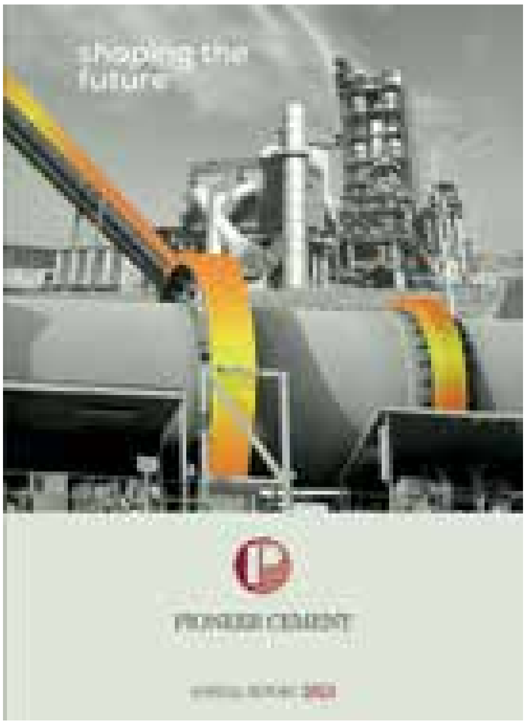
PIONEER CEMENT

ANNUAL REPORT 2023



ABOUT THE REPORT

This report provides brief synopsis of Company's business, performance, activities and corporate information. The 2023 report covers the period from July 01, 2022 to June 30, 2023 and includes financial statements for the year ended June 30, 2023. 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 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 http://www.pioneercement.com.

table of
CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS
Mr. Aly Khan ....(Chairman)
Mr. M. Habibullah Khan........................(CEO)
Ms. Aleeya Khan
Mr. Shafiuddin Ghani Khan
Mr. Mohammed Aftab Alam
Mirza Ali Hasan Askari
Mr. Jamal Nasim
Mr. Doraib A Kisat

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

HR & REMUNERATION COMMITTEE
Mr. Shafiuddin Ghani Khan ....(Chairman)
Mr. M. Habibullah Khan........................(CEO)
Mr. Aly Khan
Ms. Aleeya 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
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
135-Ferozepur Road, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

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

REGIONAL OFFICES

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

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

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

YEAR AT A GLANCE

NOTICE OF ANNUAL GENERAL MEETING

27th OCTOBER 2023 AT 11:00 A.M.

Notice is hereby given that the 37th Annual General Meeting (AGM) of Pioneer Cement Limited will be held at ICMAP Building, 42-Ferozepur Road, Lahore on Friday, October 27, 2023 at 11:00 a.m. to transact the following business:-

1. To confirm minutes of last AGM held on October 27, 2022.

2. To receive, consider and adopt the audited financial statements together with Directors' Report for the year ended June 30, 2023 and auditor's report thereon.

3. To appoint auditors for the year ending June 30, 2024 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. The Board of Directors, on recommendation of Audit Committee, has suggested the appointment of auditors.

4. To elect directors in accordance with the provisions of section 159 of the Companies Act, 2017.

   For the purpose of election of directors, the Board of Directors has fixed the number of elected directors as seven. The tenure of the elected directors will be three years from the date of election.

   The names of the retiring directors are:

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

SPECIAL BUSINESS

5. To consider and approve the circulation of Annual Report (including but not limited to audited financial statements, auditor's report thereon, directors' report, chairman's review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223 of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

   Resolved that the Company be and is hereby authorized to circulate its annual report to the members of the Company through QR enabled code and weblink in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan and that the practice of circulation of the annual report through CD / USB may be discontinued.

   Further resolved that Chief Financial Officer or Company Secretary be and are hereby singly authorized to take and do all necessary actions, deeds and things which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution.

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 28, 2023

Talha Saif
Company Secretary

NOTES:

1. The share transfer books of the Company shall remain closed from October 20, 2023 to October 27, 2023 (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 19, 2023 will be treated in time for the purpose of attending the AGM.

2. Any member who seeks to contest the election of directors shall, whether he/she is a retiring director or otherwise, file with the Company at its Registered Office located at 135-Ferozepur Road, Lahore, not later than 14 days before the date of AGM, a notice of his/her intention to offer himself/herself for election as a director in accordance with provisions of the Companies Act, 2017 along with the following documents and information:

a. His/her folio No. /CDC Investor Account No. / CDC Participant No. / Sub-Account No.

b. Consent to act as director on Form 28 in terms of Section 167 of the Companies Act, 2017.

c. A detailed profile along with his/her office address as required by the Securities and Exchange Commission of Pakistan vide its notification S.R.O. 1196(I)/2019 dated October 03, 2019.

d. An attested copy of valid CNIC / Passport and NTN Certificate.

e. Declaration under clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 by Independent Director(s) on non-judicial stamp paper that he/she qualifies the criteria of independence stipulated under Section 166 of the Companies Act, 2017.

f. The candidates are requested to read the relevant provisions / requirements relating to the election of directors, as stipulated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure compliance with the same in letter and spirit.

g. A declaration confirming that:

i. He/she is aware of duties and powers under the relevant applicable laws, Memorandum & Articles of Association of Company, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and listing regulations of Pakistan Stock Exchange Limited;

ii. He/she is not serving as a director in more than seven (7) listed companies simultaneously including as an alternate director;

iii. He/she is not ineligible to become a director of a listed company under Section 153 of the Companies Act, 2017, any other applicable law or regulations.

h. A member who seeks to contest election may select any one category in which he / she intends to contest election of directors. For the purposes of election of directors of the company the voting shall be held separately in the following three (3) categories for the specified number of seats:

Sr. No.	Category	Number of Seats
1	Female Director	1 Seat
2	Independent Directors	2 Seats
3	Other Directors	4 Seats

The member in their discretion may cast vote to any candidate consenting in each of the above categories. It must, however, be noted that division of votes available to each member for the category shall be in the proportion to the number of seats of directors under each category, which is as follows:

Sr. No.	Category	Number of Seats	Votes
1	Female Director	1 Seat	1/7
2	Independent Directors	2 Seats	2/7
3	Other Directors	4 Seats	4/7

If the number of members who offer themselves in each category is not more than the number of directors to be elected in each category, such members will be elected unopposed without the voting process.

3. 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's resolution or power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

4. In accordance with the Companies (Postal Ballot) Regulation, 2018, (the “Regulations”) the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations.

   Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 19, 2023 by Corplink (Private) Limited being the e-voting service provider.

   Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

   Members shall cast vote online from October 24, 2023 9.00 a.m. till October 26, 2023 5:00 p.m. Voting shall close on October 26, 2023, at 5:00 p.m. Once the vote on the resolution has been casted by a member, he/she shall not be allowed to change it subsequently.

5. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper will also be available on the Company’s website www.pioneercement.com .

   The members must ensure that the duly filled and signed ballot paper, along with a copy of CNIC should reach the Chairman of the meeting through post at the Company’s registered address, Pioneer Cement Limited, 135 Ferozepur Road, Lahore or email at chairman@pioneercement.com one day before the AGM, i.e., on October 26, 2023 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

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

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

8. 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 addresses to the Registrar.

9. 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.

10. 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.

11. In order to ensure convenience of 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 with the Company

Secretary office by sending an e-mail on 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.

12. The audited financial statements have been placed on website of the Company as required under Section 223 of Companies Act 2017.

13. The Company has circulated CD of annual report to the members at their registered address. Printed copy may be provided to the members upon request.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 in respect of circulation of Annual Audited Financial Statements through QR enabled code and weblink:

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the companies to circulate the annual audited financial statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB. The notice of meeting shall be dispatched as per requirements of the Companies Act, 2017 on registered addresses, containing the QR code and the weblink address to view and download the Annual Report.

Members approval is sought for the circulation of the Annual Report to the members of the Company through QR enabled code and weblink in accordance with S.R.O. 389(I)/2023 dated March 21, 2023.

Statement of Material Facts under Section 166(3) of the Companies Act, 2017 in respect of Election of Directors:

Independent Directors will be elected through the process of elections in accordance with the requirements of Section 159 of the Act. Any person offering himself/herself to be elected as independent director must meet the criteria laid down under Section 166(2) of the Act and his/her name should be listed on the data bank of Independent Directors maintained by Pakistan Institute of Corporate Governance.

With respect to special businesses and above-mentioned statements, no director has any direct or indirect interest other than as shareholder of the Company and due to the fact that they are eligible to contest the election of directors.

Lahore
September 28, 2023

01

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

GEOGRAPHICAL PRESENCE

Plant
Chenki, District Khushab.

Registered Office
136 - Ferozepur Road, Lahore.

Regional Office - Karachi
4th Floor, KDLB Building,
West Wharf, Karachi.

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

Regional Sales Office - Faisalabad
Office No. 3, 2nd Floor, Sitara Tower,
New Civil Lines, 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

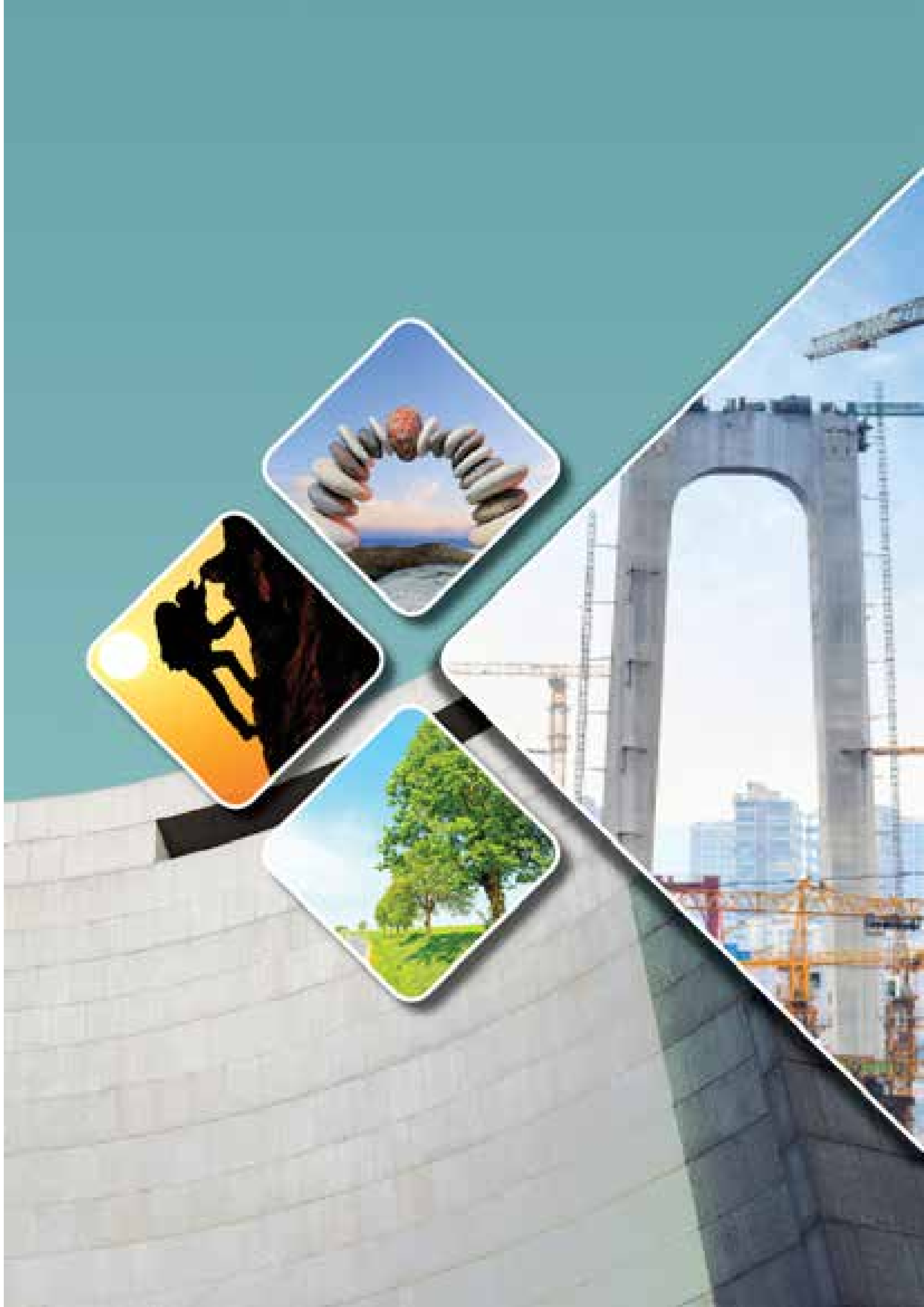
To be the preferred provider of cement and building solutions in Pakistan.

