	25,362	22,420
Interest cost on defined benefit obligation	35,998	25,134
Past service cost	459	-
Expense recognized in cost of sales	61,819	47,554

22.2.4 The amounts chargeable to other comprehensive income are as follows:

	2024	2023
Actuarial (gains)/losses from changes in financial assumptions	(808)	1,339
Experience adjustments	3,758	416
Re-measurement loss charged to other comprehensive income	2,950	1,755

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

	2024
Current service cost	30,626
Interest cost on defined benefit obligation	39,642
Amount chargeable to statement of profit or loss	70,268

22.2.6 Significant assumptions

Qualified actuaries have carried out the valuation as at 30 June 2024. The projected unit credit method, based on the following significant assumptions, is used for valuation of the scheme:

	2024	2023
Discount rate for interest cost in profit or loss charge	16.25%	13.25%
Discount rate for obligation	14.75%	16.25%
Expected rates of salary increase in future years	13.75%	15.25%
Mortality rates	SLIC 2001-2005 Setback 1 year	
Retirement age assumption	Age 60	Age 60

Discount rate used in last actuarial valuation was 16.25% per annum. However, in the current investment environment, where there is an downward trend in the interest rate structure, discount rate has been decreased to 14.75% per annum.

Correspondingly, due to decrease in inflationary expectations, the rate of increase in eligible salary has been decreased to 13.75% from 15.25%.

22.2.7 Sensitivity analysis

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

Rupees in thousand		2024	2023
Sensitivity level	Assumption	Defined benefit obligation	
+100 bps	Discount rate	256,473	212,229
-100 bps	Discount rate	302,775	250,034
+100 bps	Expected increase in salary	303,133	250,327
-100 bps	Expected increase in salary	255,795	211,678

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 8 years (2023: 8 years).

22.2.8 Maturity profile of the defined benefit obligation

Expected benefit payment for the next 10 years and beyond

	Rupees in thousand
FY 2025	18,474
FY 2026	29,180
FY 2027	29,123
FY 2028	40,654
FY 2029	47,001
FY 2030	47,518
FY 2031	37,692
FY 2032	56,406
FY 2033	56,969
FY 2034	65,324
FY 2035 onwards	6,749,684

Rupees in thousand	Note	2024	2023
23 TRADE AND OTHER PAYABLES			
Creditors	23.1	3,607,700	5,442,808
Payable to statutory authorities	23.2	648,590	658,050
Accrued expenses	23.3	510,020	609,035
Deposits	23.4	6,607	8,430
Employees' compensated absences	23.5	77,141	83,028
Worker related funds	23.6	498,359	218,117
Others		33,021	20,892
		5,381,438	7,040,360

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

Rupees in thousand	Note	2024	2023

23.2 Payable to statutory authorities

Excise duty on cement		377,986	445,248
Royalty and excise duty	23.2.1	203,172	18,130
Income tax deducted at source		67,432	194,672
		648,590	658,050

23.2.1 This represents royalty payable to the Department of Mines and Minerals, Punjab for extraction of limestone and clay.

23.3 This includes provision amounting to Rs. 213.20 million (2023: 177.27 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Company is under an industry-wide dispute on the basis of calculation and chargeability of marking fee. The Company has challenged the applicability of the marking fee on the production of the cement at the rate of 0.15 percent as levied by PSQCA Act, 1996 in the Honourable Lahore High Court on the grounds that this fee is charged without any nexus with services. However, the Company on prudence grounds has provided for the above payable fee in these financial statements.

23.4 These include security obtained from suppliers and scrap dealer to safeguard the Company against default in payment and other disputes. Further, the Company has obtained written agreement from parties to use these deposits in normal course of the business.

23.5 Employees' compensated absences

Rupees in thousand	Note	2024	2023
Opening balance		83,028	63,129
Charge for the year		49,938	41,982
		132,966	105,111
Payments made during the year		(55,825)	(22,083)
Closing balance		77,141	83,028

23.6 Worker related funds

Workers' profit participation fund - net	23.6.1	105,080	(8,877)
Workers' welfare fund	23.6.2	393,279	226,994
		498,359	218,117

23.6.1 Workers' profit participation fund - net

Opening balance	(8,877)	1,850
Charge for the year	271,707	129,581
Excess accrual recorded in prior year reversed	-	(138,458)
	271,707	(8,877)
Payments made during the year	(157,750)	(1,850)
Closing balance	105,080	(8,877)

23.6.1.1 The Company retains Workers' Profit Participation Fund on its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Punjab Companies Profit (Workers Participation) Act, 2021 on funds utilized by the Company till the date of allocation to workers.

23.6.2 Workers' welfare fund

Rupees in thousand	2024	2023
Opening balance	226,994	122,361
Charge for the year	176,285	114,633
	403,279	236,994
Payments made during the year	(10,000)	(10,000)
Closing balance	393,279	226,994

The Company has not paid the amount of Workers' welfare fund until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government. The Company has filed writ petition on December 07, 2021 with Lahore High Court, on the above matter, which is pending adjudication.

Rupees in thousand	Note	2024	2023
24 ACCRUED MARKUP / PROFIT ON FINANCING			
Accrued profit on financing from Islamic banks			
Long-term financing		146,469	212,611
Short-term borrowing		-	57,305
		146,469	269,916
Accrued mark-up on financing from conventional banks			
Long-term financing		369,188	554,606
Short-term borrowing		131,328	128,010
		500,516	682,616
		646,985	952,532
25 SHORT-TERM BORROWINGS			
Islamic Banks			
Meezan Bank Limited - Running Musharaka	25.1	-	999,617
Conventional Banks			
Allied Bank Limited	25.2	368,742	467,811
National Bank of Pakistan	25.3	986,302	999,355
MCB Bank Limited	25.4	451,627	429,756
Bank Al Habib Limited	25.5	14,961	175,069
Habib Bank Limited	25.6	410,441	690,273
Bank of Punjab	25.7	199,664	-
United Bank Limited	25.8	-	199,964
		2,431,737	2,962,228
		2,431,737	3,961,845

25.1 This facility has expired during the year.

25.2 The Company has obtained short term running finance / Money market line / Letter of credit facility and FATR from Allied Bank Limited amounting to Rs. 1,500 million in aggregate . Running finance facility carries markup at the rate of 3 months KIBOR plus 0.35% per annum whereas applicable rate for FATR facility is 3 months KIBOR plus 0.5% per annum (2023: 3 months KIBOR plus 0.35% and 0.50% per annum respectively) payable on quarterly basis, while markup in respect of money market loan transaction would be advisable at the time of transaction.

The facility is secured by lien on Company's investment in Government Securities Fund and / or Cash Fund of ABL Asset Management Company (if any) with 5% margin and also contains joint pari passu charge over current assets of the Company with 25% of margin. Letter of credit facility also carries lien on import documents / Bill of exchange / Trust receipts. This facility will expire on September 30, 2024.

25.3 The Company has obtained a running finance facility amounting to Rs.1,000 million. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. This carries markup at the rate of 3 months KIBOR plus 0.35% per annum (2023: 3 months KIBOR plus 0.35% per annum) subject to rebate linked to actual markup payment date payable on quarterly basis. In addition, the Company has also obtained a Letter of Credit facility of Rs. 500 million for import of coal, stores and machinery parts which is secured by lien over import documents. This facility will expire on September 30, 2024.

25.4 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 (2023: 3 months KIBOR plus 0.20% per annum) payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million to import coal, packing material, stores and machinery parts which is secured by lien over import documents. This facility will expire on July 31, 2024.

25.5 The Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 500 million. This facility carries markup at the rate of 3 months KIBOR plus 1.25% per annum (2023: 3 months KIBOR plus 1.25%

per annum) payable on quarterly basis. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This facility will expire on August 31, 2024.

25.6 The Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 700 million. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Trust receipts. In addition to the above mentioned facility, the Company has also obtained a letter of credit sight facility/ Finance against Imported Merchandise facility amounting to Rs. 550 million. The facility is secured against pledge of imported coal with 10% margin.

These facilities carry markup at the rate of 1 month / 3 months KIBOR plus 0.50% (2023: 1 month / 3 months KIBOR plus 0.50%) per annum payable on quarterly basis. This facility will expire on February 28, 2025.

25.7 During the period, the Company has obtained a running finance facility of Rs. 200 million from Bank of Punjab. This facility carries markup at 3 months KIBOR plus 0.50% per annum payable quarterly. The facility is secured against joint pari passu mortgage charge over the current assets with 25% margin. This facility will expire on July 31, 2024.

25.8 The Company has obtained Non-Interest Cash Finance (NICF)/letter of credit sight facility/FATR facility of Rs. 400 million. The facility carries markup at the rate of 1 month KIBOR plus 1.50% (2023: 1 month KIBOR plus 1.50%) per annum payable on quarterly basis whereas NICF carries markup at the rate of 1 month KIBOR plus 1.50% (2023: 1.50%) . The facility is secured against Joint pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This facility is un-utilized at year end.

Rupees in thousand	2024	2023
26 UNCLAIMED / UNPAID DIVIDEND		
Opening balance	60,584	60,663
Interim cash dividend issued @ Rs.5 per share	1,135,744	-
Payments made during the year	(1,121,735)	(79)
Closing balance	74,593	60,584

26.1 This amount has been deposited in a deposit account carrying 18% (2023: 15%) profit rate maintained with a shariah compliant bank.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

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

Income Tax Matters

27.1.1 The Company filed an online application for refund of excess tax paid for the Tax Year 2020 of Rs. 756 million. Assistant/Deputy Commissioner Inland Revenue (A/DCIR) passed an order dated August 05, 2022 acknowledging tax collection/deduction under various sections of the Ordinance to the tune of Rs. 719 million. The said acknowledged refunds were consented for adjustment against sales tax, income tax and advance income tax liabilities. Being aggrieved with the rejection of refunds amounting to Rs. 37 million, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals) - I (CIR-A) and the same is pending adjudication.

27.1.2 The Company filed an online application for refund of excess tax paid for the Tax Year 2019 amounting to Rs. 292 million. The learned officer passed an order dated August 15, 2020 acknowledging tax collection/deduction under various sections of the Ordinance while rejecting the claim of tax deduction/collection to the tune of Rs. 243 million which resulted into issuance of refund of Rs. 49 million. Being aggrieved from the above Order, the Company filed an appeal before CIR-A who through order dated September 17, 2021 annulled the aforesaid order and remanded the case back to the tax officer which is pending adjudication.

27.1.3 The A/DCIR passed an amended order dated January 29, 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. 4.42 million and income tax demand of Rs. 1.09 million. Being aggrieved with the said order, the Company filed an appeal before CIR(A), wherein the CIR(A) vide order dated December 26, 2019 decided the appeal against the Company. Being aggrieved with the said order, the Company filed an appeal before the ATIR which is pending adjudication.

27.1.4 The DCIR Lahore has imposed additional tax of Rs. 20.98 million in respect of tax year 2016 for default on payment of advance tax. The Company challenged the order before CIR (A). The learned CIR(A) vide it's order dated January 28, 2021 by accepting the stance of the Company reduced the amount of the additional tax to 16.11 million. The department being aggrieved has filed appeal against the order dated June 06, 2022 which is pending adjudication.

27.1.5 The ADCIR passed an amended order dated November 25, 2016 under section 122(5A) of the Ordinance for tax year 2015, wherein certain additions amounting to Rs. 1,036 million were made which resulted into income tax demand of Rs. 514 million. Being aggrieved, the Company filed an appeal before CIR(A) who deleted all the additions except the addition made under section 18(1)(d) 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 September 13, 2017 upheld the decision of CIR(A). The Addl. CIR passed appeal effect order dated November 13, 2020 raising demand of Rs. 7 million.

Multiple appeal effect orders issued by the Addl. CIR ignored the relief of WPPF paid against which the company filed appeal before CIR-A which was decided in company's favour. The CIR, being dissatisfied from the aforesaid appellate Order, has filed an appeal before ATIR dated May 17, 2017. However, the case has not been fixed for hearing till date. The company also filed rectification applications before the Addl. CIR which were rejected and the company preferred appeals before CIR-A. The appeal filed against the 2nd appeal effect order resulted in the CIR-A passing the order dated January 31, 2020, wherein the decision of Addl. CIR for proration of the statutory allowance of WPPF amounting to Rs. 280 million between NTR & FTR Income was upheld. The Company being dissatisfied from the same, preferred an appeal on April 17, 2020 before ATIR, which has not been heard yet.

27.1.6 The Company’s case was selected under section 214C/177 of the Ordinance by the FBR for audit of its income tax affairs for the tax year 2014. Audit proceedings were finalized by the DCIR and passed an order dated September 09, 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 December 08, 2017 before the CIR(A) wherein the CIR(A) vide order dated April 24, 2020 granted partial relief to the Company. Being aggrieved with the order of CIR(A), both the Company and CIR filed appeals before the ATIR, the Company's appeal is decided in its favour thereby deleting additions made into the taxable income of the Company, whereas appeal filed by the CIR is a pending adjudication.

27.1.7 ADCIR passed an amended order dated June 28, 2019 under section 122(5A) of the Ordinance for tax year 2013, wherein certain additions were made which resulted into taxable income of Rs. 1,849 million and income tax demand of around Rs. 3 million. Being aggrieved with the said order, the Company filed an appeal before CIR(A), wherein the CIR(A) vide order dated December 26, 2019 granted substantial relief to the Company. CIR being dissatisfied filed an appeal before the ATIR which is pending adjudication.

27.1.8 The Company was selected for Tax Audit u/s 177 through a random Ballot conducted by the FBR for the audit of the Income Tax affairs for Tax Year 2012. DCIR, through its Order dated March 26, 2014 passed u/s 122(1)/122(5) of the Ordinance that resulted into the impugned addition of Rs. 1,043 million whereby the amount of balance carried forward losses were reduced to Rs. 826 million. The Company filed an Appeal before CIR-A against the impugned Order passed u/s 122(1)/122(5) of the Ordinance. The CIR-A vide its Order no. 17 dated June 22, 2015, granted substantial relief of Rs. 758 million against the above mentioned impugned addition. The Company being dissatisfied from the aforesaid order by CIR(A) filed an appeal before ATIR. The main hearing of the case was heard on January 16, 2024 and the Honourable ATIR remanded the case back to CIR(A) vide order no. 2213/2015 dated January 29, 2024. The CIR also filed appeal before ATIR against the aforesaid relief by CIR(A) being provided. After hearing of the main case, an order no. 2276/2015 dated January 29, 2024 was passed which dismissed the departmental appeal. No further correspondence has been received as of yet.