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.

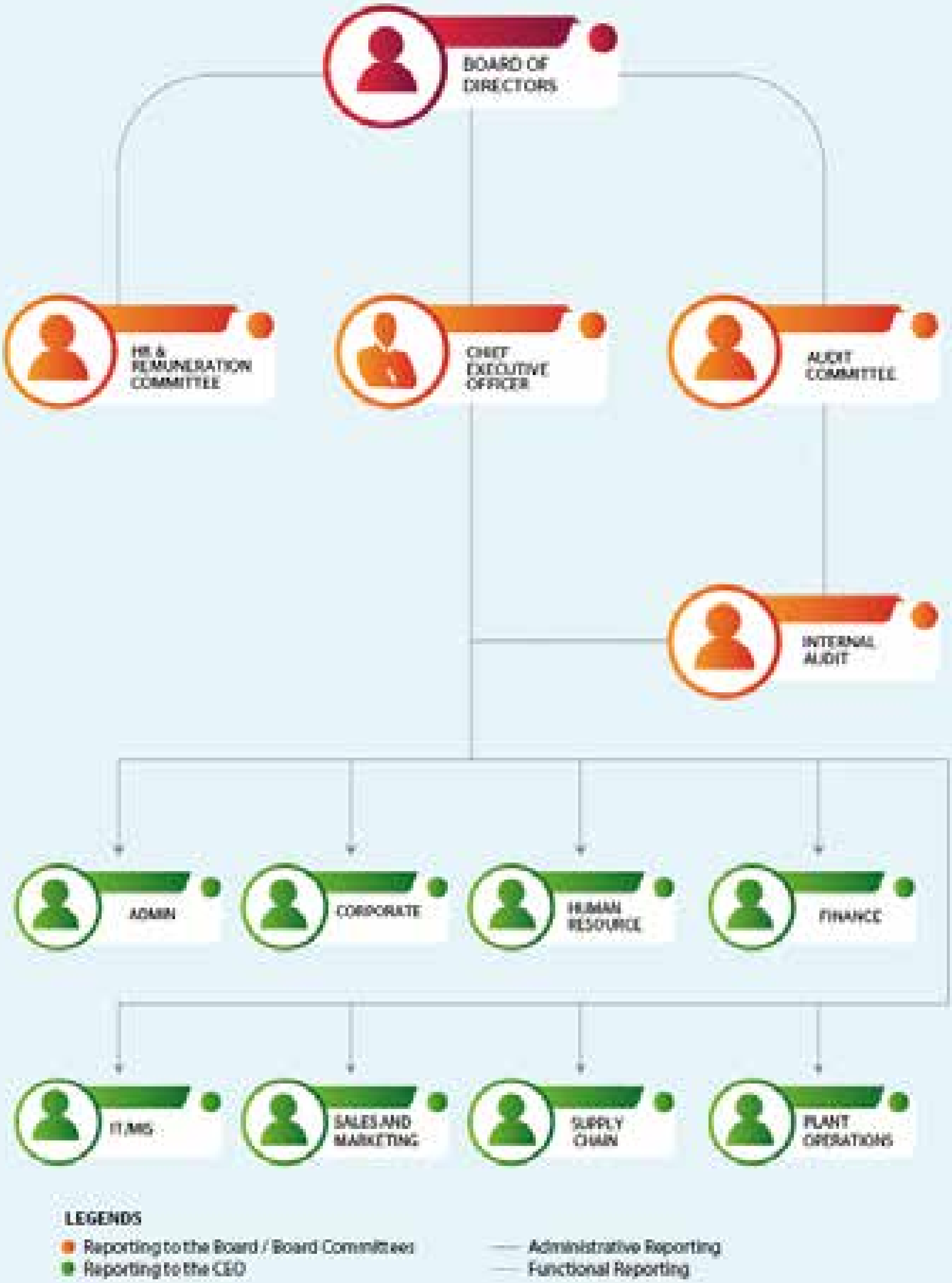
CORE VALUES

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

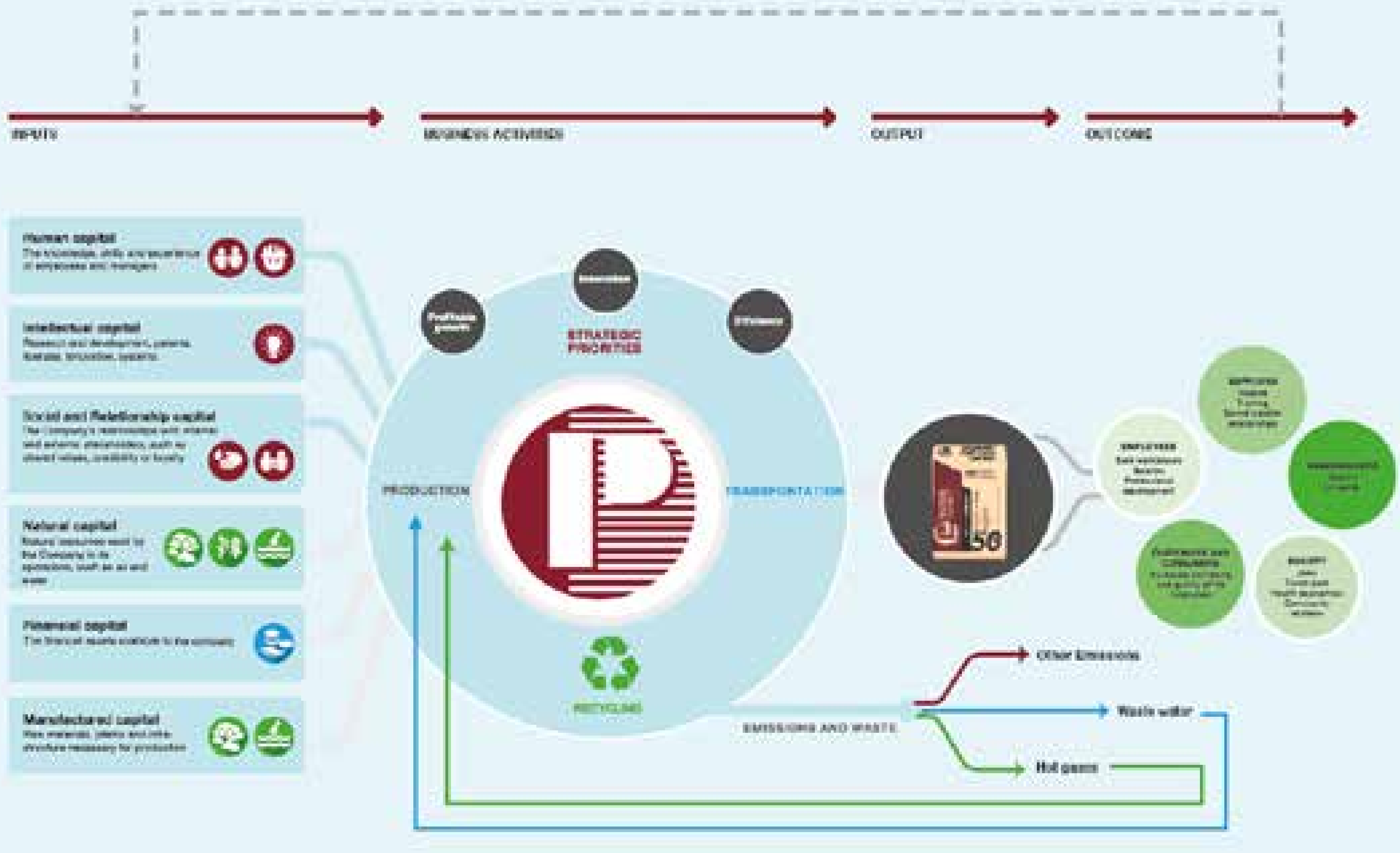
OWNERSHIP AND OPERATING STRUCTURE

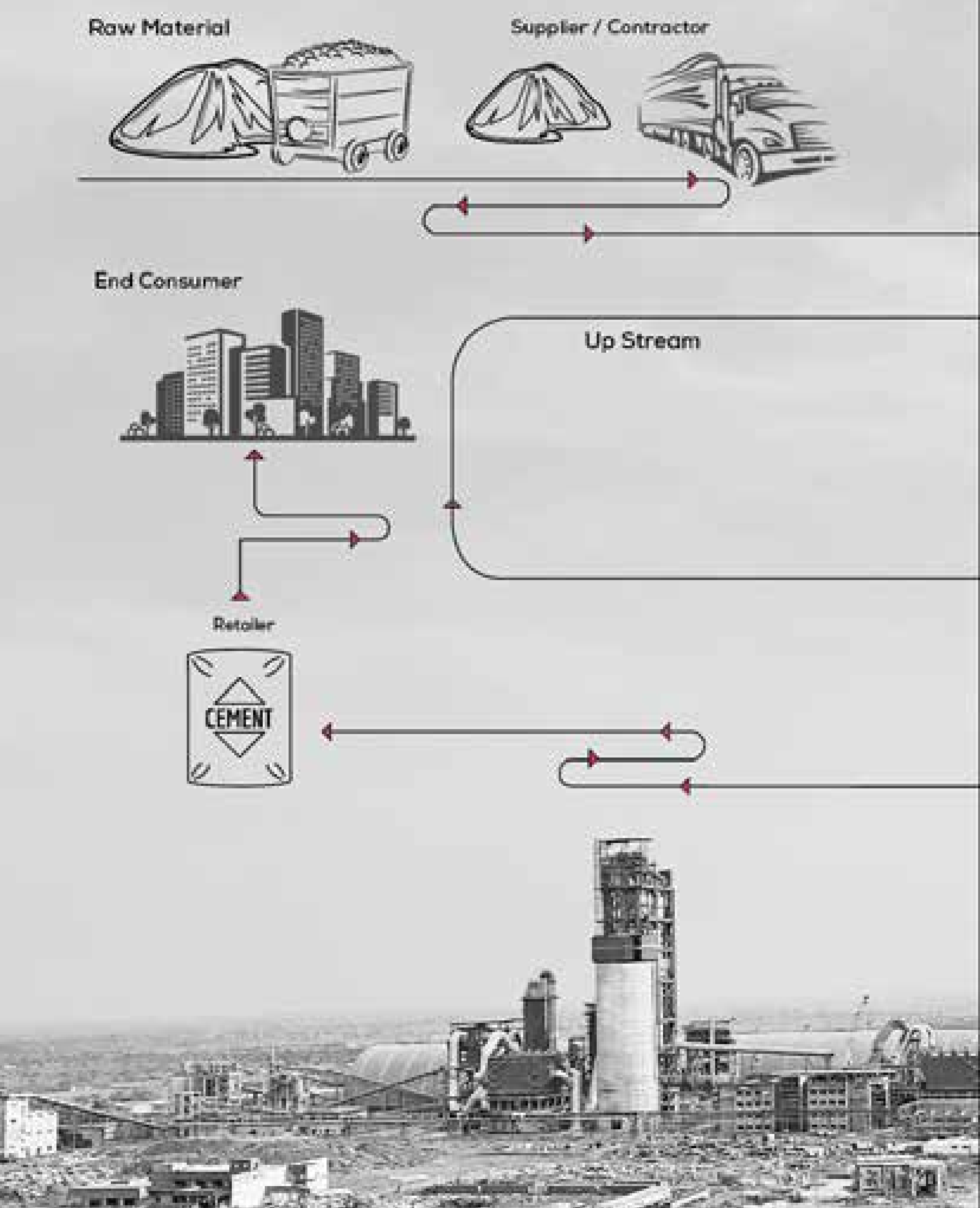
The Company was incorporated in 1986 and its shares are quoted on Pakistan Stock Exchange Limited. Vision Holding Middle East Limited, a company incorporated in British Virgin Islands holds 47% shares of the Company. Currently the Company has a free float of 50% out of total shares of 227,148,793. Further details are provided in Pattern of Shareholding annexed to this report.

ORGANIZATIONAL STRUCTURE

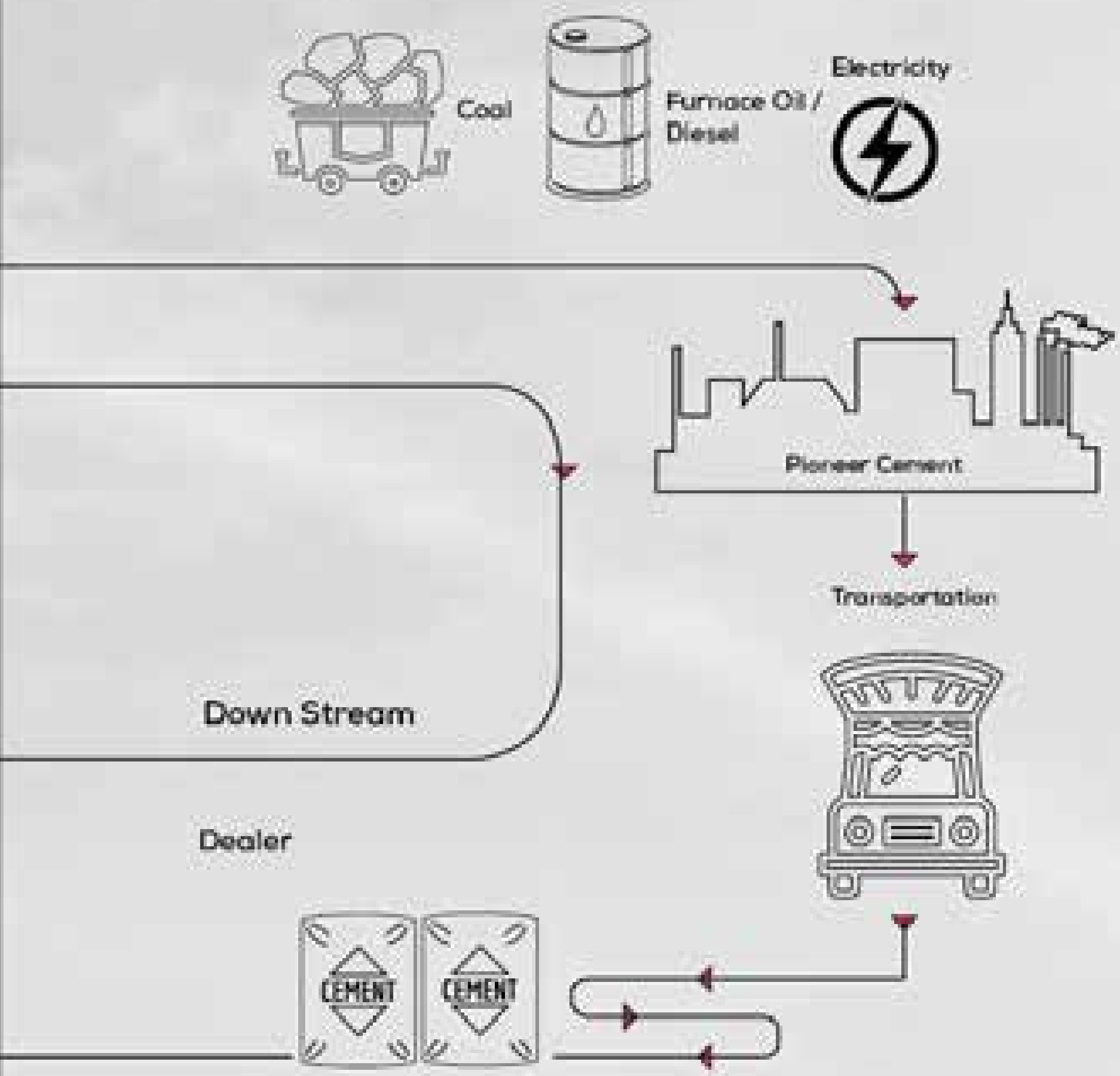


BUSINESS MODEL




Raw Material
Supplier / Contractor
End Consumer
Up Stream
Retailer
CEMENT

VALUE CHAIN ANALYSIS



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 • Shifting on local and Afghan coal to shield from adverse effects of exchange rate fluctuations
	Vulnerability to interest rate hikes due to high leverage	• Gradual reduction in outstanding debt • Swapping high-cost financing with new low-priced debt
	Post pandemic demand driven 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 services • 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 Helping heal the planet	• Clean and green strategy • Regular plantation campaigns • Installation of dust collectors • Water preservation strategies including construction of rain water storage ponds • The head office building under construction is L.E.E.D certified
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 need 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

STRENGHTS

- Ideally located 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
- Capital and technology intensive nature of industry works as a strong entry barrier for new entrants

WEAKNESSES

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

S W O T

OPPORTUNITIES

- Projects under "China Pakistan Economic Corridor" and Naya Pakistan Housing Scheme
- Demographic composition shall drive housing demand
- Lower per capita cement consumption in Pakistan compared to global standards

THREATS

- High energy and other inputs cost
- Higher interest rates will put pressure on profitability of companies operating with higher debt leverage
- Political and economic instability will lead to cut on public sector development projects which may curtail demand

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The Company's competitive landscape and market positioning in terms of Porter's five-forces model is described below:

THREAT OF NEW ENTRANT: LOW

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

SUBSTITUTE PRODUCT

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 of accompanied financial statements.

GLOBAL AND NATIONAL POLITICAL ENVIRONMENT

The growth of the cement sector in Pakistan is greatly influenced by the prevailing 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 Public Sector Development Program (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, the recent upward revisions in policy rates by the Federal Government are anticipated to further worsen the USD to PKR exchange rate, 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 Russia-Ukraine conflict, 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.

SIGNIFICANT CHANGES FROM PRIOR YEARS

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

HISTORY OF MAJOR EVENTS

1986
Incorporated as 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 furnace oil as main fuel 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
"Brand of the Year" award

2014
"Professional Excellence Award" from ICAP

2016
Commissioned 6 MW WHRPP & 6 MW Coal Fired Power Plant

2017
Commencement of construction of 10,000 tons cement per day plant

2018
Successful upgradation of cement grinding mills at Line I & II

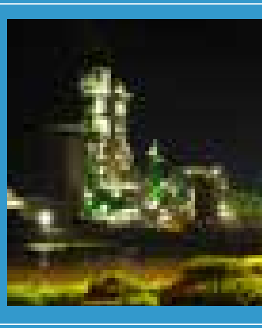
2020
Commencement of production from line-III with capacity of 10,000 tons cement per day

2021
Commencement of power generation from 12 MW WHRPP & 24 MW Coal Fired Power Plant

2022
Highest-ever dispatches of 3,288,349 tons and a topline of Rs. 31,879 million

2023
Highest-ever topline of Rs. 36,385 million





02 STRATEGY AND RESOURCE ALLOCATION

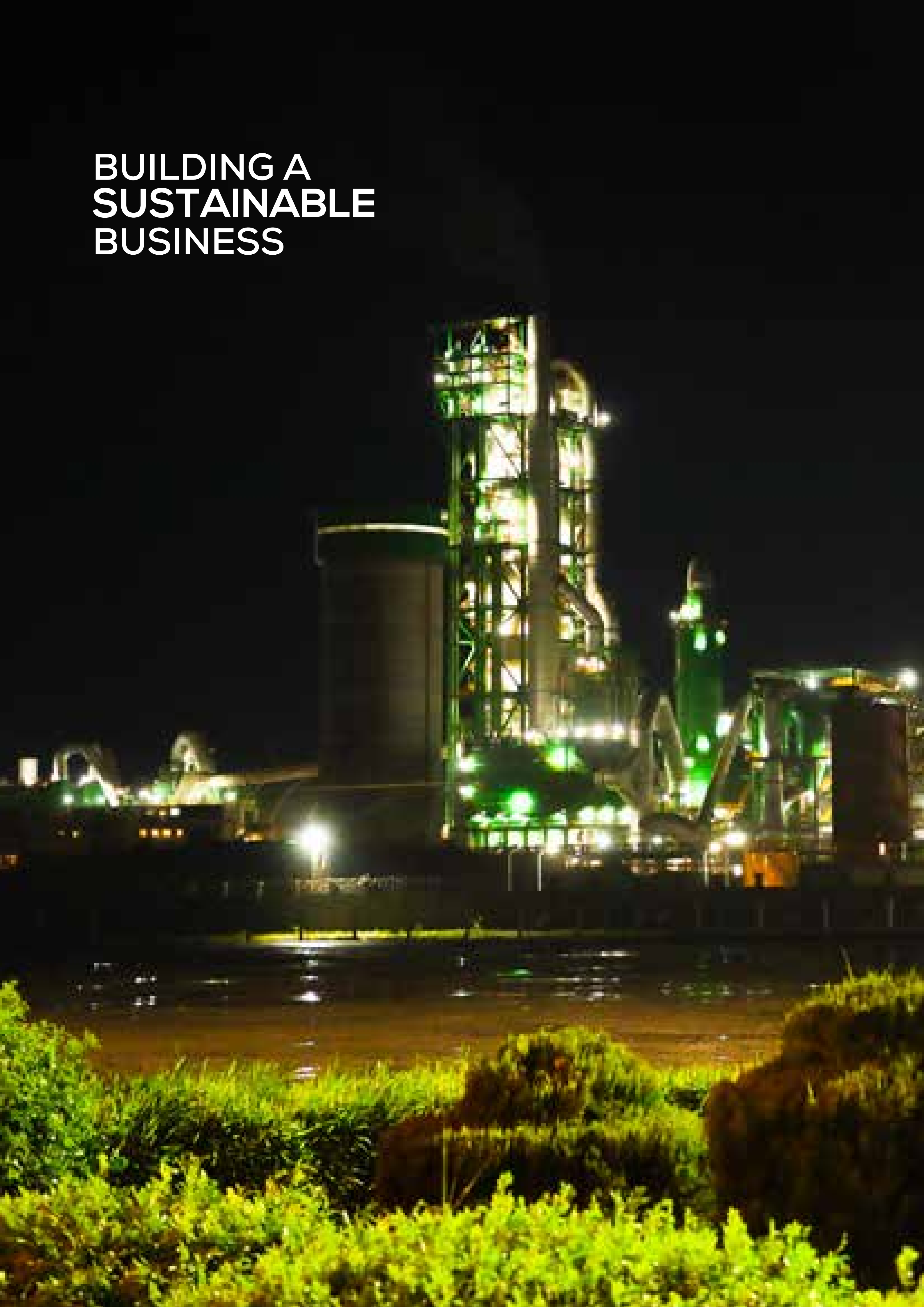
STRATEGIES IN PLACE TO ACHIEVE THE STRATEGIC OBJECTIVES

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 by implementing Decibel which is one-window, smart digital solution to manage Company's HR and finance processes on a single platform. • Professional training and development • Employee retention policies
	Higher return for investor	• Implement cost effective measures to improve profitability • 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 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, know-how, 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 1,152 • 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 applied for	• 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 between 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