27.1.9 The ACIR finalized proceedings u/s 122(5A) for Tax Year 2011 and passed the impugned Order on June 13, 2017 wherein certain additions were made which resulted into taxable income of Rs. 338 million and created demand of Rs. 90 million. The Company filed appeal before CIR-A against the aforesaid impugned Order in respect of certain additions and disallowances. The CIR-A vide its Order dated September 21, 2017 remanded the case back to the department for certain points, while the remaining points were upheld. The ACIR initiated set aside proceedings u/s 124/129 vide notice dated May 20, 2019. The Company through its authorised representative (AR) duly complied the aforesaid proceedings. However, no further correspondence has been received from the tax department till date. The Company also being dissatisfied from the disallowance of the tax deduction pertaining to statutory allowance of WWF and WPPF amounting to Rs. 5 million in the CIR-A Order preferred to file an appeal on November 24, 2017 before the ATIR.

The main hearing of the case was heard on February 23, 2024 and the Honourable ATIR decided the case vide order no. IT A 3533/2017 dated February 23, 2024 by accepting the contention regarding WWF and remanded the case in respect of WPPF to the Officer Inland Revenue. No further correspondence has been received from the tax department till date.

27.1.10 The ACIR finalized proceedings u/s 122(5A)/122(4) of the Ordinance for Tax Year 2010 and passed Order dated June 29, 2016 wherein certain additions were made which resulted into payable demand of Rs. 12 million. The Company being dissatisfied from the aforesaid Order filed an appeal before CIR-A who deleted additions of Rs. 285 million while certain points were upheld and the remaining points were remanded back through Order dated October 06, 2016.ACIR initiated set aside proceedings in compliance with the directions of the CIR-A and were finalized by passing Appeal Effect Order u/s 124/129 of the Ordinance dated June 30, 2018 which resulted into refund of Rs. 9,278. This Appeal Effect Order/computation, however, ignored the relief of initial allowance on exchange loss capitalized as part of machinery and accordingly a rectification was filed on July 30, 2018 against the Appeal Effect Order. The Company being aggrieved from the Appeal Effect Order also filed appeal before CIR-A on August 13, 2018. The CIR-A have passed the Order dated November 16, 2020 and provided relief by allowing initial allowance as well as depreciation on capitalized exchange loss. The Company, however, preferred to file a second appeal before the ATIR on the legal issue of the charge of Minimum Tax u/s 113. The case was heard on February 01, 2024 and the Honourable ATIR decided the case vide order no. ITA 2676/LB/2016 dated May 20, 2024 and upheld the decision of CIR(A). CIR also being aggrieved from the aforesaid appellate Order filed an Appeal before the ATIR. The case was heard on July 02, 2024 and the Honourable ATIR decided the case vide order no. ITA 2713/LB/2016 dated July 02, 2024 and dismissed the departmental appeal.

27.1.11 The ACIR finalized proceedings u/s 122(5A) for Tax Year 2008 and passed the impugned Order dated June 30, 2014 wherein, certain additions were made which resulted into demand of Rs. 7 million was created against the Company. The Company filed an Appeal before CIR-A against the aforesaid impugned Order who vide its Order dated September 17, 2014 annulled the impugned Order passed u/s 122(5A) of the Ordinance. An application for appeal effect Order has been filed through letter dated September 19, 2014. The CIR, being dissatisfied from the aforesaid appellate Order has filed an appeal before the ATIR. However, no notice for hearing has been received till date.

27.1.12 Multiple petitions, including one by the Company, bearing writ petition no. 8349/2022 were filed before Honourable Lahore High Court against application of Section 4C of the Ordinance whereby super tax at the rate of 10% were levied on certain industries in Finance Act 2022. The Honourable LHC through its order dated June 27, 2023 partially allowed the petition and declared super tax exceeding 4% on cement sector as confiscatory and unlawful while the provisions of section 4C were declared intra vires. The Company has filed an intra-court appeal No. 49450/2023 on July 26, 2023 before Honourable Islamabad High Court against levy of 4% super tax on the Company which has been allowed in terms of order dated May 16, 2024 by holding that the provisions of section 4C shall not apply to Tax Year 2022. Subsequent to year-end, the department filed a Civil Petition for Leave to Appeal with the Supreme Court of Pakistan on August 06, 2024. The matter is pending adjudication.

27.1.13 Multiple petitions, including one by the company, bearing Writ petition no. 85255/2023 was filed before Honourable Lahore High Court to assail the provisions of section 4C of the Income Tax Ordinance, 2001 through Finance Act, 2023 whereby super tax at the rate of 10% were levied on certain industries. The petition was heard on December 26, 2023 and was admitted for hearing. However the same was transferred to Division Bench in terms of order dated January 16, 2024. The main petition is however pending decision. During the year ended June 30, 2023, the Company deposited under protest with the tax authorities 50% of the liability claimed against the Company under the impugned provisions of the Finance Act 2023 which is in line with aforementioned Honourable LHC order.

Sales Tax Matters

27.1.14 The DCIR passed an order dated October 18, 2019 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42 million was created. However, being aggrieved from the aforesaid order, the Company filed appeal in terms of section 45B of the Act before CIR (A). The CIR (A) passed an order dated November 16, 2020 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42 million was raised after deleting penalty. However, being aggrieved with the said order, the Company filed an appeal before ATIR which is pending adjudication.

27.1.15 The Company's case was selected for the audit of its sales tax affairs under section 25 of Sales Tax Act, 1990 (the Act) for the tax year 2017. The Company filed an appeal against order of DCIR. CIR (A) finalized the proceedings through its order dated April 27, 2021 wherein the sales tax demand of Rs 24.89 million was created. However, being aggrieved with the said order, both the company and CIR filed an appeal before ATIR which is pending adjudication.

27.1.16 The DCIR passed an order dated October 15, 2019 under section 11(2) of the Act for the tax year 2017, wherein the sales tax demand of Rs. 20 million was created. However, being aggrieved with the said order, the Company filed an appeal before CIR(A). The CIR (A) passed an order dated November 16, 2020 under section 11(2) of the Act for the tax year 2017, wherein the sales tax demand of Rs. 20 million was upheld after deleting penalty. However, being aggrieved with the said order, both the company and CIR filed an appeal before ATIR which is pending adjudication.

27.1.17 Proceedings under Section 11(2) of the Sales Tax Act,1990 were initiated by the DCIR for Tax Periods July, 2019 to November, 2021 which were finalized by passing the Order dated November 04, 2022 u/s 11(2) of the Act raising demand of Rs. 322 million along with default surcharge (to be calculated at the time of payment) and penalty amounting to Rs. 16 million u/s 33(5) of the Act. Being aggrieved from the aforesaid order, the Company filed appeal before the CIR (A), which was finalized by passing the order dated April 03, 2023 u/s 45B wherein the case in respect of input pertaining to the installation of plant and machinery was remanded back and the demand in respect of remaining goods and services was confirmed. The Company being dissatisfied from the aforesaid Appellate Order, preferred appeal before ATIR. The said appeal has not been fixed for hearing till date. During the year, the DCIR initiated remand back proceedings, which concluded on June 29, 2024, issuing an order under Section 11(2) of the Act, raising a demand of Rs. 48 million along with default surcharge (to be calculated upon payment) and a penalty of Rs. 2 million under Section 33(5) of the Act. The Company, being dissatisfied with the aforesaid order, has preferred an appeal under Section 46 of the Act before the learned ATIR. The said appeal has also not been fixed for hearing till date.

27.1.18 Demands of sales tax including additional tax and penalty on lime stone and clay amounting to Rs. 4.5 million and Rs. 8.3 million were raised respectively. The case for Rs. 4.5 million is pending in the Lahore High Court, (LHC) whereas case for Rs. 8.3 million was decided by the Collector of Sales Tax (Appeal) on February 03, 2007 partially reducing the value of sales tax amount from Rs. 8.3 million to Rs. 2.8 million. The Company has deposited Rs. 2.2 million and filed an appeal against the order of Collector Sales Tax (Appeal) in Sales Tax Tribunal, Lahore which is pending adjudication.

27.1.19 The DCIR passed an order dated February 09, 2024 under section 11(2) of the Act for the tax year 2022, wherein the sales tax demand of Rs. 10 million along with the default surcharge (to be calculated at the time payment) and penalty amounting to Rs. 0.5 million u/s 33(5). Being aggrieved from the aforesaid order, the Company filed appeal in terms of section 45B of the Act before CIR (A). The proceedings against the said Appeal were finalized by CIR (A) by passing the order dated May 15, 2024 u/s 45B of the Act granting partial relief to the extent of Rs. 8 million and penalty u/s 33(5) of the Act, and confirming the sales tax demand of Rs 1.8 million along with default surcharge (to be calculated at the time ·of payment) u/s 34(1){a) of the Act. However, being aggrieved with the said order, the Company and DCIR filed an appeal before ATIR u/s 46. The said appeals have not been fixed for hearing till date.

Other Matters

27.1.20 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 its CEO, raising objections on legality of the transaction. The management considers that the shares transfer was valid and in accordance with the requirements of the applicable laws and regulations. The case is not fixed for hearing.

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

27.1.22 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.

27.1.23 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 February 15, 2007 (the "Supreme Court Judgment") in appeal nos. 1388 and 1389 of 2002, 410 to 418 of 2005, 266, 267 & 395 of 2005 (the "Appeal"). By way of background it is pointed out that the controversy between the Department and the Company pertained to whether in view of the words of sub-section (2) of section 4 of the 1944 Act "duty shall be charged on the retail price fixed by the manufacturer, inclusive of all charges and taxes, other than sales tax..." retail prices would include the excise duty leviable on the goods.

The Honourable Lahore High Court as well as the Honourable Peshawar High Court held that excise duty shall not be included as a component for determination of the value (retail price) for levying excise duty (the "Judgments"). The department being aggrieved of the Judgments impugned the same before the Supreme Court of Pakistan vide the Appeals, in pursuance whereof leave was granted to determine in the aforesaid issue. The Honourable Supreme Court of Pakistan vide the Supreme Court Judgment upheld the Judgments and the Appeals filed by the department were dismissed. In the Supreme Court Judgment it has been categorically held that excise duty is not to be included as a component for determination of the value (retail price) for levying excise duty under sub-section (2) of section 4 of the 1944 Act.

In view of the above, during the year ended June 30, 2008, the Company had filed a refund claim amounting to Rs. 734.06 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, the refund will be accounted for at the time of its realization.

27.1.24 Certain matters other than disclosed in these financial statements are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favourable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

Rupees in thousand		Note	2024	2023
27.2	Commitments			
27.2.1	Commitments in respect of:			
	Outstanding letters of credit		333,018	85,310
	Contracts registered with banks		9,955	587
	Issued letters of guarantees favouring Collector of Customs - Karachi		185,063	63,980
			528,036	149,877
27.2.2	Contracts for capital expenditure		809,783	1,289,093

28 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

28.1 Disaggregated revenue information
Set out below is the disaggregation of the Company's revenue from contracts with customers:

		Note	2024	2023
	Revenue from contracts with customers - gross		49,235,020	49,333,125
	Less:			
	Sales Tax		8,573,748	8,254,809
	Federal Excise Duty		4,724,432	4,485,525
	Rebates		414,284	386,696
	Discounts		3,285	40,828
			13,715,749	13,167,858
	Total revenue from contracts with customers - net		35,519,271	36,165,267
	Geographical Markets			
	All sales are made in Pakistan		49,235,020	49,333,125
	Timing of revenue recognition			
	Goods transferred at a point in time		49,235,020	49,333,125
28.2	Contract balances			
	Trade receivables	28.2.1	1,864,186	1,825,648
	Contract liabilities	28.2.2	(65,872)	(108,469)
			1,798,314	1,717,179

28.2.1 Trade receivables are non-interest bearing and credit terms for customers are as per sale order. The increase in trade receivables pertains to increase in overall revenue from customers during the year.

28.2.2 Contract liabilities represent short-term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs 42.07 million (2023: Rs 72.30 million), have been recognized as revenue upon dispatch of goods.

Rupees in thousand	Note	2024	2023
29 COST OF SALES			
Raw material consumed	29.1	2,012,843	1,726,756
Packing material consumed		1,857,313	2,114,307
Fuel and power		15,583,016	19,902,807
Stores and spare parts consumed		373,188	397,468
Salaries, wages and benefits	29.2	906,638	921,802
Travelling and conveyance		79,348	72,592
Insurance		64,210	50,065
Repairs and maintenance		219,675	156,228
Depreciation	6.1.4	2,389,604	2,177,345
Communication		5,943	6,112
Entertainment		8,195	8,402
Fee and subscription		43,178	42,974
Legal and professional charges		5,634	179
Printing and stationery		4,586	4,243
Rent, rates and taxes		51,795	52,247
Utilities		35,189	37,343
Vehicle running expenses		38,503	39,041
Other manufacturing expenses		10,279	20,165
Total manufacturing cost		23,689,137	27,730,076
Work in process			
Opening balance		722,507	152,126
Closing balance	10	(1,072,895)	(722,507)
		(350,388)	(570,381)
Cost of goods manufactured		23,338,749	27,159,695
Finished goods			
Opening balance		586,802	182,990
Closing balance	10	(169,537)	(586,802)
		417,265	(403,812)
Cost of Sales		23,756,014	26,755,883

29.1 Raw material consumed

Opening balance		73,514	78,657
Royalty & Excise duty for extraction of clay and lime stone		777,241	432,851
Quarrying / transportation / purchases and other overheads		1,246,222	1,288,762
		2,096,977	1,800,270
Closing balance	10	(84,134)	(73,514)
		2,012,843	1,726,756

29.2 Includes amount pertaining to employee benefits as follows:

Provident fund	19,262	17,091
Gratuity	61,819	47,554
Compensated absences	35,501	32,101
	116,582	96,746

Rupees in thousand	Note	2024	2023

30 DISTRIBUTION COST

Salaries, wages and benefits	30.1	102,316	90,488
Travelling and conveyance		3,692	3,648
Vehicle running expenses		9,974	8,033
Communication		2,050	2,427
Printing and stationery		1,971	1,566
Rent, rates and taxes		5,520	9,808
Utilities		3,862	4,314
Repairs and maintenance	30.2	23,666	2,622
Legal and professional charges		435	202
Insurance		1,723	367
Fee and subscription		2,698	2,221
Advertisements / sales promotion		363	10,186
Freight and handling charges		4,914	1,070
Entertainment		4,429	3,434
Depreciation	6.1.4	3,542	1,381
		171,155	141,767

30.1 Includes amount pertaining to employee benefits as follows:

Provident fund		4,177	3,420
Compensated absences		5,605	4,247
		9,782	7,667

30.2 This includes new head office building operations and maintenance cost amounting to Rs. 22.4 million (2023: Nil)

Rupees in thousand	Note	2024	2023

31 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	31.1	103,905	108,505
Travelling and conveyance		5,098	2,757
Vehicle running expenses		13,955	13,014
Communication		3,679	2,993
Printing and stationery		4,863	2,308
Rent, rates and taxes		6,917	10,391
Utilities		14,680	13
Repairs and maintenance	31.2	49,505	4,239
Legal and professional charges		5,992	5,808
Insurance		5,709	1,301
Auditor's remuneration		4,000	4,000
Fee and subscription		9,021	5,748
Depreciation	6.1.4	80,413	6,490
Entertainment		840	156
Others		1,393	976
		309,970	168,699

31.1 Includes amount pertaining to employee benefits as follows:

Provident fund		4,360	3,304
Compensated absences		5,973	5,634
		10,333	8,938

31.2 This includes new head office building operations and maintenance cost amounting to Rs.45.4 million (2023: Nil)

Rupees in thousand	Note	2024	2023
31.3 Auditor's remuneration			
Annual audit fee		2,500	2,500
Fee for half yearly review		500	500
Other certifications		500	500
Out of pocket expenses		500	500
		4,000	4,000
32 OTHER OPERATING EXPENSES			
Workers' profit participation fund	23.6.1	271,707	(8,877)
Workers' welfare fund	23.6.2	176,285	114,633
Other expenses		30,347	25,889
Donations	32.1	246	346
		478,585	131,991

32.1 None of the Directors of the Company or his/her spouse has any interest in any of the donees.

Rupees in thousand	Note	2024	2023
33 OTHER INCOME			
Income from financial assets:			
Profit on banks		29,713	18,606
Realized gain on sale of short-term investments		190,659	-
		220,372	18,606
Income from non-financial assets:			
Scrap sales		79,455	6,457
Gain on disposal of fixed assets		85,583	9,029
Rental income arising from investment property	7.3	47,043	11,200
Rental income		650	869
		212,731	27,555
		433,103	46,161
34 REMEASUREMENT GAIN / (LOSS) ON ASSETS HELD AT FAIR VALUE - NET			
Fair value gain on investment property carried at fair value		405	4,530
Unrealized loss on re-measurement to fair value on short-term investments		-	(10,679)
		405	(6,149)
35 FINANCE COSTS			
Mark-up on conventional finances:			
Mark-up on long-term financing from conventional banks		1,693,090	1,720,391
Mark-up on short-term borrowings from conventional banks		569,118	465,209
Mark-up on Islamic finances:			
Mark-up on long-term financing from Islamic banks		518,688	814,431
Mark-up on short-term borrowings from Islamic banks		9,671	186,696
Bank charges and commission		15,389	10,921
		2,805,956	3,197,648

Rupees in thousand	Note	2024	2023
36 TAXATION			
Current tax			
- for the year		2,291,608	1,569,102
- for prior year		10,837	(125,758)
		2,302,445	1,443,344
Deferred tax		904,607	1,677,208
		3,207,052	3,120,552

36.1 Relationship between tax expense and accounting profit

Rupees in thousand	Note	2024	2023
Profit before taxation		8,383,220	5,731,658
Tax calculated at the rate of 29%		2,431,134	1,662,181
Tax effect of:			
- Super tax @ 10%		898,873	594,719
- Prior year reversal of super tax @ 6%	27.1.12	-	(125,758)
- Revision in tax rate	36.2	-	989,310
- Prior year adjustment		10,837	-
- Permanent difference on restricted cost of vehicle		(61,014)	-
- Permanent difference on investment property		(117)	-
- Realized gain on mutual funds - exempt		(55,291)	-
- Others		(17,370)	100
		3,207,052	3,120,552

36.2 In accordance with the Finance Act 2023, super tax for the tax year 2023 and onwards has been revised to 10% from 4% in the prior year, in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

37 EARNINGS PER SHARE - BASIC AND DILUTED

	2024	2023
37.1 Basic earnings per share		
Profit attributable to ordinary shareholders - Rupees in thousands	5,176,168	2,611,106
Weighted average number of ordinary shares - in thousands	227,149	227,149
Basic earnings per share - Rupees	22.79	11.50

37.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June 2024 (2023: Nil).

Rupees in thousand	Note	2024	2023
38 CASH GENERATED FROM OPERATIONS			
Profit before taxation		8,383,220	5,731,658
Adjustment for			
Depreciation	6.1.4	2,953,897	2,658,416
Allowance for expected credit losses	11.1	47,879	77,633
Provision for gratuity	22.2.3	61,819	47,554
Provision for compensated absences	23.5	49,938	41,982
Finance cost	35	2,805,956	3,197,648
Gain on disposal of property, plant and equipment	33	(85,583)	(9,029)
Fair value gain on investment property carried at fair value	34	(405)	(4,530)
Profit on bank deposits	33	(29,713)	(18,606)
Realized gain on sale of short-term investments	33	(190,659)	-
Unrealized loss on re-measurement of fair value of short-term investments	34	-	10,679
Cash flow before working capital changes		13,996,349	11,733,405
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		422,989	69,315
Stock in trade		228,055	(1,097,984)
Trade receivables		(86,417)	(195,064)
Loans and advances		14,512	72,547
Trade deposits and short term prepayments		(2,903)	(5,129)
Other receivables		(40,573)	(2,584)
		535,663	(1,158,899)
Increase/ (decrease) in current liabilities			
Trade and other payables		169,543	(137,171)
Contract liabilities		(42,597)	(31,037)
Sales tax payable		140,472	(391,775)
Retention money		(765,395)	31,775
		(497,977)	(528,208)
Cash generated from operations		14,034,035	10,046,298
39 CASH AND CASH EQUIVALENT			
Cash and bank balances	15	414,631	343,596

40 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		Total	
	2024	2023	2024	2023	2024	2023
Number:	1	1	64	37	65	38
Basic Salary	-	14,160	155,491	111,812	155,491	125,972
Contribution to Provident Fund Trust	-	-	15,549	9,931	15,549	9,931
Allowances & benefits:						
- House Rent	-	6,372	69,971	50,316	69,971	56,688
- Utilities	-	1,416	15,549	11,181	15,549	12,597
- Others	-	7,102	67,944	63,745	67,944	70,847
	-	29,050	324,504	246,985	324,504	276,035

40.1 No remuneration has been paid to Chief Executive Officer during the year. In addition, the Chief Executive Officer and all the executives of the Company have been provided with free use of the Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

40.2 No remuneration is being paid / payable to the directors of the Company except meeting fee which is paid to all non-executive directors including chairman at the rate of Rs. 50,000 to 125,000 per meeting attended.

41 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of the associated companies and undertakings having directors in common, directors and key management personnel. Amounts due from and to related parties, remuneration of directors and key management personnel are disclosed in the relevant notes. The transactions with the related parties are carried out at arm's length. Transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Rupees in thousand

Name of Related Party	Relationship	Nature of Transaction	2024	2023
Imperial Developers and Builders (Private) Limited	Common Directorship	Operations and Maintenance charges	135,600	-
		Project supervision and consultancy fee	150,000	250,000
Haleeb Foods Limited	Common Directorship	Rental income	34,596	-
		Reimbursement of expenses - Operations and Maintenance charges	67,800	-
		- Others	34,650	-
Provident Fund Trust	Staff retirement benefit	Contribution to staff provident fund	36,894	23,815
Period end balances				
Payable to Imperial Developers and Builders (Private) Limited			-	259,759
Receivable from Haleeb Foods Limited			30,667	-

Numbers

42 NUMBER OF EMPLOYEES

	2024	2023
Number of employees at year end including permanent and contractual - total	1,095	1,152
Average number of employees during the year - total	1,071	1,135
Number of employees at year end including permanent and contractual - factory	999	1,054
Average number of employees during the year - factory	980	1,038

Tons

43 PRODUCTION CAPACITY (300 DAYS BASIS)

	2024	2023
Rated capacity - cement	5,194,500	5,194,500
Actual production - cement	2,315,214	2,741,440

43.1 Difference is due to supply and demand situation in the market.

44 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy and processes during the year ended June 30, 2024.

The Company's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total short and long-term borrowings to equity ratio does not exceed the lender covenants.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total capital employed. Net borrowings represent long-term financing, and short-term borrowings obtained by the Company, less cash and bank balances. Total capital employed includes 'total equity' plus 'borrowings'. Gearing ratio at the year end is as follows:

Rupees in thousand	2024	2023
Long-term financing - current and non-current	8,071,290	13,521,379
Short-term borrowing	2,431,737	3,961,845
Total borrowings	10,503,027	17,483,224
Less: cash and bank balances	(414,631)	(343,596)
Net borrowings	10,088,396	17,139,628
Share capital	2,271,489	2,271,489
Reserves	43,400,352	38,249,953
Total equity	45,671,841	40,521,442
Total capital employed	55,760,237	57,661,070
Gearing ratio	18.09%	29.72%

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 maintaining the Company into profitable entity and has taken financial measures to support such rehabilitation program. Further, in order to improve liquidity and profitability of the Company, the management is planning to take certain appropriate steps such as increase sales through export of cement to neighbouring countries, cost control and curtailing financing cost by means of debt management.

In order to achieve this overall objective, the Company’s capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. During the year, the Company was in non-compliance with current ratio with respect to long-term facilities, however, the Company has obtained relaxation / waiver from banks regarding aforesaid non-compliance at reporting date which are valid for a period of next 12 months.

45 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. Risk management is carried out by the Company's Finance Department under policies approved by the Senior Management. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

45.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans, borrowings and investments. The Company is exposed to interest rate risk, liquidity risk, credit risk and equity risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2024 and June 30, 2023.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to any foreign exchange risk at reporting date.

b) Equity price risk

The Company is exposed to equity price risk, which arises from investments measured at fair value. The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the authorized individual in the management of the company. The Company is exposed to equity price risk as the Company holds following investments classified at fair value through profit or loss:

Rupees in thousand	2024	2023
Short term investments	-	461,502

If Net Asset Value (NAV) at the year end date, fluctuates by 2% higher / lower with all other variables held constant, profit after taxation for the year would have been changed as following:

Rupees in thousand	Changes in NAV %	2024	2023
	+2%	-	5,630
	-2%	-	(5,630)

45.2 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

Rupees in thousand	Carrying amount	Contractual cash flows	Up to 1 year	Between 1 to 5 years	5 years and above
At June 30, 2024					
Long-term financing	8,071,290	10,811,935	6,452,859	4,269,249	89,827
Long-term deposits	44,981	44,981	-	44,981	-
Unclaimed dividend	74,593	74,593	74,593	-	-
Retention money	78,549	78,549	78,549	-	-
Trade and other payables	4,732,848	4,732,848	4,732,848	-	-
Accrued mark-up / profit on financing	646,985	646,985	646,985	-	-
Short-term borrowings	2,431,737	2,431,737	2,431,737	-	-
	16,080,983	18,821,628	14,417,571	4,314,230	89,827
At June 30, 2023					
Long-term financing	13,521,379	17,041,171	7,334,745	9,514,955	191,471
Long-term deposits	41,384	41,384	-	41,384	-
Unclaimed dividend	60,584	60,584	60,584	-	-
Retention money	843,944	843,944	843,944	-	-
Trade and other payables	6,361,510	6,361,510	6,361,510	-	-
Accrued mark-up / profit on financing	952,532	952,532	952,532	-	-
Short-term borrowings	3,961,845	3,961,845	3,961,845	-	-
	25,743,178	29,262,970	19,515,160	9,556,339	191,471

45.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short and long-term borrowings and bank balance in deposit accounts. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

At the reporting date, the Company's interest bearing financial instruments at variable rate instruments is:

Rupees in thousand	Note	2024	2023
Financial assets:			
Deposits with banks	15.1	197,926	129,006
Financial liabilities			
Long-term financing	20	(8,071,290)	(13,521,379)
Short-term borrowings	25	(2,431,737)	(3,961,845)
		(10,503,027)	(17,483,224)
Financial liabilities at variable rate instruments - net		(10,305,101)	(17,354,218)

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in mark-up / interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for 2023.

Rupees in thousand	Increase / decrease in basis points	2024	2023
		Effects on profit before tax	
Cash flow sensitivity - variable rate instruments			
	+1%	(103,051)	(173,542)
	-1%	103,051	173,542

Fair value sensitivity analysis for fixed rate instruments
Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

45.4 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets as listed below) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. 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. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of allowance for expected credit losses (ECL), if any.

Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company seeks to minimize the credit risk exposure through having exposures only to customers and counter parties considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

Rupees in thousand	Note	2024	2023
Long-term deposits	8	83,708	344,264
Trade receivables	11	1,864,186	1,825,648
Loans to employees	12	7,765	3,860
Other receivables	13	50,525	9,952
Short-term investments	14	163,652	461,502
Bank balances	15	410,041	342,889
		2,579,877	2,988,115

a) Financial assets with financial institutions

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 financial assets held with banking companies that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Rupees in thousand		Rating			2024	2023
		Short-term	Long-term	Agency		
i)	Bank balances					
	Allied Bank Limited	A1+	AAA	PACRA	-	47,348
	Askari Bank Limited	A1+	AA+	PACRA	27,963	4,299
	Bank Al-Habib Limited	A1+	AAA	PACRA	4,516	45,211
	Bank Islami Pakistan Limited	A1	AA-	PACRA	50	48
	Dubai Islamic Bank Limited	A-1+	AA	VIS	177	12
	Habib Bank Limited	A-1+	AAA	VIS	33,593	30,735
	MCB Limited	A1+	AAA	PACRA	18,761	10,134
	Meezan Bank Limited	A-1+	AAA	VIS	141,134	63,291
	National Bank of Pakistan	A1+	AAA	PACRA	8,313	4,136
	The Bank of Punjab	A1+	AA+	PACRA	97,115	82,685
	United Bank Limited	A-1+	AAA	VIS	72,324	53,333
	JS Bank Limited	A1+	AA-	PACRA	5,186	1,657
	Habib Metropolitan Bank Limited	A1+	AA+	PACRA	909	-
					410,041	342,889
ii)	Short-term investments					
	Term Deposit Receipts					
	- Bank Al-Habib Limited	A1+	AAA	PACRA	100,000	-
	- Habib Metropolitan Bank Limited	A1+	AA+	PACRA	63,652	-
					163,652	-
	Unrated (equity based funds)				-	461,502
					163,652	461,502

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Further, the Company has assessed that the ECL on bank balances is immaterial and hence, has not been recognized.

b) Trade receivables

Credit risk related to trade receivables is managed by established procedures and controls relating to customers credit risk management. Outstanding receivables are regularly monitored. There are no major customers with balances accounting for over 10% of the total amounts of receivable as at June 30, 2024 and 2023. Further, 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, and coverage by letters of credit or other forms of credit insurance). 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. Generally, trade receivables are written-off if past due for more than three year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

Rupees in thousand	At June 30, 2024			At June 30, 2023		
	Expected credit loss rate(%)	Estimated total gross carrying amount at default	Expected credit loss	Expected credit loss rate(%)	Estimated total gross carrying amount at default	Expected credit loss
Upto 30 Days	0.02%	1,717,016	335	0.03%	1,502,868	424
31 to 90 Days	8.48%	47,505	4,028	3.50%	143,453	5,020
91 to 180 Days	26.07%	17,621	4,594	0.43%	129,090	557
More than 181 Days	37.29%	47,427	17,685	23.43%	70,643	16,553
Between 1 to 2 years	44.30%	109,217	48,384	95.24%	23,303	22,193
Between 2 to 3 years	98.32%	19,357	19,032	99.53%	42,879	42,679
More than 3 years	99.86%	72,503	72,401	97.38%	31,993	31,155
Total trade receivables		2,030,646	166,459		1,944,229	118,581

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their trading history with the Company and existence of previous financial difficulties.

c) Other financial assets

Other financial assets mainly comprise of long-term deposits, loan to employees and other receivables. The Company has provided for provision for ECL in full for other receivable past due more than one year. For other financial assets, the Company has assessed, based on historical experience, that the ECL associated with these financial assets is trivial and therefore, no ECL has been recognized on these financial assets.

45.5 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. Whether those factors are caused by factors specific to individual financial instruments or its issuer, or all factors effecting all similar financial instruments trading in the market.

46 FAIR VALUE MEASUREMENT

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

Rupees in thousand	Level 1	Level 2	Level 3	Total
At June 30, 2024				
Short-term investments	-	-	-	-
Operating fixed assets:				
Freehold land	-	-	705,296	705,296
Factory building on freehold land	-	-	4,027,469	4,027,469
Head Office Building	-	-	1,990,018	1,990,018
Plant and machinery line I	-	-	2,942,759	2,942,759
Plant and machinery line II	-	-	9,124,097	9,124,097
Plant and machinery line III	-	-	40,812,661	40,812,661
Waste heat recovery plant - II	-	-	3,166,808	3,166,808
WHR & coal power plant - I	-	-	2,945,990	2,945,990
Coal power plant - II	-	-	7,171,452	7,171,452
Investment property	-	-	669,541	669,541
	-	-	73,556,091	73,556,091

Rupees in thousand	Level 1	Level 2	Level 3	Total
At June 30, 2023				
Short-term investments	461,502	-	-	461,502
Operating fixed assets:				
Freehold land	-	-	699,693	699,693
Factory building on freehold land	-	-	4,218,195	4,218,195
Plant and machinery line I	-	-	3,063,464	3,063,464
Plant and machinery line II	-	-	9,915,907	9,915,907
Plant and machinery line III	-	-	41,751,272	41,751,272
WHR & coal power plant - I	-	-	3,264,402	3,264,402
Waste heat recovery plant - II	-	-	3,038,345	3,038,345
Coal power plant - II	-	-	7,323,100	7,323,100
Investment property	-	-	94,926	94,926
	461,502	-	73,369,304	73,830,806

There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

46.1 Valuation techniques used to derive fair values

a) Level 2

The level 2 fair value of short-term investments has been determined using their respective redemption Net Assets Value, published by Mutual Funds Association of Pakistan (MUFAP) on its website, at the reporting date.

b) Level 3

The Company obtains independent valuations for its freehold land and investment property. The management updates its assessment of the fair value of these assets, taking into account the most recent independent valuation. Level 3 fair value of freehold land and investment property has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. Further, the Company obtains independent valuations for its factory building on freehold land and plant and machinery (collectively includes “plant line I, II & III, waste heat recovery plant I & II and coal power plant I & II”). The management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset’s value within a range of reasonable fair value estimates. Level 3 fair value of building on freehold land and plant and machinery has been determined using cost approach (often referred to as current replacement cost method) under IFRS 13 which reflects the amount required currently to replace service capacity of an asset. The valuer determined the construction cost per square feet of a similar building in a similar location to arrive at replacement value which had been adjusted using a suitable depreciation rate. The valuer calculated specific investment costs of production plant lines based on estimated replacement value of comparable production plant lines using research from the market. Other inputs includes technological advancement and present operational condition and age of plant and machinery etc.

46.2 Valuation inputs and relationship to fair value

Description	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.

47 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES.

Rupees in thousand	For the year ended June 30, 2024				
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up/ profit on financing	Unclaimed Dividend	Total
Balance as at July 01, 2023	13,521,379	3,961,845	952,532	60,584	18,496,340
Changes from financing activities					
Repayment of long term finances - secured -net	(5,450,089)	-	-	-	(5,450,089)
Repayment of short term borrowings - net	-	(1,530,108)	-	-	(1,530,108)
Finance cost paid	-	-	(3,492,679)	-	(3,492,679)
Dividend paid	-	-	-	(1,121,735)	(1,121,735)
Total changes from financing cash flows	(5,450,089)	(1,530,108)	(3,492,679)	(1,121,735)	(11,594,611)
Other changes					
Amortization of government grant	-	-	-	-	-
Bank overdrawn	-	-	-	-	-
Finance cost	-	-	2,805,956	-	2,805,955
Interim dividend declared	-	-	-	1,135,744	1,135,744
Finance cost capitalized	-	-	381,176	-	381,176
Total liability related other changes	-	-	3,187,132	1,135,744	4,322,876
Closing as at June 30, 2024	8,071,290	2,431,737	646,985	74,593	11,224,605

Rupees in thousand	For the year ended June 30, 2023				
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up/ profit on financing	Unclaimed Dividend	Total
Balance as at July 01, 2022	18,030,031	4,180,506	780,233	60,663	23,051,433
Changes from financing activities					
Repayment of long term finances - secured	(4,509,438)	-	-	-	(4,509,438)
Repayment of short term borrowings - net	-	(218,661)	-	-	(218,661)
Finance cost paid	-	-	(3,365,450)	-	(3,365,450)
Dividend paid	-	-	-	(79)	(79)
Total changes from financing cash flows	(4,509,438)	(218,661)	(3,365,450)	(79)	(8,093,628)
Other changes					
Amortization of government grant	786	-	-	-	786
Bank overdrawn	-	-	-	-	-
Finance cost	-	-	3,197,648	-	3,197,648
Finance cost capitalized	-	-	340,101	-	340,101
Total liability related other changes	786	-	3,537,749	-	3,538,535
Closing as at June 30, 2023	13,521,379	3,961,845	952,532	60,584	18,496,340

48 FINANCIAL INSTRUMENTS-FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

Rupees in thousand	Carrying Amount				Level 1			
	Fair value through other comprehensive income	Fair value through profit and loss	Financial Assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments June 30, 2024								
Financial assets measured at fair value								
Short term Investments	-	-	-	-	-	-	-	-
Financial assets at amortised cost								
Long term deposits	-	-	83,708	-	83,708	-	-	-
Short term Investment	-	-	163,652	-	163,652	-	-	-
Trade debts - unsecured, considered good	-	-	1,864,186	-	1,864,186	-	-	-
Loans to employees	-	-	7,765	-	7,765	-	-	-
Other receivables	-	-	50,525	-	50,525	-	-	-
Cash and bank balances	-	-	414,631	-	414,631	-	-	-
Note 48.1	-	-	2,584,467	-	2,584,467	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	8,071,290	8,071,290	-	-	-
Long term deposits	-	-	-	44,981	44,981	-	-	-
Unclaimed dividend	-	-	-	74,593	74,593	-	-	-
Retention money	-	-	-	78,549	78,549	-	-	-
Trade and other payables	-	-	-	4,157,348	4,157,348	-	-	-
Accrued mark-up/ profit on financing	-	-	-	646,985	646,985	-	-	-
Short term borrowings	-	-	-	2,431,737	2,431,737	-	-	-
Note 48.1	-	-	-	15,505,483	15,505,483	-	-	-

Rupees in thousand	Carrying Amount				Fair Value			
	Fair value through other comprehensive income	Fair value through profit and loss	Financial Assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments June 30, 2023								
Financial assets measured at fair value								
Short term Investments	-	461,502	-	-	461,502	461,502	-	-
Financial assets at amortised cost								
Long term deposits	-	-	344,264	-	344,264	-	-	-
Trade debts - unsecured, considered good	-	-	1,825,648	-	1,825,648	-	-	-
Loans to employees	-	-	3,860	-	3,860	-	-	-
Other receivables	-	-	9,952	-	9,952	-	-	-
Cash and bank balances	-	-	343,596	-	343,596	-	-	-
Note 48.1	-	-	2,527,320	-	2,527,320	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	13,521,379	13,521,379	-	-	-
Long term deposits	-	-	-	41,384	41,384	-	-	-
Unclaimed dividend	-	-	-	60,584	60,584	-	-	-
Retention money	-	-	-	843,944	843,944	-	-	-
Trade and other payables	-	-	-	6,081,165	6,081,165	-	-	-
Accrued mark-up/ profit on financing	-	-	-	952,532	952,532	-	-	-
Short term borrowings	-	-	-	3,961,845	3,961,845	-	-	-
Note 48.1	-	-	-	25,462,833	25,462,833	-	-	-

48.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or are repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

49 PROVIDENT FUND TRUST

The investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act 2017 and the conditions specified thereunder.

50 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

51 NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors recommended final cash dividend for the year ended June 30, 2024 at the rate of Rs 10 per share amounting to Rs 2,271.41 million in its meeting held on September 18, 2024.

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 18, 2024.

Chief Financial Officer | Chief Executive Officer | Chairman

12 OTHER INFORMATION

PATTERN OF SHAREHOLDING
As on June 30,2024

2.2 No. of Shareholders	From	To	Total Shares Held
	-------- Shareholdings --------		
2080	1	100	63,443
1808	101	500	458,217
1195	501	1,000	882,878
1148	1,001	5,000	2,557,868
218	5,001	10,000	1,612,649
66	10,001	15,000	833,628
40	15,001	20,000	736,487
26	20,001	25,000	589,653
21	25,001	30,000	607,256
16	30,001	35,000	543,476
19	35,001	40,000	723,809
5	40,001	45,000	216,164
13	45,001	50,000	634,774
7	50,001	55,000	365,878
9	55,001	60,000	526,762
7	60,001	65,000	435,000
7	65,001	70,000	486,704
5	70,001	75,000	359,284
4	75,001	80,000	313,790
5	80,001	85,000	412,651
5	85,001	90,000	442,590
1	90,001	95,000	90,258
3	95,001	100,000	300,000
4	100,001	105,000	406,122
3	105,001	110,000	320,062
1	115,001	120,000	116,252
1	120,001	125,000	122,300
1	125,001	130,000	125,771
1	130,001	135,000	134,406
2	135,001	140,000	277,000
2	140,001	145,000	284,408
3	145,001	150,000	442,246
3	150,001	155,000	460,063
5	155,001	160,000	791,004
1	160,001	165,000	162,500
1	165,001	170,000	169,000
1	175,001	180,000	177,500
2	185,001	190,000	380,000
3	195,001	200,000	600,000
1	200,001	205,000	203,078
1	205,001	210,000	207,438
1	215,001	220,000	216,793
2	225,001	230,000	455,928
1	230,001	235,000	232,000
1	245,001	250,000	250,000
1	255,001	260,000	260,000
1	260,001	265,000	263,824
1	275,001	280,000	278,200
1	280,001	285,000	280,950
1	285,001	290,000	286,755
1	295,001	300,000	300,000
1	300,001	305,000	303,500
2	310,001	315,000	628,206
1	315,001	320,000	319,500
1	320,001	325,000	322,353
2	380,001	385,000	763,459
1	395,001	400,000	399,648
1	425,001	430,000	427,475
1	445,001	450,000	448,354
1	465,001	470,000	466,697
1	480,001	485,000	485,000
1	625,001	630,000	629,160
1	640,001	645,000	641,403
1	690,001	695,000	694,249

PATTERN OF SHAREHOLDING
As on June 30,2024

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
1	825,001	830,000	825,524
1	830,001	835,000	831,457
1	895,001	900,000	898,500
1	1,155,001	1,160,000	1,159,037
1	1,215,001	1,220,000	1,215,554
1	1,330,001	1,335,000	1,331,447
1	1,375,001	1,380,000	1,378,718
1	1,400,001	1,405,000	1,404,938
1	1,495,001	1,500,000	1,500,000
1	1,685,001	1,690,000	1,687,596
1	2,720,001	2,725,000	2,721,742
1	3,055,001	3,060,000	3,059,440
1	3,340,001	3,345,000	3,342,000
1	3,360,001	3,365,000	3,362,053
1	3,745,001	3,750,000	3,750,000
1	3,995,001	4,000,000	4,000,000
1	4,310,001	4,315,000	4,311,917
1	4,690,001	4,695,000	4,690,100
1	7,955,001	7,960,000	7,959,707
1	17,320,001	17,325,000	17,321,046
1	24,605,001	24,610,000	24,609,001
1	106,860,001	106,865,000	106,863,193
6,792			227,148,793