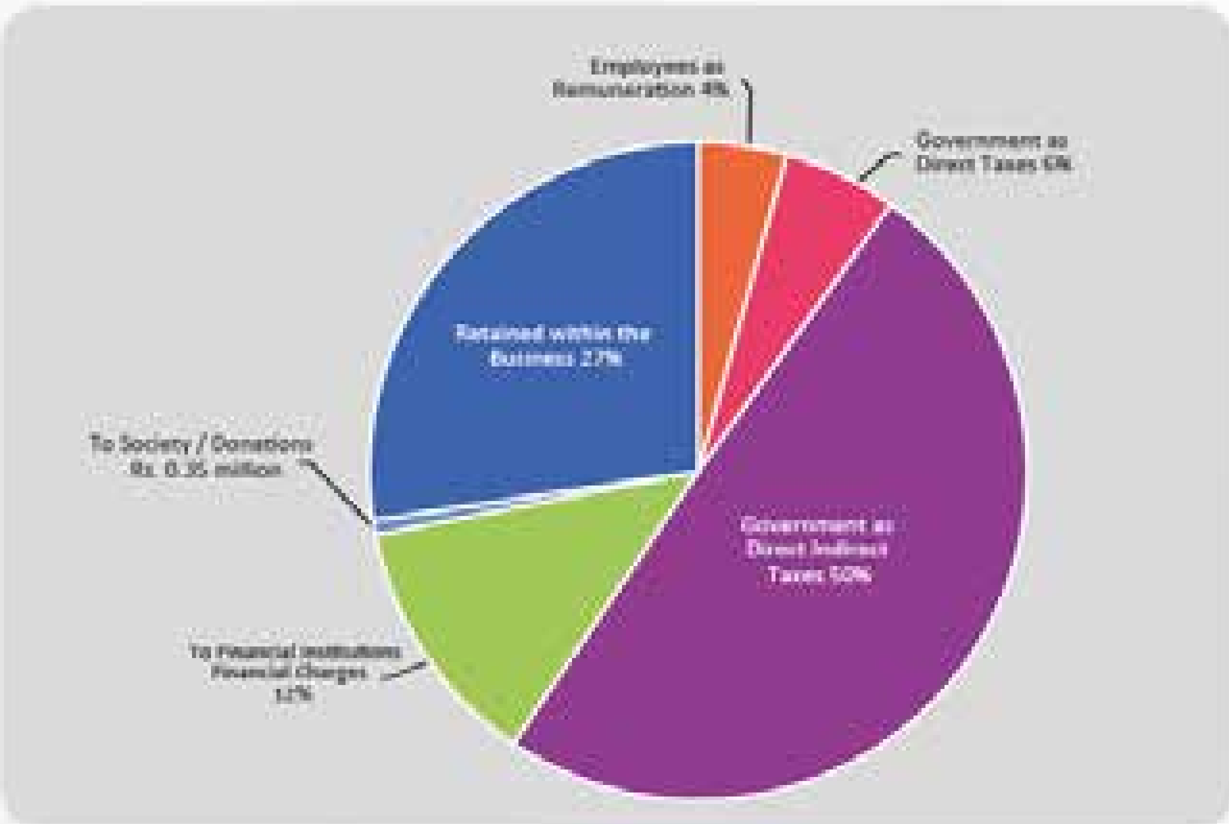
BUILDING A **SUSTAINABLE** BUSINESS



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 eco-conscious manner. • The Company aims to shift towards alternative fuels	• Environment friendly operations • Waste Heat Recovery Plant produced 55 million units • 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. 1,274 million • Fixed Assets: Rs. 77,898 million • Cash and Bank balance: Rs. 344 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

DISTRIBUTION OF VALUE CREATED
BY BUSINESS

In thousands



STRATEGIC DECISION 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:

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.

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.

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	2023	2022	Increase/ (Decrease)
Sales volume	Tons	2,703,988	3,388,349	(684,361)
EBITDA margin (Rs. In Million)	Rs. in Mln	11,588	7,763	3,825
	%	32.04%	24.35%	49.27%
Fixed cost of sales as a percentage of net sales	Rs. in Mln	1,392	1,052	340
	%	3.85%	3.30%	32.36%
ROCE	%	34.08%	23.27%	10.81%
Free cash flows	Rs. in Mln	8,710	7,830	880
EPS	PKR	11.50	4.62	6.88
Debt to equity	Times	1.03	1.64	0.61
Gross revenue per employee	Rs. in million	43	40	3.00
				8%

BOARD STATEMENT ON THE FOLLOWING

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 and business ventures including green and brown field expansions.

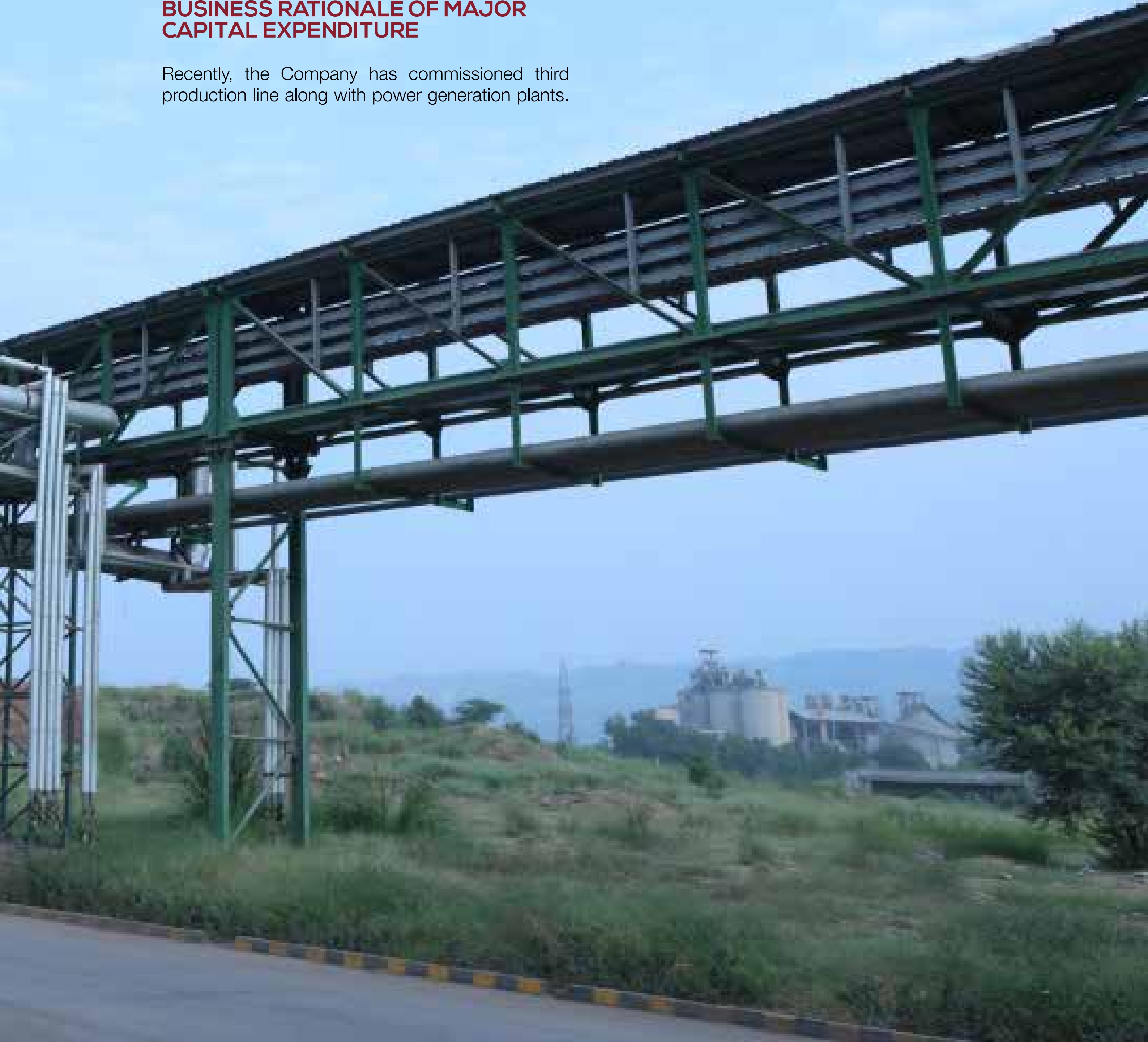
BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURE

Recently, the Company has commissioned third production line along with power generation plants. 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 new head office building is near completion. The building is located in the center of city and is L.E.E.D certified. After completion it will serve as 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.



03

RISKS AND OPPORTUNITIES

KEY RISKS AND OPPORTUNITIES
EFFECTING CAPITALS

The Company and industry at large, is facing major risk of constant increase in fuel & power generation cost. The increase in power generation cost is substantially attributable to commodity super cycle in the international market. Company has responded to this by using a blend of imported and local coal to reduce the adverse impact of high international prices.

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

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 • Further 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
Manufacturing	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 de-generation. The Company focuses on energy conservation, operational efficiencies and reducing carbon footprint

LEGENDS

Source: Internal, External | Magnitude: Low, Medium, High | Likelihood: 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:

1) Looking for alternative energy efficient solutions for energy rich processes at kiln and cement mills

2) Investing on IT department to keep its approach proactive by developing and implementing tools like Power BI and dashboards

3) 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. 4,727 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.

04

CORPORATE SOCIAL RESPONSIBILITY

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

Education

Reaffirming our strong commitment to contribute in progressive and educated Pakistan, we have proactively sponsored a number of initiatives. We have established two primary schools in Chenki village where our plant is located. These fully funded schools are well equipped with resources to provide quality education to children. Other initiatives include funding the construction of an additional building in District Public School 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.

Health and Safety

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

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

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

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

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 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.

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 remain 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.



05

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. The Board is composed to bring diversity in terms of knowledge and experience and comprises of independent and non-executive directors. Non-executive and independent directors are equally involved and participate in all Board meetings. 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 & Remuneration Committee
1	Mr. Aly Khan (Chairman of BOD) Non-Executive Director	4	4	1
2	Ms. Aleeya Khan Non-Executive Director	3	3	1
3	Mr. Mohammed Aftab Alam Non-Executive Director	4	4	1
4	Mirza Ali Hasan Askari Non-Executive Director	4	-	-
5	Mr. Shafiuddin Ghani Khan (Chairman HR & Remuneration Committee) Independent Director	4	4	1
6	Mr. Jamal Nasim (Chairman Audit Committee) Independent Director	4	4	-
7	Mr. Doraib A Kisat Independent Director	3	-	-
8	Syed Mazher Iqbal CEO (Term ended on 30 June 2023)	4	-	1
	Total meetings held during the year	**4**	**4**	**1**

Subsequent to the year end, Mr. M Habibullah Khan has been appointed as Chief Executive Officer of the Company.

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. Jamal Nasim do not bear any executive role nor 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

Mr. Habib Ullah Khan is the Founder and Chairman of Mega Conglomerate. The Mega & Forbes Group of Companies is a diversified conglomerate with business holdings, including the country's largest container terminal, the third-largest dairy producer, a vertically integrated shipping company, and the progressive real estate developer responsible for the only L.E.E.D certified commercial building in Pakistan. Under his leadership, Mega Conglomerate has achieved significant growth and established itself as a key player in multiple industries, contributing to the development and progress of the country. He is serving as the Chairman of the Hub Power Company since 2018.

As a prolific philanthropist, Mr. Khan has been a patron of many social and environmental initiatives over the last three decades and has become strongly associated with various charitable causes. One of his most notable generous donations included the endowment of a building for visiting professors at The Institute of Business Administration in Karachi.

Mr. Aly Khan

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 litres per day.

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

Ms. Aleeya Khan

Ms. Aleeya 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, 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., the construction and development arm of one of Pakistan's largest business groups - Mega Conglomerate.

As a female executive, Aleeya has led multidisciplinary teams from design to project completion. Khan's 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, Khan remains committed to achieving design excellence. Through her exposure and deep understanding of technical design, her firms' involvement in landmark project's combined with a women-led team — Khan brings an alternate perspective and distinct identity, with a vision to leave a lasting impact on her region.

Ms. Khan also serves as a Director of Haleeb Foods Limited and is SECP certified director in corporate governance.

Mr. Shafiuddin Ghani Khan

Mr. Shafiuddin was first elected as director of the Company in the annual general meeting held in October, 2011. He is member of the Board and Chairman of the HR&R Committee.

Mr. Shafiuddin holds a Bachelor of Science (Finance) degree from University of Oregon, USA. After completing his education Shafiuddin came back to Pakistan and developed his real estate and construction business.

He completed several projects in the city of Karachi especially in the area of DHA and Clifton and enjoys high reputation.

PROFILE OF DIRECTORS

Mirza Ali Hasan Askari

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. Jamal Nasim

Mr. Jamal Nasim has been elected as an independent director at Pioneer Cement Limited. Mr. Jamal Nasim is a certified director having successfully completed all parts of the Director Education Program from Pakistan Institute of Corporate Governance.

He has also served as Chief Executive Officer / President of Industrial Development Bank Limited. He started his career from National Development Finance Corporation in Pakistan.

Mr. Nasim has about 35 years professional experience in Development Banking, Finance, Risk Management and Audit fields. After having Bachelor of Commerce from Punjab University, he has done MBA from The Asian Institute of Management, Manila, Philippine.

Mr. Mohammed Aftab Alam

Mr. 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.

Mr. Doraib A Kisat

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.

Singlehandedly, he has spearheaded many initiatives which demonstrates his leadership skills, a can-do 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 requires that subject to the requirements of section 155 of the Companies Act, 2017, it is mandatory 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 manage 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 & 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 applicable laws and regulations. The 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 statement 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 Company. He is responsible for setting directions for overall culture of the Company.

The performance of the CEO is evaluated through 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 member of the Board are certified under Directors' Training Program from SECP approved institutions. However, for newly appointed directors, the Company ensures required training within stipulated time.

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 carried out on arm's length and are reported in light of applicable laws and regulations in attached financial statements.

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 general meeting for approval.

Transactions during the year with related parties are disclosed in attached financial statements however these are not required to be placed before general meeting since majority of directors are not interested.

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 on 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. All the directors excluding CEO are entitled to a meeting fee of Rs. 30,000 for each board meeting attended.

The breakup of remuneration paid to the Chief Executive Officer 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 the most valuable assets. High performing employees are particularly awarded to create a conducive environment and to motivate other employees for better performance.

Succession planning is done for all key positions in the organization and is reviewed regularly by the HR & R committee. Movements into the key positions are also prioritized, based on finalized succession plan. Ongoing development support through an individual development plan covering critical exposures through assignments, special projects and training by professional coaches are provided to employees in the succession pipeline.

i) Social and Environmental Responsibility

The Company is committed for securing environment and 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 pursue 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.

If any stakeholder believes reasonably and in 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:

a. The seriousness of the issue raised
b. The credibility of the concern and
c. 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 if 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.

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 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, 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 of directors

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. Recommending to the Board the selection, evaluation, development, compensation of COO, CFO, CS and Head of Internal Audit
5. Consider and approve CEO's recommendation regarding key management positions

CHAIRMAN'S REVIEW
REPORT

Dear Shareholders,

In the past year, the absence of substantial government initiatives to bolster the construction sector, coupled with inconsistent economic conditions and political turmoil, presented formidable hurdles for formal sector companies operating in Pakistan. Our mantra at Pioneer, however, has always been to look internally and find solutions to be resilient in difficult times.

Through the embrace of strategic planning and proactive decision making; we managed to demonstrate our adaptability in response to the various external challenges we faced. We focused on streamlined procurement of raw materials, increased localization of our coal mix, high retention sales and most importantly, excellence in operating our plants (both cement and power) through concentrated cost optimization while keeping the strictest production and quality KPI's.

Consequently, we have achieved an EPS of Rs. 11.50 this year, signifying 2.5 times increase versus FY 2022.

While the road ahead is always challenging, we remain hopeful that we will carry forward the transformation plan we began to implement this year by targeting energy efficiency, expansion, digitalization, sustainable practices, and an increase in the role of women in the organization, not only at the head office but at the plant site as well.

I would like to thank the Group Chairman for providing his guidance in driving the company towards its objectives through diligent oversight, strategic guidance and an unequivocal commitment to transparency and accountability.

I am also grateful for the shareholders regular unwavering trust in us.

This will aid in continuing our ongoing dedication to drive the Company toward unprecedented levels of growth.

Warmest Personal Regards,

Aly Khan
Chairman

SHAPING THE FUTURE

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

The Directors of the Company are pleased to present their report together with audited financial statements for the year ended June 30, 2023 and auditor's report thereon.

GLOBAL ECONOMY

The global economic outlook remains cautiously optimistic, with several key factors shaping current perspective. Trade dynamics continue to evolve, driven by geopolitical shifts and the ongoing reconfiguration of supply chains following Russian-Ukraine conflict.

During fiscal year 2023, Pakistan experienced significant economic challenges. Thanks to the long-anticipated agreement with IMF which has paved the way for extended support from friendly nations to bolster SBP's foreign exchange reserves this support is indispensable for economic equilibrium. The upcoming general elections are anticipated to further solidify the ongoing process of restoring political stability. Since the beginning of FY 2023, Pakistan has faced a turbulent situation characterized by a significant devaluation of the Pakistani Rupee which had a cascading impact on overall inflation, pushing it to record levels and approached unprecedented 29%. In response to this inflationary pressure, the State Bank of Pakistan took action by raising the Policy Rate to 22%. Although these policy measures are negatively affecting the growth outlook, their aim is to curb inflationary trends and stabilize the currency devaluation in the short term.

CEMENT INDUSTRY

During the year under review, cement industry made volumetric dispatches of 44.58 million tons compared to 52.89 million tons dispatched during previous year. It comprises of 40.02 million tons of local dispatches (2022: 47.63 million tons) and 4.56 million tons of exports (2022: 5.26 million tons).

BUSINESS PERFORMANCE

PRODUCTION AND SALES VOLUME

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

Particulars	FY 2023	FY 2022	Variance
	Tons		%
Installed cement Capacity	5,194,500	5,194,500	-
Cement production	2,741,440	3,372,946	(18,72)
Cement sales	2,703,988	3,388,349	(20.20)

FINANCIAL PERFORMANCE

The financial performance of the Company is as follows:

Particulars	FY 2023	FY 2022	Variance
	Rs. in thousands		%
Net sales	36,165,267	31,879,207	13.44
Cost of sales	26,755,883	24,676,095	8.43
Gross profit	9,405,386	7,203,112	30.69
Operating profit	8,889,294	6,636,613	33.94
Profit before taxation	5,731,658	3,944,646	45.30
Profit after taxation	2,611,106	1,050,270	148.61
Earnings per share (Rs.)	11.50	4.62	148.92

REVENUE

Gross sales for the year under review amounted to Rs. 49,333.13 million compared to Rs. 44,509.29 million in corresponding year. Deductions for the year amounting to Rs. 13,167.86 million on account of applicable taxes, duties and commission/ discounts resulted in net sales of Rs. 36,165.27 million (2022: Rs. 31,879.21 million); growth of 13.44%. This growth in topline is mainly attributable to cost-driven increase in sale price in local market.

COST OF SALES

Cost of sales for the current year amounted to Rs. 26,755.88 million as compared to Rs. 24,676.10 million during last year: an increase of 8.43%. Total manufacturing cost for the year under review was Rs. 27,730.08 million compared to Rs. 24,554.46 million during comparative year: an increase of 12.93%. Major increase was observed in fuel and power cost which amounted to Rs. 19,902.81 million (2022: Rs.18,301.23 million). Pursuant to revaluation of property, plant and equipment and change in depreciation charging method for plant and machinery from Unit of Production to Straight Line Basis, depreciation expense witnessed an increase of Rs. 1,312.30 million to result in charge for the year of Rs. 2,177.35 million (2022: Rs. 865.05 million). Per ton analysis of cost of sales for the year is as follows:

- Fuel and power cost per ton of cement sold amounted to Rs. 7,361 compared to Rs. 5,401 during last year. Substantial increase in fuel and power cost is attributable to rising coal prices in both international and local markets as well as depreciation of Pak rupee against USD. In order to minimize adverse impact of imported coal cost, the Company completely switched to cost-effective local and Afghan origin coal.
- 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 increased to Rs. 782 per ton (2022: Rs. 646 per ton). To counter the adverse impact of craft paper prices in international market, the Company has proactively improved its poly to paper mix.

- Depreciation charge per ton of cement sold amounted to Rs. 805 compared to Rs. 255 during last year. This substantial increase is attributable to change in depreciation charging method and revaluation of property, plant and equipment.

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. 8,889.30 million (2022: Rs. 6,636.61 million).

Despite the persistent reduction in debt, finance cost for the year has increased to Rs. 3,197.65 million (2022: Rs. 2,656.19 million) owing to multiple upward revisions in policy rate by the State Bank of Pakistan. The total outstanding banking debt as of current reporting date amounted to Rs. 17,483.22 million, reflecting a net reduction of Rs. 4,771.60 million compared to the prior year's level of Rs. 22,254.82 million.

Profit before tax of Rs. 5,731.66 million was impacted by continuation of enhanced rates of Super Tax, which resulted in 54.44% effective tax charge based on current year's profit before tax. As a result, profit after tax for the current year amounted to Rs. 2,611.11 million (2022: Rs. 1,050.27 million).

EBITDA for current year clocked at Rs. 11,587.72 million (2022: Rs. 7,762.52 million) surpassing the necessary threshold for servicing debt obligations.

EARNINGS PER SHARE

For the current financial year, earnings per share amounted to Rs. 11.50 compared to Rs. 4.62 per share reported for the last year.