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	353	0.0002%
Associated Companies, undertakings and related parties.	123,860,847	54.5285%
NIT and ICP	36,000	0.0158%
Banks Development Financial Institutions, Non Banking Financial Institutions.	6,719,202	2.9581%
Insurance Companies	783,965	0.3451%
Modarabas and Mutual Funds	10,470,207	4.6094%
Shareholders holding 10% or more	131,472,194	57.8793%
General Public		
a. Local	32,424,413	14.2745%
b. Foreign	243,686	0.1073%
Others		
a- Leasing Companies	79,640	0.0351%
b- Investment Companies	4,216	0.0019%
c- Joint Stock Companies	47,913,917	21.0936%
d- Pension Funds	492,610	0.2169%
e- Foreign Companies	2,733,860	1.2036%
f- Others	1,385,877	0.6101%

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG) As on June 30,2024

Sr. No.	Name	No. of Share Held	Percentage
Associated Companies, Undertakings and Related Parties:			
1	VISION HOLDING MIDLE EAST LIMITED (CDC)	106,863,193	47.0455
2	IMPERIAL DEVELOPERS AND BUILDER (PRIVATE) LIMITED (CDC)	4,690,100	2.0648
3	INSERVEY PAKISTAN (PVT) LTD. (CDC)	3,342,000	1.4713
4	INSHIPPING (PRIVATE) LIMITED (CDC)	3,750,000	1.6509
5	SEALOG (PVT) LTD. (CDC)	4,000,000	1.7610
6	FORBES SHIPPING COMPANY (PRIVATE) LIMITED (CDC)	1,215,554	0.5351
Mutual Funds			
1	CDC - TRUSTEE ABL STOCK FUND (CDC)	825,524	0.3634
2	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	33,700	0.0148
3	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	190,000	0.0836
4	CDC - TRUSTEE AL HABIB STOCK FUND (CDC)	108,000	0.0475
5	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	314,706	0.1385
6	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	154,063	0.0678
7	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	16,731	0.0074
8	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	13,900	0.0061
9	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	380,788	0.1676
10	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	263,824	0.1161
11	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	20,000	0.0088
12	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	485,000	0.2135
13	CDC - TRUSTEE ALHOF-DIVIDEND STRATEGY PLAN (CDC)	84,000	0.0370
14	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	30,000	0.0132
15	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	30,000	0.0132
16	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	30,000	0.0132
17	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	303,500	0.1336
18	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	641,403	0.2824
19	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	10,800	0.0048
20	CDC - TRUSTEE AWT STOCK FUND (CDC)	8,300	0.0037
21	CDC - TRUSTEE FAYSAL ASSET ALOCATION FUND (CDC)	14,200	0.0063
22	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	7,200	0.0032
23	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	72,250	0.0318
24	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	27,735	0.0122
25	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	6,950	0.0031
26	CDC - TRUSTEE HBL - STOCK FUND (CDC)	81,500	0.0359
27	CDC - TRUSTEE HBL EQUITY FUND (CDC)	81,500	0.0359
28	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PALN I - MT (CDC)	216,793	0.0954
29	CDC - TRUSTEE HBL GROWTH FUND (CDC)	147,000	0.0647
30	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	5,000	0.0022
31	CDC - TRUSTEE HBL INVESTMENT FUND	232,000	0.1021
32	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	39,000	0.0172
33	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	34,800	0.0153
34	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	58,500	0.0258
35	CDC - TRUSTEE HBL MULTI - ASSET FUND	23,800	0.0105
36	CDC - TRUSTEE HBL PF EQUITY SUB FUND	23,700	0.0104
37	CDC - TRUSTEE JS ISLAMIC FUND	39,400	0.0173

Sr. No.	Name	No. of Share Held	Percentage
38	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	5,800	0.0026
39	CDC - TRUSTEE JS LARGE CAP. FUND	169,000	0.0744
40	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	17,300	0.0076
41	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	39,508	0.0174
42	CDC - TRUSTEE LAKSON TACTICAL FUND	47,721	0.0210
43	CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	4,410	0.0019
44	CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	89,000	0.0392
45	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1,378,718	0.6070
46	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	3,150	0.0014
47	CDC - TRUSTEE NBP SAVINGS FUND - MT	48,789	0.0215
48	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	38,000	0.0167
49	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	143,600	0.0632
50	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	154,000	0.0678
51	MC FSL - TRUSTEE JS GROWTH FUND	313,500	0.1380
52	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	319,500	0.1407
53	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	29,100	0.0128
54	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	382,671	0.1685
55	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	629,160	0.2770
56	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	70,000	0.0308
57	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	694,249	0.3056
58	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND (CDC)	134,406	0.0592
59	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	177,500	0.0781
60	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	229,246	0.1009
61	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	278,200	0.1225
62	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	13,900	0.0061

Directors and their Spouse and Minor Children:

1	MR. MOHAMMAD HABIB ULLAH KHAN (CEO)	1	0.0000
2	MR. MOHAMMAD AFTAB ALAM (CDC)	100	0.0000
3	MIRZA ALI HASAN ASKARI (CDC)	100	0.0000
4	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
5	MR. ALY KHAN	1	0.0000
6	MISS ALEEYA KHAN	11	0.0000
7	MR. DORAIB A KISAT	8	0.0000
8	MR. MANZOOR AHMED (CDC)	10	0.0000
9	MRS. FATIN ALY KHAN W/O ALY KHAN	11	0.0000
10	MRS. NUSRAT KHAN W/O MOHAMMAD HABIB ULLAH KHAN	11	0.0000

Executives:	250	0.0001
Public Sector Companies & Corporations:	-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	8,079,629	3.5570

Shareholders holding five percent or more voting intrest in the listed company (name wise detail)

1	VISION HOLDING MIDLE EAST LIMITED (CDC)	106,863,193	47.0455
2	MAPLE LEAF CAPITAL LIMITED (CDC)	24,609,001	10.8339
3	MAPLE LEAF CEMENT FACTORY LTD (CDC)	17,321,046	7.6254

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

S.No	NAME	SALE	PURCHASE
	NIL	-	-

پائنیر سیمنٹ لمیٹڈ

رجسٹرڈ آفس 64-B/1 گلبرگ -III، لاہور

اطلاع برائے سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ پائنیر سیمنٹ لمیٹڈ کے ممبران کا اڑتیسواں سالانہ اجلاسِ عام بروز پیر مورخہ 28 اکتوبر 2024 سہ پہر تین بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 64-B/1 گلبرگ -III، لاہور میں منعقد ہوگا:

عمومی کارروائی:

۱۔ سالانہ اجلاس عام منعقدہ 27 اکتوبر 2023 کی کارروائی کی توثیق۔

۲۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پر آڈیٹران اور ڈائریکٹران کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔

۳۔ کمپنی کے حصص پر نقد منافع کی منظوری، ڈائریکٹرز نے حتمی نقد منافع 100 فیصد یعنی فی حصص 10 روپے کی سفارش کی ہے۔ یہ 50 فیصد عبوری منافع یعنی 5 روپے فی حصص جو پہلے ہی ادا کیا جا چکا ہے کے علاوہ ہے۔ اس طرح مجموعی طور پر 150 فیصد یعنی 15 روپے فی حصص منافع ہوگا۔

۴۔ آئندہ سال 30 جون 2025 کے لیے کمپنی کے آڈیٹران کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ سبکدوش ہونے والے M/s. KPMG, Taseer Hadi & Co., چارٹرڈ اکاؤنٹنٹ نے مدت معاہدہ ختم ہونے کے بعد اور اہلیت کی بنا پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔

خصوصی کارروائی:

۵۔ کمپنیز ایکٹ 2017 کی شق 207 اور/یا 208 کے لحاظ سے متعلقہ فریق کے لین دین کے حوالے سے مندرجہ ذیل خصوصی قراردادوں پر غور کرنا اور ان کی توثیق اور ترمیم یا ترمیم کے بغیر (جیسا کہ معاملہ ہو) منظوری دینا۔

قرار پایا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ کمپنی کی جانب سے کیے گئے لین دین، جیسا کہ مذکورہ مدت کے لئے کمپنی کے مالیاتی حسابات کے نوٹ 41 میں ظاہر کیا گیا ہے اور کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۱۳۴(۳) کے تحت سٹیٹمنٹ آف میٹیریل انفارمیشن میں ظاہر کیا گیا ہے اس کی توثیق اور تصدیق کی جاتی ہے۔

مزید قرار پایا کہ 30 جون 2025 کو ختم ہونے والی مدت کے لئے متعلقہ فریق کے لین دین کو اراکین کے ذریعے منظور شدہ تصور کیا جائے گا اور بعد ازاں توثیق اور تصدیق کے لئے اگلے سالانہ اجلاس عام میں اراکین کے سامنے رکھا جائے گا۔

۶۔ صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

حسب الحکم بورڈ

طلحہ سیف

کمپنی سیکرٹری

لاہور۔

18 ستمبر، 2024

نوٹس:

۱۔ شیئر ٹرانسفر بکس کی بندش

کمپنی حصص کی منتقلی کی کتابیں 21 اکتوبر 2024 تا 28 اکتوبر 2024 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام میں شرکت کرنے کے استحقاق کا تعین کرنے کے لیے بند رہیں گی۔ 20 اکتوبر 2024 کے دفتری اوقات کے خاتمہ تک کمپنی کے شیئر رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل، ماڈل ٹاؤن

لاہور کو منتقلی کے لیے موصول ہونے والے شیئر ٹرانسفر کو سالانہ اجلاس میں شرکت اور حتمی منافع کی ادائیگی کیلئے بروقت تصور کیا جائے گا۔

۲۔ سالانہ اجلاس عام میں شرکت

کوئی بھی شیئر ہولڈر جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا رکن حقدار ہے وہ اپنی جگہ اجلاس میں شرکت کرنے کیلئے اپنا پراکسی مقرر کرنے کا رکن بھی حقدار ہے۔ پراکسی کیلئے ضروری ہے کہ وہ اجلاس کے انعقاد کیلئے مقرر کردہ وقت سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائے۔

(الف) سی ڈی سی اکاؤنٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ ساتھ لائیں۔

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

۳۔ منافع منقسمہ کی ادائیگی بذریعہ الیکٹرانک موڈ

کمپنیز ایکٹ ۲۰۱۷ کی شق ۲۴۲ کی دفعات اور سرکلر نمبر ۱۸/۲۰۱۷ کے تحت لسٹڈ کمپنی کے لئے ضروری ہے کہ وہ اپنے حصص داران کو زر نقد منافع منقسمہ کی ادائگی صرف اہل حصص داران کے مخصوص بینک اکاؤنٹ میں براہ راست الیکٹرانک طریقے سے کرے۔ منافع منقسمہ کی براہ راست بینک اکاؤنٹ میں وصولی کیلئے حصص داران سے گزارش کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم پر کر کے باضابطہ طور پر دستخط کر کے شناختی کارڈ کی فوٹو کاپی کے ساتھ کمپنی کے رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، ۱۔ کے کمرشل، ماڈل ٹاؤن، لاہور کو بھیج دیں۔ سی۔ ڈی۔ سی شیئر ہولڈرز اپنے بروکر کے پاس جمع کروائیں۔

۴۔ ای ووٹنگ اور پوسٹل بیلٹ

کمپنیز پوسٹل بیلٹ ریگولیشن ۲۰۱۸ اور اس کی ترمیمات جو کہ بذریعہ SRO 2192(1)/2022 بتاریخ ۵ دسمبر ۲۰۲۲ کو ہوئیں کے مطابق سالانہ اجلاس عام میں سپیشل بزنس کی صورت میں الیکٹرانک ووٹنگ اور پوسٹل بیلٹ کے ذریعے ووٹ دینے کا حق کمپنی کے ممبران کو فراہم کیا جائے گا۔ کمپنی اپنے ارکان کو مندرجہ ذیل اختیار دیتی ہے:

۱۔ ای ووٹنگ

الف۔ الیکٹرانک ووٹنگ کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے شناختی کارڈ نمبرز اور موبائل نمبرز/ای میل ایڈریس کمپنی کے ممبر رجسٹر میں موجود کوائف سے مطابقت رکھنے والی رابطہ کی معلومات دستیاب ہوں جو ۲۰ اکتوبر ۲۰۲۲ کو کاروباری اوقات کار کے اختتام تک کو جمع کروائی گئی ہوں۔

ب۔ ویب ایڈریس، لاگ ان کی تفصیل ممبران کو بذریعہ ای میل بھجوا دی جائیں گی۔

ج۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے والے ارکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے ذریعے کی جائے گی۔

د۔ ممبران ۲۵ اکتوبر ۲۰۲۲ کی صبح ۹ بجے سے ۲۷ اکتوبر شام ۵ بجے تک آن لائن ووٹ ڈال سکیں گے۔ ووٹنگ ۲۷ اکتوبر شام ۵ بجے بند ہوگی۔ ایک بار جب کسی رکن کی طرف سے قرارداد پر ووٹ ڈال دیا جائے تو اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

۲۔ بیلٹ پیپر

الف۔ ارکین متبادل طور پر پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ ارکین کی سہولت کیلئے بیلٹ پیپر ڈاؤن لوڈ کرنے کے لئے کمپنی کی ویب سائیٹ www.pioneercement.com پر دستیاب ہوگا۔

ب۔ ارکین کے لئے یہ یقینی بنانا ضروری ہے کہ صحیح طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ پیپر کمپیوٹرائزڈ شناختی کارڈ کی کاپی کے ساتھ اجلاس کے چیئرمین کے پاس کمپنی کے رجسٹرڈ ایڈریس 64-B/1 گلبرگ III، لاہور یا ای میل chairman@pioneercement.com پر اجلاس عام سے ایک دن قبل یعنی ۲۷ اکتوبر ۲۰۲۲ کو شام ۵ بجے سے پہلے موصول ہوں۔ اس وقت / تاریخ کے بعد موصول ہونے والا پوسٹل بیلٹ ووٹنگ کے لئے تصور نہیں کیا جائے گا۔ بیلٹ پیپر پر دستخط شناختی کارڈ والے دستخط سے مماثل ہونا ضروری ہے۔