COMPOSITION OF BOARD OF DIRECTORS

Total number of directors is eight comprising seven elected directors and the Chief Executive Officer. Elected directors are as follows:

1. Mr. Aly Khan
2. Ms. Aleeya Khan
3. Mr. Shafiuddin Ghani Khan
4. Mr. Mohammed Aftab Alam
5. Mirza Ali Hasan Askari
6. Mr. Jamal Nasim
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	
i) Male	7
ii) Female	1

Composition	
i) Independent Director (elected)	2
ii) Other 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 & Remuneration Committee
1	Mr. Aly Khan (Chairman BoD) Non-Executive Director	4	4	1
2	Ms. Aleeya Khan Non-Executive Director	3	3	1
3	Mr. Mohammed Aftab Alam Non-Executive Director	4	4	1
4	Mr. Mirza Ali Hasan Askari Non-Executive Director	4	-	-
5	Mr. Shafiuddin Ghani Khan (Chairman HR & Remuneration Committee) Independent Director	4	4	1
6	Mr. Jamal Nasim (Chairman of Audit Committee) Independent Director	4	4	-
7	Mr. Doraib A Kisat Non-Executive Director	3	-	-
8	Syed Mazher Iqbal CEO (Term ended on 30 June 2023)	4	-	1

Subsequent to the year end, Mr. M Habibullah Khan has been appointed as Chief Executive Officer of the Company.

DIRECTORS' REMUNERATION

Remuneration Policy for Directors is approved by the Board of Directors. All the directors excluding CEO are entitled to a meeting fee of Rs. 30,000 for each board meeting attended.

The breakup of remuneration paid to the Chief Executive Officer 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 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 committed to provide its staff a safe, healthy and nurturing environment and accordingly has received certification of ISO 14001:2015 and ISO 45001:2018. Further, your Company has also been awarded Green Office Diploma after complying with the criteria of reducing consumption of natural resources. The Company continues to comply with all the applicable environmental laws and standards. During the year, multiple tree planation drives were carried out at plant locality to promote green and clean environment.

GASEOUS AND DUST EMISSION

The Company is dedicated to maintain a pollution free atmosphere and accordingly electrostatic precipitator and dust collectors have been installed at all the three production lines of the Company. The Company has installed two Waste Heat Recovery Power Plants having total power generation capacity of 18 MW; thus, minimizing waste hot gases emission during production process.

Cement production plant - III is a state-of-the-art technology with efficient processes specifically designed to save fuel and power consumption.

EMPLOYEE SAFETY

As a responsible corporate citizen, the Company gives highest priority to health and safety of its employees. Employees have been equipped with proper safety tools and protection devices to ensure occupational safety. 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 the necessary measures are taken to avoid any undesired event. Regular training sessions are conducted to promote best practices and ensure a safe work environment.

COMMUNITY INVESTMENT AND WELFARE SCHEME

The Company as a corporate citizen is constantly contributing towards welfare of the society and is playing an active and continuous role in various community development and maintenance programs. These measures also include construction and maintenance of mosque, medical dispensaries, ambulance service, primary schools at Chenki and extending financial support to Divisional Public School at Jauharabad. The Company continuously coordinates with the communities in the surrounding areas of the plant to meet their socio-economic needs. Residents of plant vicinity have fetched additional benefits from the expansion of the Company. New job opportunities have already been generated at the plant site due to expansion of production capacity. The Company has reconstructed and is maintaining 8 km long road and other infrastructure in the factory vicinity in order to improve general living standards of the adjacent communities. Multiple clean drinking water facilities have also been installed for the residents of plant vicinity.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company paid an amount of Rs. 14,518.35 million (2022: Rs. 12,836.50 million) into the Government Treasury on account of income taxes, levies, sales tax, excise and custom duties and royalties.

EMPLOYEE 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, 2023 was Rs. 275.29 million (2022: Rs. 255.92 million).

MEDICAL AND HOSPITALIZATION

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

AUDITORS

M/s. KPMG Taseer Hadi & Co. Chartered Accountants will retire at the conclusion of the 36th Annual General Meeting. They have offered themselves for reappointment. As suggested by Audit Committee, the Board has recommended M/s. KPMG Taseer Hadi & Co. Chartered Accountants for reappointment.

DIVIDENDS

Keeping in view the ongoing repayments of loans obtained to finance the expansion projects and applicability of super tax, the Board has decided not to recommend any dividend. All the surplus funds generated from operations are effectively utilized to early pay the banking debt. However, the Board is optimist about the future prospects of cement industry, Company performance and availability of future profits and will consider distribution of profits in future.

DIRECTORS' TRAINING PROGRAM

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

EVALUATION OF BOARD'S OWN PERFORMANCE

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

PATTERN OF SHAREHOLDING

Company's pattern of shareholding as at June 30, 2023 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 been a recurring theme in Pakistan's recent history, impacting policy continuity and investor confidence. The transition to more stable governance and consistent policies is essential to encourage investment and stimulate economic growth.

In this ever-evolving global economic environment, our company remains committed to agile strategies and prudent risk management to ensure that we navigate challenges effectively and seize emerging opportunities.

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
Chief Executive Officer
September 28, 2023

Aly Khan
Chairman

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. Jamal Nasim (Chairman of Audit Committee)	Independent	4
2	Mr. Aly Khan	Non-Executive	4
3	Ms. Aleeya Khan	Non-Executive	3
4	Mr. Mohammed Aftab Alam	Non-Executive	4
5	Mr. Shafiuddin Ghani Khan	Independent	4
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, 2023, the Committee is pleased to report that:

- The Committee reviewed the quarterly, half yearly and annual financial statement 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, 2023 were presented to the Committee. Specific attention was paid to key matters reported in Auditor's report pertaining to revenue recognition and revaluation of assets. 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 2023-24 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.

- The Chairman of the Committee was also present at Annual General Meeting held on October 27, 2022 to answer questions raised by shareholders.

September 28, 2023

JAMAL NASIM
Chairman of
Audit Committee


PIONEER
CEMENT LTD.

ENTERPRISE RESOURCE PLANNING

The Company has implemented state-of-the-art Enterprise Resource Planning (ERP) solution by Oracle Systems. Oracle ERP works on modular approach and is fully integrated enabling management to make effective decisions based on timely, accurate and structured information. The ERP caters all the requirements of business operation right from attendance management to payroll processing, customer order fulfillment and invoicing, procurement to payment, assets tracking & management, inventory & cost management and financial reporting.

A dedicated team of professionals are part of Management Information Systems department (MIS) to facilitate new developments and also provide day to day support. MIS regularly updates the system for new technological changes and also incorporate development requirements for changing business scenarios. MIS department enjoy full support of the management in terms of resources required.

Orientation courses are arranged for new ERP users and focused sessions are also held for existing users in case of any change or update in module. A risk matrix is available and is continuously checked and audited as part of the system audits. Process changes or developments are first thoroughly tested on cloned system before final implementation in live environment.

The Company has formal user authorization matrix which provide access to user based on their assigned roles. Any change in user role is incorporated after approval of relevant head of department. This authorization matrix is also periodically reviewed.

During the year, the Company also implemented Decibel HRMS, a one-window, smart digital solution designed to manage the Company's HR and finance processes on a single platform. This system enables seamless automation and organization of the daily HR functions of the business, saving valuable time, money, and effort that can be better allocated to core activities.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

A robust compliance process is 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 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 upload 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 (IIRC).

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 on 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. With the unprecedented monsoon season and the recent devastating floods in Pakistan, economic activity has slowed down which resultantly reduce the PSDP allocation. Moreover, the recent imposition of super tax on industry at the rate of 10% in FY 2023 and onwards will further put pressure on the margins of companies operating in cement sector in times to come.

STATEMENT OF COMPLIANCE
WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Pioneer Cement Limited
Year ended : June 30, 2023

Pioneer Cement Limited (''the Company") has complied with the requirements of Listed Companies Code of Corporate Governance Regulations, 2019 (the Regulations) in the following manner: ·

1The total number of directors as at June 30,2023 is eight (8), as per the following:

a. Male: Seven
b. Female: One

2.The composition of board is as follows:

a) Independent directors	Mr. Shafiuddin Ghani Khan Mr. Jamal Nasim
b) Non-executive directors	Mr. Aly Khan Mr. Mohammed Aftab Alam Mirza Ali Hasan Askari Doraib A Kisat
c) Executive directors	Syed Mazher Iqbal (CEO) (Term ended on 30 June 2023)
d) Female director	Ms. Aleeya Khan

The current Board of Directors of the Company was elected on October 27, 2020 and has appropriate skills, experience, independence, and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore, the Board considers that it is adequately composed of two independent directors and hence, the fractional number of independent directors has not been rounded up.

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

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

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

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

7 The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act (The Companies Act 2017) 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 directors have completed their Director's Training Certification.

Elected directors who have completed their DTC

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

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

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

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

a) Audit Committee	Mr. Jamal Nasim (Chairman) Mr. Aly Khan Ms. Aleeya Khan Mr. Shafiuddin Ghani Khan Mr. Mohammed Aftab Alam
b) HR and Remuneration Committee	Mr. Shafiuddin Ghani Khan (Chairman) Mr. Aly Khan Ms. Aleeya Khan Mr. Mohammed Aftab Alam Syed Mazher Iqbal (CEO) (Term ended on 30 June 2023)

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 committees for compliance;

14 The frequency of meetings of the committee were as per following;

a) Audit Committee (quarterly)
b) HR & Remuneration Committee (yearly}

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

16 The Statutory Auditors of the Company have confirmed that (i) they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ii) registered with Audit Oversight Board of Pakistan, (iii) 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 (iv) that they and the partners of the firm involved in the audit are not close relatives (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, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

ALY KHAN
Chairman
September 28, 2023

TO THE MEMBERS OF PIONEER CEMENT LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Pioneer Cement Limited ("the Company") for the year ended 30 June 2023 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 2023.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Place: Lahore
Date: 2 October 2023
UDIN: CR202310114qdT87jyeh

06 ANALYSIS OF THE FINANCIAL INFORMATION

ANALYSIS OF THE FINANCIAL PERFORMANCE

CURRENT YEAR VS PROJECTIONS

Amid devastating floods, political instability, exorbitant inflation, ever increasing power rates and lower allocation of PSDP, companies, especially fuel-intensive industries like the cement sector, faced considerable challenges, resulting in a quantitative decline of around 20%. However, the company managed to mitigate these adverse effects through enhanced sales retention. It's worth noting that while the quantitative target did not align with the initial projections, better sales retention did bring the figures closer to the projected values. Unfortunately, this progress was counteracted by the constant increase in policy rates and the super tax rate rising from 4% to 10%.

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 KPI's	2023	2022	Increase/ (Decrease)
Financial	----------------------------Rs. in million----------------------------		
Net revenue	36,165	31,879	4,286
Finance cost	3,198	2,656	542
Profit before tax	5,732	3,945	1,787
Profit after tax	2,611	1,050	1,561
Outstanding total debt	17,483	22,210	(4,727)
Non-Financial	---------------------------------Tons---------------------------------		
Cement production	2,741,440	3,372,946	(631,506)
Cement dispatch	2,703,988	3,388,349	(684,361)
	--------------------------No. of employees-------------------------		
Head count	1,152	1,098	54

Dispatches and Net Revenue

Topline of the Company grew by 13.44% to Rs. 36,165.27 million during the current year compared to Rs. 31,879.21 million earned during the corresponding year, a growth of 13.44%. During the current year, the Company dispatched 2,703,988 tons cement in local market as compared to 3,388,349 tons dispatched in last year. Average domestic net sales per ton during the current year amounted to Rs. 13,375/- per ton compared to LY Rs. 9,418 per ton; an increase of 42.02%.

Finance Cost

During the year under review, the finance cost totaled Rs. 3,197.65 million, whereas it stood at Rs. 2,656.19 million in the previous year. This rise can be primarily attributed to the increase in policy rates, despite a reduction in the overall debt burden.

Profitability

Thanks to enhanced sales retention and proactive management strategies, the Company's bottom line continued to grow, despite the challenges posed by increasing policy rates and an elevated super tax rate.

Outstanding Total Debt

The Company has achieved a successful reduction in outstanding debt by 21.29%, primarily through the generation of internal cash flows. This reduction was made possible by shortening the operating cycle, improving profit margins, and rationalizing operating costs.

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

FINANCIAL HIGHLIGHTS
SIX YEARS AT A GLANCE

Description	2023	2022	2021	2020	2019	2018
Production and Sales	--------------------------- Tons '000'--------------------------					
Clinker Production	2,409	2,893	2,955	1,540	1,257	1,551
Cement Production	2,741	3,373	3,408	1,737	1,443	1,543
Cement / Clinker Dispatches						
Domestic Market	2,704	3,388	3,368	1,723	1,384	1,577
International Market	-	-	13	12	62	69
	2,704	3,388	3,381	1,735	1,446	1,646
Cement Capacity Utilization (based on installed capacity)	52.78%	64.93%	65.61%	50.42%	65.72%	70.31%
Financial position	------------------------- Rupees in million------------------------					
Assets Employed						
Property plant and equipment	77,802.60	63,243.22	42,945.19	41,557.94	36,106.52	22,920.02
Other long term assets	439.19	179.50	153.16	150.45	140.85	120.47
Current assets	8,913.58	8,467.82	8,382.55	7,326.13	6,030.04	6,070.88
Total Assets	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41	29,111.37
Financed by						
Shareholders' equity	16,921.45	13,593.07	12,481.13	10,417.09	10,505.27	10,517.41
Surplus on revaluation of fixed assets-net of tax	23,599.99	16,178.27	2,618.16	2,711.13	2,816.08	3,111.55
Long term liabilities	27,755.93	24,331.69	18,596.26	21,566.66	19,268.47	11,031.78
Other Current liabilities	18,877.99	17,787.50	17,785.35	14,339.63	9,687.60	4,450.63
Total Funds Invested	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41	29,111.37
Turnover and profit / (Loss)						
Net turnover	36,165.27	31,879.21	21,817.61	6,286.95	9,733.65	10,121.32
Gross profit	9,409.38	7,203.11	4,117.95	(103.09)	2,134.69	2,810.67
Operating profit / (loss)	8,929.31	6,600.83	4,020.72	(362.63)	1,593.94	2,307.58
Profit / (loss) before taxation	5,731.66	3,944.65	2,203.04	(755.38)	1,323.23	2,212.69
Profit / (loss) after taxation	2,611.11	1,050.27	1,974.46	(209.62)	790.38	1,644.02
EBITDA	11,587.72	7,762.52	5,001.94	62.64	2,102.99	2,821.60
Earnings / (Loss) per share (Rs.)	11.50	4.62	8.69	(0.92)	3.48	7.24
Breakup value per share (Rs.)	178.39	131.07	66.47	57.80	58.65	60.00
Cash flow summary						
Net cash generated from operating activities	9,199.58	8,191.01	4,399.84	524.52	3,284.90	1,775.38
Net cash used in investing activities	(1,246.61)	(543.85)	(2,302.17)	(5,854.15)	(13,591.03)	(9,051.39)
Net cash (outflow) / inflow from financing activities	(8,093.63)	(7,500.34)	(2,126.45)	5,484.93	10,023.79	7,460.25
(Decrease) / Increase in cash and cash equivalents	(140.66)	146.82	(28.78)	155.29	(282.34)	184.24
Cash and cash equivalents at beginning of the year	484.26	337.44	366.21	210.92	493.26	309.02
Cash and cash equivalents at end of the year	343.60	484.26	337.44	366.21	210.92	493.26

FINANCIAL RATIOS

Ratios Description		2023	2022 Restated	2021	2020	2019	2018
Profitability Ratios							
Gross Profit ratio	%	26.02	22.60	18.87	(1.64)	21.93	27.77
Net Profit to Sales	%	7.22	3.29	9.05	(3.33)	8.12	16.24
EBITDA Margin to Sales	%	32.04	24.35	22.93	1.00	21.61	27.88
Return on Shareholders' Funds	%	15.43	7.73	15.82	(2.01)	7.52	16.41
Return on Capital employed	%	34.08	23.27	13.52	(1.26)	6.85	15.27
Shareholders' Funds	%	46.49	41.41	29.33	26.77	31.51	46.82
Return on Equity	%	7.43	4.68	13.99	(1.59)	5.87	12.71
Liquidity Ratios							
Current ratio	Times	0.47	0.48	0.47	0.51	0.62	1.36
Quick / Acid test ratio	Times	0.15	0.19	0.26	0.30	0.39	0.88
Cash to current liabilities	Times	0.02	0.03	0.02	0.03	0.02	0.11
Cash flow from operations to sales	Times	0.25	0.26	0.20	0.08	0.34	0.18
Operating cash flow to capital expenditures	Times	7.22	8.39	1.89	0.09	0.24	0.17
Cash flow coverage ratio	Times	0.53	0.37	0.16	0.02	0.15	0.17
Investment /Market Ratios							
Earnings per Share	Rs.	11.50	4.62	8.69	-0.92	3.48	7.24
Price Earnings ratio	Times	7.54	13.05	15.08	-68.31	6.51	6.47
Price to Book ratio	%	48.56	46.03	197.18	109.07	38.62	78.10
Dividend Yield ratio	%	0.00	0.00	0.00	0.00	0.00	8.69
Dividend Payout ratio	%	0.00	0.00	0.00	0.00	0.00	56.23
Cash Dividend per share	Rs.	-	-	-	-	-	4.07
Market value per share at the year end	Rs.	86.63	60.33	131.07	63.04	22.65	46.86
Breakup value per share	Rs.						
i. Without Surplus on Revaluation of property,	Rs.						
plant and equipment	Rs.	74.49	59.84	54.95	45.86	46.25	46.30
ii. With Surplus on Revaluation of Property plant and	Rs.						
equipment including the effect of all Investments	Rs.	178.39	131.07	66.47	57.80	58.65	60.00
Revaluation of property plant and equipment.	Rs. in million	178.39	131.07	66.47	57.80	58.65	60.00
Free Cash Flows	Rs. in million	8,710	7,830	4,290	443	3,071	1,597
Economic Value Added (EVA)	Rs. in million	(3,044)	(2,485)	(969)	(4,401)	(1,785)	782
Capital Structure							
Financial leverage ratio	Times	0.43	0.75	1.80	2.06	1.61	0.79
Weighted average cost of debt	%	18.22	10.77	9.05	14.41	11.22	5.79
Debt to Equity ratio	Times	1.03	1.63	2.15	2.55	2.04	1.02
Net assets per share	Rs.	178.39	131.07	66.47	57.80	58.65	60.00
Interest Cover	Times	3.62	2.92	2.75	0.16	7.77	29.73
Activity / Turnover Ratios							
Total Assets turnover ratio	%	45.48	51.68	43.41	13.77	27.27	43.19
Fixed Assets turnover ratio	%	51.21	59.94	51.53	16.15	32.89	57.32
No. of Days in Inventory	Days	76	65	70	150	105	97
No. of Days in Receivables	Days	13	12	13	18	12	8
No. of Days in Payables	Days	97	93	108	210	88	51
Operating cycle	Days	(8)	(15)	(26)	(42)	29	55
Employee Productivity ratios							
Production per employee	Tons	2415	3001	3110	1589	1369	1640
Revenue per employee	Rs. in millon	43	40	30	14	13	16
Others							
Spares Inventory as % of Assets Cost	%	3%	3%	4%	4%	2%	2%
Maintenance Cost as % of Operating Expenses	%	1%	0%	1%	1%	1%	1%

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Description	2023	2022	2021	2020	2019	2018
		Restated				
	---------------------------- Rupees in million---------------------------					
Share capital and reserves	16,921.45	13,593.07	12,481.13	10,417.09	10,505.27	10,517.41
Surplus on revaluation of fixed assets	23,599.99	16,178.27	2,618.16	2,711.13	2,816.08	3,111.55
Long term liabilities	27,755.93	24,331.69	18,596.26	21,566.66	19,268.47	11,031.78
Current liabilities	18,877.99	17,787.50	17,785.35	14,339.63	9,687.60	4,450.63
Total equity and liabilities	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41	29,111.37
Non current assets	78,241.79	63,422.71	43,098.36	41,708.39	36,247.37	23,040.49
Current assets	8,913.58	8,467.82	8,382.55	7,326.13	6,030.04	6,070.88
Total assets	87,155.37	71,890.53	51,480.90	49,034.52	42,277.41	29,111.37
Vertical analysis	------------------------------------ %------------------------------------					
Share capital and reserves	19.42	18.91	24.24	21.24	24.85	36.13
Surplus on revaluation of fixed assets	27.08	22.50	5.09	5.53	6.66	10.69
Long term liabilities	31.85	33.85	36.12	43.98	45.58	37.90
Current liabilities	21.66	24.74	34.55	29.24	22.91	15.29
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	89.77	88.22	83.72	85.06	85.74	79.15
Current assets	10.23	11.78	16.28	14.94	14.26	20.85
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis (i)						
Cumulative						
Share capital and reserves	77.76	73.81	59.59	33.20	34.33	34.48
Surplus on revaluation of fixed assets	764.97	467.76	(8.12)	(4.85)	(1.17)	9.20
Long term liabilities	625.54	933.00	689.50	815.61	718.04	368.35
Current liabilities	1,018.98	921.05	920.92	723.13	456.09	155.48
Total equity and liabilities	390.73	386.81	248.60	232.04	186.28	97.13
Non current assets	533.42	504.02	310.45	297.22	245.21	119.43
Current assets	64.82	98.43	96.43	71.67	41.30	42.26
Total assets	390.73	386.81	248.60	232.04	186.28	97.13
Horizontal analysis (ii)						
Year vs Year						
Share capital and reserves	24.49	8.91	19.81	(0.84)	(0.12)	10.49
Surplus on revaluation of fixed assets	45.87	517.93	(3.43)	(3.73)	(9.50)	14.04
Long term liabilities	14.07	30.84	(13.77)	11.93	74.66	188.37
Current liabilities	6.13	0.01	24.03	48.02	117.67	163.81
Total equity and liabilities	21.23	39.65	4.99	15.98	45.23	63.91
Non current assets	23.37	47.16	3.33	15.07	57.32	86.53
Current assets	5.26	1.02	14.42	21.49	(0.67)	12.26
Total assets	21.23	39.65	4.99	15.98	45.23	63.91