۵۔ منافع پر ٹیکس

ایف۔ بی۔ آر کی وضاحت کے مطابق وہ ہولڈنگ ٹیکس پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کی فائلر اور نان فائلر کی حیثیت سے علیحدہ علیحدہ ان کے حصے کے مطابق کاٹا جائے گا۔ اوپر دی گئی وضاحت کی روشنی میں التماس ہے کہ آپ بحیثیت پرنسپل شیئر ہولڈر اور اپنے جوائنٹ شیئر ہولڈر کے حصوں کا تناسب لکھ کر فراہم کریں تاکہ ہم اس تناسب کے مطابق ٹیکس کاٹ سکیں۔

مزید براں شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ منافع کی ادائیگی پر انکم ٹیکس آرڈیننس ۲۰۰۱ کی دفعہ ۱۵۰ کے تحت انکم ٹیکس کی کٹوتی کے ریٹس میں تبدیلی کی گئی ہے جو درج ذیل ہے۔

۱۔ ٹیکس ریٹرن فائل کرنے والوں کی کٹوتی ۱۵٪

۲۔ ٹیکس ریٹرن فائل نہ کرنے والوں کی کٹوتی ۳۰٪

اگر مطلوبہ کاغذات جمع نہ کرائے گئے تو کمپنی ایسے شیئر ہولڈرز کو ٹیکس ریٹرن فائل نہ کرنے والوں میں شمار کرے گی اور ۳۰٪ ٹیکس کی کٹوتی کرے گی۔

۶۔ غیر دعوی شدہ حصص اور منافع

کمپنیز ایکٹ کی شق 244 کے مطابق اگر حصص یا ڈیویڈنڈ کمپنی جاری کرے اور وہ تین سال سے زیادہ عرصہ تک کوئی حصص دار کلیم نہ کرے تو وہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے پاس جمع کروائے جائیں تاکہ وہ وفاقی حکومت کے اکاؤنٹ میں جمع کروائے جاسکیں۔ جاری کردہ حصص اور ڈیویڈنڈ کی تفصیل جو کہ تین سال تک کلیم نہ کئے گئے ہوں حصص داران کو ارسال کی جائے۔

حصص داران سے درخواست ہے کہ وہ غیر دعوی شدہ حصص اور ڈیویڈنڈ کی وصولی کیلئے کمپنی کے پاس اپنا دعوی بروقت جمع کروائیں۔ دیے گئے وقت میں دعوی جمع نہ کروانے کی صورت میں کمپنی اخبار میں اشتہار دینے کے بعد کمپنیز ایکٹ کی شق (2)244 کے تحت غیر دعوی شدہ حصص اور ڈیویڈنڈ وفاقی حکومت کے پاس جمع کروا دے گی۔

۷۔ سالانہ رپورٹ اور نوٹس کی ترسیل بذریعہ ای میل

وہ ممبران جو سالانہ رپورٹ اور اجلاس عام کا نوٹس بذریعہ ای میل حاصل کرنا چاہتے ہیں ان سے گزارش ہے کہ وہ اپنا نام، پتہ، فولیو نمبر، ای میل ایڈریس اور رابطہ نمبر کمپنی کے شیئر رجسٹرار کو بذریعہ خط ارسال کریں۔ ممبران سے التماس ہے کہ وہ اپنے ای میل اور ڈاک کے پتوں میں اگر کوئی تبدیلی ہو تو اس سے فوری مطلع کریں۔

۸۔ سالانہ اجلاس عام میں شرکت بذریعہ وڈیو کانفرنس

کمپنیز ایکٹ ۲۰۱۷ کی شق (ب)(۱)۱۳۴ کے مطابق ۱۰ فیصد یا اس سے زیادہ شیئرز رکھنے والے ممبران جو کسی ایک جغرافیائی مقام سے بذریعہ وڈیو لنک شرکت کرنے کی درخواست کمپنی کو اجلاس سے ۱۰ دن قبل کرتے ہیں تو کمپنی اس متعلقہ شہر میں وڈیو لنک کی سہولت کا بندوبست کرے گی۔

اس سہولت سے مستفید ہونے کیلئے مندرجہ ذیل معلومات کمپنی کے رجسٹرڈ پتے پر جمع کروادیں۔ کمپنی تمام ممبران کو اجلاس سے ۵ دن قبل وڈیو کانفرنس کی سہولت سے متعلق بمع تمام ضروری معلومات مطلع کرے گی۔

میں/ہم ــــــــــــــ ساکن ــــــــــــــ پائنیر سیمنٹ لمیٹڈ کے ممبر کی حیثیت سے ملکیتی ــــــــــــــ عام شیئرز بمطابق رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ــــــــــــــ وڈیو کانفرنس بمقام ــــــــــــــ کی سہولت لینا چاہتا ہوں/چاہتے ہیں۔

دستخط ممبر ــــــــــــــ

کمپنی ممبران کو وڈیو کانفرنس کی سہولت کے بارے میں اجلاس عام سے ۵ دن قبل مکمل معلومات فراہم کرے گی تاکہ وہ اس سہولت سے استفادہ کر سکیں۔

۹۔ فزیکل شیئرز کی سی ڈی سی میں منتقلی

کمپنیز ایکٹ ۲۰۱۷ کی شق ۷۲ کے تحت تمام کمپنیز کے لئے یہ لازم ہے کہ وہ فزیکل شیئرز کو ایس ای سی پی کے متعین کردہ وقت کے مطابق بک انٹری فارم میں تبدیل کرلیں۔

وہ ممبران جن کے پاس فزیکل شیئرز موجود ہیں ان سے گزارش کی جاتی ہے کہ وہ جلد از جلد سی ڈی سی میں انویسٹر اکاؤنٹ یا کسی بھی بروکر کے پاس سب اکاؤنٹ کھلوائیں اور اپنے شیئرز کو فزیکل فارم سے بک انٹری فارم میں تبدیل کروائیں۔ اس طرح شیئرز ہولڈرز کو اپنے شیئرز محفوظ رکھنے اور خرید و فروخت میں آسانی ہوگی کیونکہ پاکستان سٹاک ایکسچینج کے ریگولیشنز کے مطابق اب فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

۱۰۔ آن لائن سہولت

اپنے شیئر ہولڈرز کی سہولت کو مدنظر رکھتے ہوئے کمپنی نے وڈیو لنک کے ذریعے اجلاس میں شرکت کے خصوصی انتظامات کئے ہیں۔ وڈیو لنک کے ذریعے اجلاس میں شرکت کے متمنی ممبران سے گزارش ہے کہ وہ پہلے اپنے آپ کو کمپنی سیکرٹری کے آفس میں اجلاس کے شروع ہونے سے کم از کم ۴۸ گھنٹے قبل shares@pioneercement.com پر رجسٹر کروائیں اور اپنا نام، فولیو/سی ڈی سی اکاؤنٹ نمبر، شناختی کارڈ نمبر، ای میل اور فون نمبر بھی فراہم کریں۔ تصدیق کرنے کے بعد کمپنی شیئر ہولڈرز کو بذریعہ ای میل متعلقہ معلومات فراہم کرے گی۔

۱۱۔ سالانہ رپورٹ بذریعہ کیو آر کوڈ اور ویب لنک

کمپنیز ایکٹ ۲۰۱۷ کی شق ۲۲۳ کے مطابق اور ایس ای سی پی کے ایس آر او 389(I)/2023 بتاریخ 21-03-2023 کی تعمیل میں کمپنی نے اپنے پچھلے سالانہ اجلاس عام میں حصص یافتگان سے کیو آر کوڈ اور ویب لنک کے ذریعے اراکین کو سالانہ رپورٹ ارسال کرنے کی منظوری حاصل کی ہے۔ آڈٹ شدہ مالیاتی گوشوارے مندرجہ ذیل کیو آر کوڈ اور ویب سائیٹ کے ذریعے دستیاب ہیں۔

کمپنیز ایکٹ، 2017 کے سیکشن (3)134 کی تعمیل میں کیفیت نامہ

مندرجہ ذیل کیفیت نامہ کمپنی کے سالانہ اجلاس عام میں منظوری کے لیے پیش کیے جانے والے خصوصی امور سے متعلق تمام اہم حقائق کا احاطہ کرتا ہے:

نوٹس کا ایجنڈا آئٹم نمبر ۵

کمپنی کی طرف سے کئے جانے والے (متعلقہ فریق کے لین دین) کی توثیق اور منظوری۔

کمپنی عام کاروبار کے دوران اپنی پالیسیوں اور قابل اطلاق قوانین اور ضوابط کے مطابق اپنے متعلقہ فریق کے ساتھ لین دین کرتی ہے۔ کچھ متعلقہ فریقین کے ساتھ لین دین جن میں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے کیلئے کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۰۷ اور ۲۰۸ اور کارپوریٹ گورننس ۲۰۱۹ کے ضابطہ نمبر ۱۵ کے تحت ممبران کی منظوری درکار ہوتی ہے۔

جیسا کہ کمپنی کے ڈائریکٹرز کی اکثریت متعلقہ پارٹیوں کے ساتھ لین دین میں دلچسپی رکھتی ہے بشمول ان کے شیئر ہولڈنگ یا متعلقہ اداروں میں مشترکہ ڈائریکٹرشپ کی وجہ سے۔ تمام متعلقہ پارٹی لین دین کی تفصیل ۳۰ جون ۲۰۲۴ کو ختم ہونے والے مالی سال کے گوشواروں کے نوٹ ۴۱ میں ظاہر کی گئی ہے اس طرح کے لین دین کو توثیق اور تصدیق کے لئے اگلے سالانہ اجلاس عام میں ممبران کے سامنے رکھا جاتا ہے اسی مناسبت سے لین دین کو ممبران کی توثیق اور تصدیق کے لئے سالانہ اجلاس عام میں ان کے سامنے رکھا جا رہا ہے۔

کمپنی متعلقہ فریقوں کے ساتھ لین دین کے حوالے سے منظور شدہ پالیسی کے مطابق بنیادی طور پر معمول کے مطابق کاروبار کرتی ہے متعلقہ فریقوں کے ساتھ کئے گئے تمام لین دین کے لئے بورڈ کی آڈٹ کمیٹی کی منظوری درکار ہوتی ہے جس کی صدارت کمپنی کے ایک آزاد ڈائریکٹر کرتے ہیں بورڈ کی آڈٹ کمیٹی کی سفارش پر ایسے لین دین بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لئے رکھے جاتے ہیں۔

۳۰ جون ۲۰۲۴ کو ختم ہونے والے مالی سال کے گوشواروں کے نوٹ ۴۱ میں ان متعلقہ فریقوں کے ساتھ تعلقات کی نوعیت کی بھی نشاندہی کی گئی ہے ڈائریکٹرز صرف ان کی شیئر ہولڈنگ اور مشترکہ ڈائریکٹرشپ کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔

جیسا کہ ۳۰ جون ۲۰۲۴ کو ختم ہونے والے مالی سال کے گوشواروں کے نوٹ ۴۱ میں ظاہر کیا گیا ہے اس کے مطابق ممبران سے گزارش کی جاتی ہے کہ وہ ان متعلقہ فریقوں کے ساتھ لین دین کی توثیق اور تصدیق کریں۔

مزید برآں کمپنی ۳۰ جون ۲۰۲۵ کو ختم ہونے والے سال کے دوران اپنے متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے مطابق انتظامات اور لین دین کرے گی۔ کچھ انتظامات یا لین دین، دیگر چیزوں کے ساتھ، متعلقہ اداروں میں شیئر ہولڈنگ اور مشترکہ ڈائریکٹرشپ کی وجہ سے، اور شفاف کاروباری طریقوں کو فروغ دینے کے لئے ممبران سے اس طرح کے متعلقہ پارٹی لین دین کرنے اور کمپنی کو اختیار دینے کے لئے منظوری لی جا رہی ہے۔ متعلقہ فریقوں کے ساتھ، اور مزید ۳۰ جون ۲۰۲۵ کو ختم ہونے والے مالی سال (بورڈ کی تشکیل اور ڈائریکٹرز کے مفاد سے قطع نظر) کے دوران کمپنی کی طرف سے کئے جانے والے متعلقہ پارٹی لین دین کی منظوری دینے کے لئے بورڈ آف ڈائریکٹرز کو اختیار دینے کے لئے ۳۰ جون ۲۰۲۵ کو ختم ہونے والے مالی سال کے لئے مذکورہ بالا متعلقہ فریق کے لین دین کو اراکین کے ذریعے منظور شدہ تصور کیا جائے گا۔

مجلس نظماء رپورٹ برائے حصص داران

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

مجلس نظماء 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے تاریخی اور غیر معمولی نتائج پر اپنی رپورٹ پیش کرنے پر خوش ہیں۔ اس رپورٹ کے ساتھ محاسب شدہ مالیاتی گوشواروں اور محاسب کی رپورٹ بھی منسلک ہے۔

معیشت

غیر یقینی صورتحال اور مسلسل تنازعات، جیسا کہ روس یوکرین کی جاری جنگ، بین الاقوامی تجارتی راستوں پر تناؤ اور علاقائی تنازعات کے ممکنہ پھیلاؤ بارے خدشات، عالمی منظرنامے اور توانائی کی منڈیوں پر نمایاں دباؤ ڈال رہے ہیں جس کا سر دست کوئی فوری حل نظر نہیں آرہا ہے۔ پاکستان بحیثیت درآمد کنندہ ملک ان حالات سے خاص طور پر متاثر ہوا ہے۔

مقامی سطح پر شرح نمو کی معمولی بحالی کے ساتھ جی ڈی پی 2.4 فیصد تک پہنچ گئی ہے جو کہ گزشتہ برس منفی 0.21 فیصد تک سکڑ گئی تھی۔ فروری 2024 کے عام انتخابات کے بعد جاری سیاسی عدم استحکام مضبوط معاشی ترقی کی راہ میں رکاوٹ ہے تاہم آئی ایم ایف کے ساتھ ایک نئے معاہدے کی منظوری زیر التوا ہے جس کے ہونے کے بعد معاشی استحکام میں اضافہ اور عوام کو نمایاں آسودگی میسر ہوگی۔

مختصرا جیسے جیسے یہ مالی سال آگے بڑھے گا یہ عالمی اور مقامی عوامل معاشی منظرنامے کی تشکیل میں اہم ہوں گے اور ان کے لیے موافق پالیسی بنانا اور ان پر عمل کرنا ناگزیر ہوگا۔

سیمنٹ کی صنعت

زیر جائزہ سال کے دوران صنعت نے 45.29 ملین ٹن سیمنٹ فروخت کیا جو کہ گزشتہ سال 44.58 ملین ٹن تھا۔ مقامی سطح پر سیمنٹ کی فروخت 38.19 ملین ٹن رہی جو کہ گزشتہ سال 40.02 ملین ٹن تھی جبکہ برآمدات 7.11 ملین ٹن رہیں جو کہ گزشتہ برس کے اسی عرصے کے دوران 4.57 ملین ٹن تھیں۔

کاروباری کارکردگی

پیداوار اور فروخت کا حجم

تفصیلات	مختتم سال		تغیر
	2024	2023	
نصب صلاحیت	5,194,500	5,194,500	-
سیمنٹ کی پیداوار	2,315,214	2,315,214	(15.55)
سیمنٹ کی فروخت	2,362,216	2,362,216	(12.64)

کمپنی کی مالیاتی کارکردگی مندرجہ ذیل ہے

تفصیلات	مختتمہ سال		تغیر
	2024	2023	
خالص فروخت	35,519,271	36,165,267	(1.79)
فروخت کی لاگت	23,756,014	26,755,883	(11.21)
مجموعی منافع	11,763,257	9,409,384	25.02
آپریٹنگ منافع	10,755,668	8,889,294	21.00
قبل از محصولات	8,383,220	5,731,658	46.26
بعد از محصولات	5,176,168	2,611,106	98.24
فی حصص آمدنی	22.79	11.50	98.24

آمدن

موجودہ مالی سال کے دوران کمپنی کی مجموعی فروخت 49,035.02 ملین روپے رہی جو کہ گزشتہ برس 49.333.13 ملین روپے تھی۔ قابل اطلاق محصولات اور کمیشن مجموعی طور پر 13,715.75 ملین روپے رہے جس کو منہا کرنے کے بعد خالص فروخت 35,519.27 ملین روپے (2023: 36,165.27 ملین روپے) رہی جو گزشتہ برس کی نسبت %1.79 کم ہے۔ بنیادی طور پر قیمت فروخت میں اضافے نے 12.64 فیصد کی مقداری کمی کی بیشتر حد تک تلافی کردی ہے۔

فروخت کی لاگت

11.21 فیصد کی کمی کے ساتھ رواں سال کے لئے فروخت کی مجموعی لاگت 23,758.01 ملین روپے رہی جو کہ گزشتہ سال اسی عرصہ کے دوران 26,755.88 ملین روپے تھی۔ زیر جائزہ سال میں 14.57 فیصد کی کمی کے ساتھ کل پیداواری لاگت 23,689.14 ملین روپے رہی جبکہ گزشتہ سال کے دوران یہ 27,730.08 ملین روپے تھی۔ یہ کمی مقامی منڈی میں طلب کم ہونے کی وجہ سے کم پیداوار کے نتیجے میں ہوئی۔ سال کے لئے فروخت کی لاگت کا فی ٹن تجزیہ مندرجہ ذیل ہے:

- فروخت ہونے والے سیمنٹ میں ایندھن اور بجلی کی لاگت 6,597 روپے فی ٹن رہی جبکہ گزشتہ سال 7,361 روپے فی ٹن تھی۔ مہنگے درآمدی کوئلے کے منفی اثرات کو کم کرنے کے لئے کمپنی نے کم لاگت والے مقامی اور افغانی کوئلے کے استعمال کو ترجیح دی جس کے نتیجے میں فی ٹن لاگت میں بہتری آئی۔
- بجلی کے حصول کے حوالے سے کمپنی نے بڑے پیمانے پر اپنے ویسٹ ہیٹ ریکوری اور کوئلہ پر چلنے والے پاور پلانٹس پر مشتمل بجلی پر انحصار کیا ہے۔ اس سے بجلی کے نرخوں میں اضافے اور ایندھن کی قیمتوں میں اتار چڑھاؤ کی وجہ سے بجلی کی لاگت پر پڑنے والے منفی اثرات کو دور کرنے میں مدد ملی ہے۔
- رواں سال کے لئے پیکنگ میٹیریل کی لاگت بڑھ کر 786 روپے فی ٹن (2023: 782 روپے فی ٹن) ہو گئی۔ بین الاقوامی منڈی میں کاغذ کی قیمتوں کے منفی اثرات کم کرنے کے لئے کمپنی نے کم لاگت پولی بیگ کے استعمال کو بڑھایا۔
- خام مال کی فی ٹن لاگت گزشتہ سال یہ 639 روپے کی نسبت اس سال 852 روپے رہی تھی۔ یہ خاطر خواہ اضافہ حکومت پنجاب کی جانب سے معدنیات کی کان کنی پر رائلٹی میں اضافہ کے سبب ہوا۔

آپریٹنگ اور بعد از ٹیکس منافع

کمپنی نے موجودہ سال میں 10,755.67 روپے کا آپریٹنگ منافع حاصل کیا جو کہ گزشتہ سال 8,889.30 ملین روپے تھا ۔ اس بہترین کارکردگی کی وجہ اچھی قیمت فروخت والی منڈی میں مال کی ترسیل، پیداواری لاگت میں اضافے میں کا ادراک اور بروقت تدارک اور پیداواری صلاحیت میں بہتری نے لاگت میں اضافے اور بڑھتے ہوئے اوورہیڈز سے پیدا ہونے والے چیلنجز کا مؤثر انداز میں مقابلہ ہے۔

قرضوں میں مستقل اور بتدریج کمی کی حکمتِ عملی نے اس سال کی مالیاتی لاگت 2,805.96 ملین روپے کردی ہے جو کہ گزشتہ برس میں 3,197.65 ملین روپے تھی ۔ مالیاتی سال کے اختتام پر واجب الادا اداروجاتی قرضہ گزشتہ سال کے 17,483.22 ملین روپے کی نسبت کم ہو کر 10,503.03 ملین روپے ہے۔

خالص منافع جو کہ موجودہ برس 38.26 فیصد یعنی 3,207.05 ملین روپے کے بھاری محصول کو منہا کرنے کے بعد 5,176.17 ملین روپے ہے جس کے نتیجے میں گزشتہ سال کے 11.50 روپے کے مقابلے میں 22.79 روپے کی فی حصص آمدنی ہوئی ہے۔ گزشتہ برس محصول کی رقم 3,120.55 ملین روپے اور بعد از محصول منافع رقم 3,120.55 ملین روپے تھی۔

گزشتہ برس کے 11,587.72 ملین روپے کے EBITDA کے مقابل اس سال کے 14,143.07 ملین روپے کے غیر معمولی EBITDA نے کمپنی کو اس قابل بنایا ہے کہ وہ اپنی کچھ قرض کی ذمہ داریاں قبل از وقت ادا کردے۔

مجلس نظماء

27 اکتوبر 2023 کو منعقد ہونے والی کمپنی کی 37 ویں سالانہ اجلاس عام میں ڈائریکٹرز کے انتخاب کے بعد مندرجہ ذیل سات ڈائریکٹرز بلا مقابلہ منتخب ہوئے:-

۱۔	جناب علی خان (چیئرمین)	نان ایگزیکٹو
۲۔	محترمہ عالیہ حسن خان	نان ایگزیکٹو
۳۔	جناب شفیع الدین غنی خان	آزاد
۴۔	جناب منظور احمد	آزاد
۵۔	جناب محمد آفتاب عالم	نان ایگزیکٹو
۶۔	مرزا علی حسن عسکری	نان ایگزیکٹو
۷۔	جناب دوریب اے کیست	نان ایگزیکٹو

بشمول دو آزاد ڈائریکٹرز کے، کمپنی کے تمام منتخب ڈائریکٹرز نان ایگزیکٹو ہیں۔ کوڈ آف کارپوریٹ گورننس 2019 کی دفعات کے تحت چیئرمین اور چیف ایگزیکٹو کے عہدے علیحدہ علیحدہ ہیں۔

کل ارکان بشمول چیف ایگزیکٹو آفیسر

حضرات	۷
خاتون	۱

ترکیب

آزاد	۲
نان ایگزیکٹو	۵
ایگزیکٹو	۱

مجلس نظماء اور قائم کردہ ذیلی مجالس کے اجلاس

سال کے دوران مجلس نظماء اور ذیلی مجالس، کوڈ آف کارپوریٹ گورننس کے تحت منعقد ہوئیں جن کی حاضری کی تفصیل درج ذیل ہے۔

نمبر شمار	نام	عہدہ		بورڈ	آڈٹ کمیٹی		ایچ آر آر کمیٹی
۱۔	جناب ایم حبیب اللہ خان	چیف ایگزیکٹو آفیسر	۴	۔		۱	
۲۔	جناب علی خان (چیئرمین)	نان ایگزیکٹو	۴	۴		۱	
۳۔	محترمہ عالیہ حسن خان	نان ایگزیکٹو	۳	۳		۱	
۴۔	جناب شفیع الدین غنی خان	آزاد		۴	۴		۱
۵۔	جناب منظور احمد	آزاد		۳	۳		۔
۶۔	جناب محمد آفتاب عالم	نان ایگزیکٹو	۴	۴		۱	
۷۔	مرزا علی حسن عسکری	نان ایگزیکٹو	۴	۔		۔	
۸۔	جناب دوریب اے کیست	نان ایگزیکٹو	۳	۔		۔	
۹۔	جناب جمال نسیم	انڈیپنڈنٹ			۱	۱	

دوران سال بطور آزاد ڈائریکٹر جناب جمال نسیم صاحب کی مدت ۲۶ اکتوبر ۲۰۲۳ کو اختتام پذیر ہوگئی۔

یکم جولائی ۲۰۲۳ کو جناب حبیب اللہ خان کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کر دیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی ہے۔ اس فیس کا تعین بورڈ نے منظور شدہ پالیسی کے تحت کیا ہے۔ بورڈ اراکین کو ادا کردہ معاوضہ کی تفصیل ہمراہ مالیاتی گوشواروں کے نوٹ 40 میں درج ہے۔

داخلی مالیاتی کنٹرول کی مناسبت

بورڈ آف ڈائریکٹرز نے داخلی معاملات کو کنٹرول کرنے کیلئے ایک موثر نظام بنایا ہے تاکہ کاروباری معاملات بہتر طریقے سے چلائے جا سکیں، کمپنی کے اثاثے محفوظ رہیں اور مالیاتی گوشوارے شفافیت سے پیش کئے جائیں۔ کمپنی کے پاس ایک قابل اعتماد اور آزاد داخلی محاسب ٹیم موجود ہے جو کہ سہ ماہی بنیادوں پر مالی معاملات کا جائزہ لیتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا طریقہ کار

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

تعمیل کو یقینی بناتا ہے۔

اس امر میں بورڈ مندرجہ ذیل امور کی تصدیق کرتا ہے:

- کمپنی کی انتظامیہ کے تیار کردہ مالی حسابات، کاروباری نتائج، کیش فلو کی حالت اور سرمایہ میں ردو بدل کا قابل اعتبار جائزہ پیش کرتے ہیں۔
- مالی بیانات کی تشکیل کے لئے ضروری حساب کتاب کی کتب کو درست رکھا جاتا ہے۔
- مالی حسابات کی تیاری میں اکاؤنٹنگ پالیسیز کا خیال رکھا گیا ہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں مروجہ بین الاقوامی اکاؤنٹنگ کے معیار کا خیال رکھا جاتا ہے اور اگر ان میں کوئی تبدیلی ہو تو باقاعدہ ظاہر کیا جاتا ہے۔
- آڈٹ کمیٹی داخلی کنٹرول اور ضابطوں کے موجودہ نظام کا باقاعدگی سے جائزہ لیتی ہے اور ضرورت پڑنے پر تبدیلی بھی تجویز کرتی ہے۔
- مستقبل میں کمپنی کی کاروباری قابلیت پر کوئی اہم شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا قابل ذکر اختلاف نہیں پایا جاتا۔
- اخلاق اور کاروباری ضابطہ بنایا گیا ہے اور ڈائریکٹرز اور کارکنان میں بھی تقسیم کیا گیا ہے۔
- کسی قرض کی ادائیگی میں کوئی ڈیفالٹ نہیں کیا گیا۔
- مالی سال کے اختتام اور محاسب رپورٹ کی تاریخ کے درمیان ہونے والی کمپنی کی مالی حالت کو قابل ذکر حد تک متاثر کرنے والی کوئی مادی تبدیلی نہیں ہے
- بورڈ نے مشن سٹیٹمنٹ اور کاروباری حکمت عملی کی سٹیٹمنٹ بھی بنائی ہے۔
- کوڈ آف کارپوریٹ گورننس کے تحت مندرجہ ذیل بیانیہ ملحق ہیں۔

    ۱) چھ سالہ مالیاتی اور کاروباری اعداد کا خلاصہ۔

    ۲) حصص داری کی ترکیب ۔

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

    ۴) دیگر معلومات کا بیانیہ۔

کارپوریٹ سماجی کارکردگی

صحت، تحفظ اور ماحول

کمپنی اپنے ملازمین کو ایک محفوظ، صحت مند اور معاون ماحول فراہم کرنے کے لئے پرعزم ہے۔ اس عزم کے مطابق، ہم نے ماحولیاتی، صحت اور حفاظت کے انتظام میں بین الاقوامی معیار کی پاسداری کا مظاہرہ کرتے ہوئے، آئی ایس او14001:2015 اور آئی ایس او45001:2018 سرٹیفکیٹس حاصل کیے ہیں مزید برآں، کمپنی کو قدرتی وسائل کی کھپت کو کم سے کم کرنے کی کوششوں کے اعتراف میں گرین آفس ڈپلومہ سے نوازا گیا۔

مزید برآں، ہم تمام قابل اطلاق ماحولیاتی قوانین اور معیار کے ساتھ مکمل طور پر مطابقت رکھتے ہیں ۔ امسال بھی، فیکٹری کے گردونواح میں سرسبز اور صاف ستھرے ماحول کو فروغ دینے کے لئے متعدد شجرکاری مہمات کا اہتمام کیا گیا۔ یہ اقدامات، توانائی کے تحفظ اور فضلے میں کمی پر ہماری مسلسل توجہ اور ماحولیاتی استحکام کے لئے ہمارے فعال نقطہ نظر کو اجاگر کرتے ہیں۔

گیس اور دھول کا اخراج

کمپنی آلودگی سے پاک ماحول کو برقرار رکھنے کے لئے کوشاں ہے، اور اس کے مطابق، تینوں پیداواری لائنوں میں الیکٹرا سٹک پریسیپیٹرز اور دھول جمع کرنے والے آلات نصب کیے گئے ہیں۔ اخراج کو مزید کم کرنے کے لئے کمپنی نے 18 میگا واٹ کی مشترکہ پیداواری صلاحیت کے ساتھ دو ویسٹ ہیٹ ریکوری پاور پلانٹس بھی قائم کیے ہیں، جو پیداواری عمل کے دوران گرم گیسوں کے اخراج کو مؤثر طریقے سے کم کرتے ہیں۔ مزید برآں، تیسرے سیمنٹ پروڈکشن پلانٹ جدید ترین ٹیکنالوجی کا حامل ہے، جو انتہائی موثر عمل کے ساتھ ڈیزائن کی گئی ہے جس کی بدولت ایندھن اور بجلی کی کھپت دونوں میں نمایاں کمی واقع ہوئی ہے۔

ملازمین کی سلامتی

ایک ذمہ دار شہری کی حیثیت سے، کمپنی اپنے ملازمین کی صحت اور حفاظت کو انتہائی ترجیح دیتی ہے ۔ پیشہ ورانہ حفاظت کو یقینی بنانے کے لئے، ملازمین مناسب حفاظتی آلات سے لیس ہیں۔ سیفٹی ریگولیشنز اور عالمی طور پر بہترین طریقوں کی تعمیل کو نافذ کرنے کے لئے ایک علیحدہ سیفٹی ڈیپارٹمنٹ قائم کیا گیا ہے۔ جو کہ قواعد و ضوابط کا باقاعدگی سے جائزہ لیتا ہے اور کسی بھی ناپسندیدہ وقوع کی روک تھام کے لئے ضروری اقدامات کرتا ہے۔ مزید برآں، کمپنی بہترین طریقوں کو تقویت دینے اور ایک محفوظ کام کے ماحول کو برقرار رکھنے کے لئے باقاعدگی سے تربیتی کورس منعقد کرتی ہے۔

کمیونٹی، سرمایہ کاری اور فلاحی سکیم

ایک ذمہ دار شہری کی حیثیت سے، کمپنی معاشرے کی فلاح و بہبود کے لئے گہری وابستگی رکھتی ہے اور معاشرے کی ترقی اور بحالی کے پروگراموں میں فعال طور پر حصہ لے رہی ہے ۔ ان کوششوں میں چکی میں ایک مسجد، میڈیکل ڈسپنسری، ایمبولینس سروس اور پرائمری اسکولوں کی تعمیر اور دیکھ بھال کے ساتھ ساتھ جوہر آباد میں ڈویژنل پبلک اسکول کی مالی معاونت بھی شامل ہے۔ مزید برآں، کمپنی فلاحی کاموں میں فعال طور پر حصہ لیتی ہے، جس میں تعلیمی ترقی کو فروغ دینے کے لئے غلام اسحاق خان انسٹی ٹیوٹ کے تحت منعقد ہونے والے مختلف پروگرامز میں شمولیت بھی شامل ہے۔ کمپنی باقاعدگی سے پسماندہ برادریوں کو سیمنٹ بھی عطیہ کرتی ہے تاکہ ضرورت مندوں کو پناہ اور بنیادی ڈھانچے کی بہتری کے لئے ضروری تعمیراتی سامان ملے۔

کمپنی فیکٹری کے مضافات کی برادریوں کے ساتھ ان کی سماجی و اقتصادی ضروریات کو پورا کرنے کے لئے مستقل طور پر مشغول ہے۔ کمپنی نے آس پاس کے رہائشیوں کے لئے دیگر سہولیات کے ساتھ ساتھ روزگار کے مواقع بھی دیئے ہوئے ہیں۔ 2.1 کلومیٹر طویل لنک روڈ کی جاری تعمیر کا مقصد مقامی گاؤں میں ٹریفک کے ہجوم کو کم کرنا ہے، جس سے شور اور دھول کی آلودگی کو کم کرنے میں مدد ملتی ہے۔ اس کے علاوہ، کمپنی علاقے میں قریبی سڑکوں اور دیگر اہم بنیادی ڈھانچے کی دیکھ بھال کر رہی ہے، جس کا مقصد ہمسایہ برادریوں کے مجموعی معیار زندگی کو بہتر بنانا ہے ۔ شہریوں کی صاف پانی تک رسائی کو یقینی بنانے کے لئے پینے کے صاف پانی کی متعدد سہولیات بھی قائم کی گئی ہیں، جو علاقے میں معیار زندگی کو بہتر بنانے کے لئے ہمارے عزم کو مزید تقویت دیتی ہیں۔

پائیداری کے خطرات اور مواقع

کمپنی کے جامع رسک مینجمنٹ فریم ورک میں پائیداری سے متعلق خطرات کو بورڈ بطریق احسن شامل کر رہا ہے۔ اس سے ماحولیاتی، سماجی اور گورننس (ای ایس جی) کارکردگی کو بڑھوتری مل رہی ہے اور دیرپا ویلیو ایڈ کامیابی کو یقینی بنانے کی ہماری صلاحیت میں اضافہ ہو رہا ہے۔

کمپنی صنعتی رجحان کو دیکھتے ہوئے اپنی حکمت عملی اور آپریشنز پر استحکام سے متعلق خطرات کے اثرات کی فعال طور پر نگرانی کرتی ہے۔ ان خطرات کو کم کرنے کے لئے، ہم اپنے کاروبار کو صاف ٹیکنالوجیز سے فائدہ اٹھانے، ورک فلوز کو ڈیجیٹائز کرنے، فضلے کے انتظام کو بہتر بنانے، حیاتیاتی تنوع کی بحالی اور توانائی کے ماحول دوست ذرائع میں منتقلی کے لئے اسٹریٹجک طور پر ہم آہنگ کر رہے ہیں ۔

کمپنی اپنے سے منسلک تمام افراد کے لئے پائیدار منصفانہ اور دیرپا کام کے ماحول کو فروغ دینے کے لئے مؤثر سی ایس آر اقدامات، بامعنی کمیونٹی مصروفیات اور اسٹریٹجک سماجی سرمایہ کاری کو ترجیح دیتی ہے۔

بھرتی کے جامع طریقوں، ثقافتی بیداری، اور امتیازی سلوک، ہراسانی یا بدسلوکی کے کسی بھی واقعے کے جواب میں مضبوط احتساب اور فوری کارروائی کو یقینی بنانے کے لئے کمپنی تنوع، مساوات اور شمولیت کی ثقافت کو فروغ دیتی ہے۔ مخصوص ملازمت کے کرداروں کے مطابق ہماری افرادی قوت، متنوع تعلیمی پس منظر، تجربات اور نقطہ نظر پر مشتمل ہے اور میرٹ کی بنیاد پر لائی جاتی ہے۔ ہمارے ملازمین جدت، تعاون اور کامیابی کو یقینی بنانے کے لئے اپنی صلاحیتوں کا مظاہرہ کرتے ہیں.

ملازمین کی بہبود

انسانی سرمایہ

کمپنی اپنے انسانی وسائل کو سب سے قیمتی اثاثوں میں سے ایک کے طور پر تسلیم کرتی ہے ۔ اعلیٰ کارکردگی کا مظاہرہ کرنے والے ملازمین کو خاص طور پر سازگار ماحول پیدا کرنے اور بہتر کارکردگی کے لئے دوسرے ملازمین کی حوصلہ افزائی کرنے کے لئے ایوارڈ دیا جاتا ہے۔

پراویڈنٹ فنڈ/گریجویٹی

کمپنی اپنے تمام مستقل ملازمین کے لئے رجسٹرڈ پراویڈنٹ فنڈ سکیم جبکہ تمام معاہدہ جاتی ملازمین جن کی عمر 60 سال سے کم ہے کے لئے گریجویٹی سکیم چلا رہی ہے۔
پراویڈنٹ فنڈ کی سرمایہ کاری کی محاسبہ شدہ قیمت 30 جون 2024 کو 255.37 ملین روپے ہے ۔

طبی سہولیات

کمپنی پالیسی کے تحت تمام اہل ملازمین بشمول بیوی بچوں کے لئے مفت طبی سہولت فراہم کی گئی ہے تاکہ وہ اپنے کار منصبی ذہنی سکون سے ادا کرسکیں۔

محاسب

میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی (محاسب) 38 ویں سالانہ اجلاس عام کے اختتام کے موقع پر ریٹائر ہوجائیں گے۔ آڈٹ کمیٹی کی پیش کردہ سفارش کے تحت بورڈ میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی کی بطور محاسب دوبارہ تقرری کی تجویز دیتا ہے۔

منافع منقسمہ

کمپنی کی غیر معمولی مالی کارکردگی اور جاری قرضوں کی قبل از اور بروقت ادائیگی کی بدولت بورڈ نے 10 روپے فی حصص کے 100 فیصد حتمی منافع کی سفارش کی ہے۔
یہ 28 فروری، 2024 کو منعقدہ اجلاس میں اعلان کردہ 5 روپے فی حصص کے 50 فیصد عبوری منافع کے علاوہ ہے۔

ڈائریکٹرز ترقیاتی پروگرام

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

بورڈ کارکردگی کا جائزہ

مجلس نظماء نے اپنی کارکردگی کا جائزہ لینے اور بہتر بنانے کے لئے معیار مقرر کیا ہے۔ ڈائریکٹرز کے درمیان تقسیم کردہ معیار کارپوریٹ مقصد، وژن، آزادی اور بورڈ کی ذیلی کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ ارکان کی طرف سے آراء اور تجاویز پیش کی جاتی ہیں اور وہ مستقبل کی منصوبہ بندی کیلئے استعمال کی جاتی ہیں۔

قومی خزانے میں شرکت

امسال کمپنی نے قومی خزانے میں 15,580 ملین روپے (2023:14,518.35 ملین روپے) محصولات کی مد میں جمع کرائے۔

ترتیب حصص داری

کمپنی کی 30 جون 2024 کی حصص داری کی ترتیب کمپنیز ایکٹ 2017 کی شق (f)(2)227 کے مطابق ہے اور رپورٹ کے ساتھ منسلک ہے۔

مستقبل کا نقطہ نظر

پاکستان کی حالیہ تاریخ میں سیاسی عدم استحکام نے مسلسل خلل ڈالا ہے، جس سے پالیسیوں میں تسلسل برقرار رکھنا مشکل ہو گیا ہے، سرمایہ کاروں کا اعتماد کمزور پڑ گیا ہے، اور کاروباروں کو اہم چیلنجز کا سامنا کرنا پڑا ہے۔ حکومت کی جانب سے محصولات میں اضافے کا دباؤ، جو کہ تحت آئی ایم ایف شرائط کو پورا کرنے کی ضرورت کے باعث ہے، مزید محصولات میں اضافے کا سبب بنا ہے۔ یہ امر خاص طور پر مالی سال 2025 کے بجٹ میں نمایاں ہے، جس میں سیمنٹ کے شعبے پر مزید محصول لگائے گئے ہیں، جو پہلے ہی متعدد بھاری محصولات کے بوجھ تلے دب چکا ہے۔ مزید براں، معیشت کو متحرک کرنے کے لیے کوئی مؤثر اقدامات نہ ہونے کی صورت میں آنے والا سال بھی مشکلات کا حامل رہنے کا امکان ہے۔ طلب میں کمی برقرار رہنے کی توقع ہے، جس کے نتیجے میں سیمنٹ کی ترسیلات میں مسلسل کمی واقع ہوگی۔

تاہم، اس سب کے درمیان، کمپنی ان مشکل حالات کو مؤثر طریقے سے سنبھالنے کے لئے فعال حکمت عملی اور دانشمندانہ اقدامات کے لئے پرعزم ہے.

اظہار تشکر

بورڈ تمام اسٹیک ہولڈرز بشمول مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور دیگر تمام اسٹیک ہولڈرز کی مدد اور تعاون کا اعتراف کرتا ہے جنہوں نے کمپنی کو مضبوط کیا۔ بورڈ کمپنی کے ملازمین کی لگن کے لئے اپنا شکریہ بھی ریکارڈ پر رکھتا ہے۔

ایم حبیب اللہ خان
چیف ایگزیکٹو آفیسر
18 ستمبر 2024

علی خان
چیئرمین
18 ستمبر 2024

FORM OF PROXY

Registered Folio / CDC Account No. _______________

I/We____

(Name)

of____

(Address)

being a member of Pioneer Cement Limited hereby appoint

____

(Name)

of____

(Address)

or failing him____

(Name)

of ____

(Address)

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 38th Annual General Meeting of the Company to be held on Monday October 28, 2024 at 64-B/1, Gulberg-III, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of October 2024.

____

Signature of the Shareholder / Appointer

WITNESSES

1	Name ____________________	2	Name ____________________	Revenue Stamp
	Address __________________		Address __________________	
	CNIC # ____________________		CNIC # ____________________	

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

PIONEER CEMENT

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64-B/I, Gulberg-III, Lahore, Pakistan.
Phone (+92-42) 3750 3570 - 72
Email: pioneer@pioneercement.com

Factory:
P.B. No. 50, Jauharabad, District Khushab, Pakistan.
Email: factory@pioneercement.com