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

Description	2023	2022	2021	2020	2019	2018
	--------------------------- Rupees in million--------------------------					
Net turnover	36,165.27	31,879.21	21,817.61	6,286.95	9,733.65	10,121.32
Cost of sales	(26,755.88)	(24,676.10)	(17,699.66)	(6,390.05)	(7,598.97)	(7,310.65)
Gross profit	9,409.38	7,203.11	4,117.95	(103.09)	2,134.69	2,810.67
Distribution cost	(141.77)	(119.46)	(118.60)	(252.70)	(182.38)	(166.91)
Administrative expenses	(168.70)	(134.23)	(128.39)	(108.60)	(143.06)	(97.54)
Other income / (charges)	(169.61)	(348.59)	149.76	101.77	(215.31)	(238.64)
Operating profit	8,929.31	6,600.83	4,020.72	(362.63)	1,593.94	2,307.58
Finance cost	(3,197.65)	(2,656.19)	(1,817.68)	(392.75)	(270.70)	(94.90)
Profit before taxation	5,731.66	3,944.65	2,203.04	(755.38)	1,323.23	2,212.69
Taxation	(3,120.55)	(2,894.38)	(228.58)	545.76	(532.86)	(568.67)
Profit after taxation	2,611.11	1,050.27	1,974.46	(209.62)	790.38	1,644.02
Vertical analysis			%			
Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(73.98)	(77.40)	(81.13)	(101.64)	(78.07)	(72.23)
Gross profit	26.02	22.60	18.87	(1.64)	21.93	27.77
Distribution cost	(0.39)	(0.37)	(0.54)	(4.02)	(1.87)	(1.65)
Administrative expenses	(0.47)	(0.42)	(0.59)	(1.73)	(1.47)	(0.96)
Other income / (charges)	(0.47)	(1.09)	0.69	1.62	(2.21)	(2.36)
Operating profit	24.69	20.71	18.43	(5.77)	16.38	22.80
Finance cost	(8.84)	(8.33)	(8.33)	(6.25)	(2.78)	(0.94)
Profit / (loss)before taxation	15.85	12.37	10.10	(12.02)	13.59	21.86
Taxation	(8.63)	(9.08)	(1.05)	8.68	(5.47)	(5.62)
Profit / (loss) after taxation	7.22	3.29	9.05	(3.33)	8.12	16.24
Horizontal analysis (i)						
Cumulative						
Net turnover	240.19	240.35	132.93	(32.88)	3.92	8.06
Cost of sales	331.36	360.26	230.14	19.19	41.74	36.36
Gross profit	112.48	79.84	2.81	(102.57)	(46.70)	(29.82)
Distribution cost	50.71	99.16	97.74	321.31	204.07	178.28
Administrative expenses	99.45	64.62	57.45	33.19	75.45	19.62
Other income / (charges)	16.60	(86,384.90)	36,969.55	25,090.35	(53,393.32)	(59,169.55)
Operating profit	117.57	70.83	4.05	(109.38)	(58.75)	(40.28)
Finance cost	9,116.72	15,104.27	10,304.60	2,148.16	1,449.54	443.19
Profit before taxation	40.84	2.55	(42.73)	(119.64)	(65.60)	(42.48)
Taxation	170.89	117.98	(82.79)	(141.10)	(59.87)	(57.17)
Profit after taxation	(10.50)	(58.30)	(21.61)	(108.32)	(68.62)	(34.73)
Horizontal analysis (ii)						
Year vs Year						
Net turnover	13.44	46.12	247.03	(35.41)	(3.83)	(4.79)
Cost of sales	8.43	39.42	176.99	(15.91)	3.94	17.86
Gross profit	30.63	74.92	(4,094.36)	(104.83)	(24.05)	(36.53)
Distribution cost	18.67	0.72	(53.07)	38.55	9.27	77.45
Administrative expenses	25.68	4.55	18.22	(24.09)	46.67	15.32
Other income / (charges)	(51.34)	(332.76)	47.16	(147.27)	(9.78)	64.05
Operating profit	35.28	64.17	(1,208.78)	(122.75)	(30.93)	(43.78)
Finance cost	20.38	46.13	362.80	45.09	185.26	173.52
Profit / (loss)before taxation	45.30	79.06	(391.65)	(157.09)	(40.20)	(45.63)
Taxation	7.81	1,166.24	(141.88)	(202.42)	(6.30)	(50.64)
Profit / (loss) after taxation	148.61	(46.81)	(1,041.91)	(126.52)	(51.92)	(43.65)

STATEMENT OF CASH FLOWS
DIRECT METHOD

		2023	2022
		(Rupees in million)	
Cash flows from operating activities			
Cash receipt from customers-net		49,157	44,144
Cash paid to suppliers and employees		(39,110)	(35,547)
Cash generated from operations		10,046	8,597
Income tax paid		(547)	(119)
WPPF paid		-	(240)
Long term deposits - net		(259)	(14)
Gratuity paid		(19)	(15)
Earned leaves paid		(22)	(17)
		(847)	(406)
Net cash generated from operating activities		9,200	8,191
Cash flow used in investing activities			
Capital expenditure incurred		(1,274)	(976)
Proceeds from disposal of property, plant and equipment		9	3
Receipt of return on bank deposits		19	20
Disposals of short-term investments		-	409
Net cash used in investing activities		((1,247)	(544)
Cash flow from financing activities			
Repayment of long-term financing	-	(4,509)	(3,510)
Repayment of loan from related party	-	-	(350)
Repayment of short-term borrowings - net	-	(219)	(1,077)
Finance cost paid	-	(3,365)	(2,563)
Dividend paid	-	(0)	(0)
Net cash used in from financing activities		(8,094)	(7,500)
Net (decrease) / increase in cash and cash equivalents		(141)	147
Cash and cash equivalents at beginning of the year		484	337
Cash and cash equivalents at end of the year		344	484

SHARIAH COMPLIANCE
RATIOS

Shariah Ratios	Benchmark	2023	2022	Status
Interest bearing debt to total assets	<37%	14.31%	22.35%	
Illiquid assets to total assets	>25%	96.34%	95.11%	
Net liquid assets vs market price per share (MPPS)	> MPPS	54.73	47.27	

COMMENTARY ON FINANCIAL PERFORMANCE

Profit & Loss

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

Notably, the production costs have experienced a twofold increase in recent years due to factors such as currency devaluation and rising energy input costs. Consequently, the gross profit margin has exhibited a declining trend, as the industry struggled to fully pass on the additional production costs. The fiscal year 2020 witnessed a notable downturn in the sale price, resulting in a gross loss.

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.

Furthermore, the Company has undertaken multiple long-term loans to finance its expansion projects. However, the continuous escalation in applicable interest rates has led to a finance cost of Rs. 3,197.65 million for FY 2023.

In the current financial year, the increase in the super tax rate from 4% to 10% has resulted in a non-cash deferred tax adjustment, leading to a tax charge of Rs. 3,120.55 million, equivalent to 54.44% of Profit Before Tax (PBT).

Balance Sheet

The Company's asset base has experienced significant expansion, amounting to Rs. 58,044.00 million over the past five years, primarily driven by the operations of new cement plant and captive power generation facilities. In the current fiscal year, a revaluation of fixed assets has led to a net increase of Rs. 7,421.72 million in the surplus balance.

Short-term investments, accumulated until FY 2018, were predominantly allocated by the Company for financing the construction of its expansion projects.

The growth in equity, which has surged by a factor of 2.97 over the last five years, can be predominantly attributed to the aforementioned revaluation surplus and a noteworthy 77.66% increase in revenue reserves.

Furthermore, during the financial year, the Company managed to reduce its debt liabilities by Rs. 4,427.31 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 three years, substantial cash outflows have been notable primarily due to financing activities, notably driven by the repayment of long-term loans.

Profitability Ratios

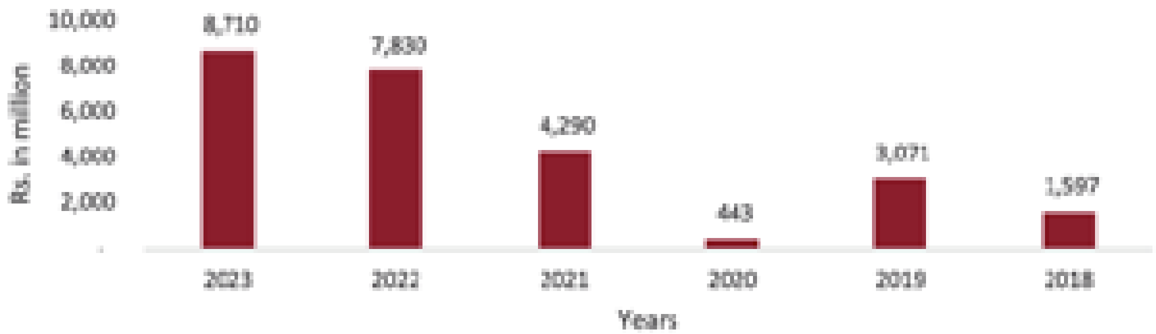
The profitability trend over the past six years has displayed a V-shaped recovery pattern, with the most recent three years being instrumental in restoring the company's profitability following a decline in FY 2020. This revival was realized through improvements in the production process and a strategic shift towards relying on captive power generation plants rather than the national grid.

Liquidity Ratios:

Liquidity indicators have begun to show signs of improvement as of the past year. 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. Between the years 2018 and 2020, there was a decline in free cash flows attributable to the company's inability to pass on the increased production costs to its 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 the commencement of production from the new and highly efficient Plant Line III, further supported by captive power generation facilities, resulting in substantial volumetric growth



Dupont Analysis

Particular	Unit	2023	2022	2021	2020	2019	2018
Profit / (Loss) Margin	%	7.22	3.29	9.05	(3.33)	8.12	16.24
Asset Turnover	Times	0.45	0.52	0.43	0.14	0.27	0.43
Equity Multiplier		2.15	2.41	3.41	3.74	3.17	2.14

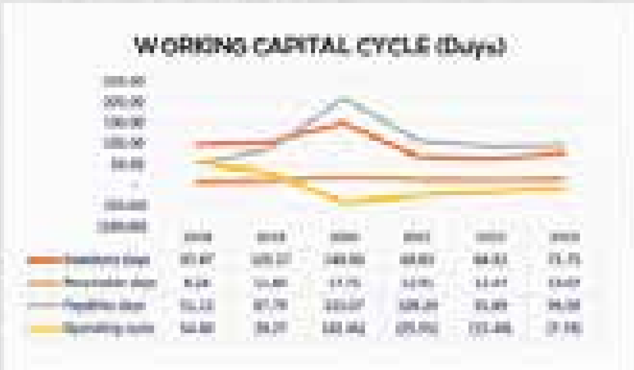
The DuPont analysis is a method employed to dissect the various components contributing to the return on equity. In the context of the previous section on free cash flows, this ratio experienced a decline until the year 2020. The subsequent recovery in 2021 was driven by an increase in the quantity of goods dispatched 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 imposed by management backed by improved selling margins.

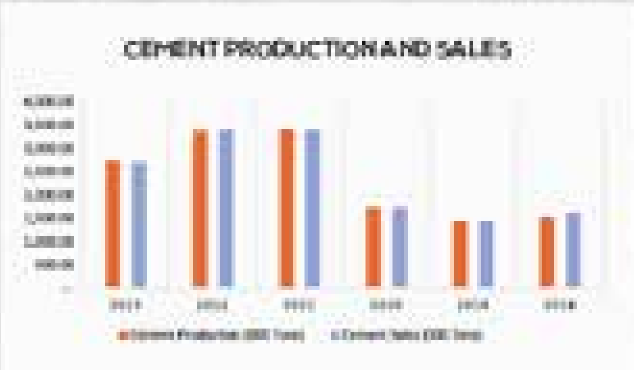
GRAPHICAL PRESENTATION

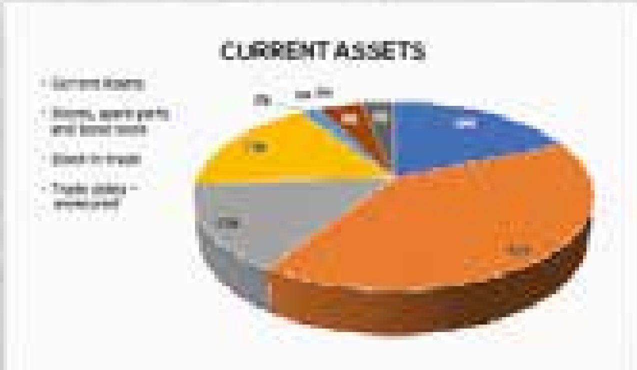

OPERATING CASH FLOW TO CAPITAL EXPENDITURES (Times)

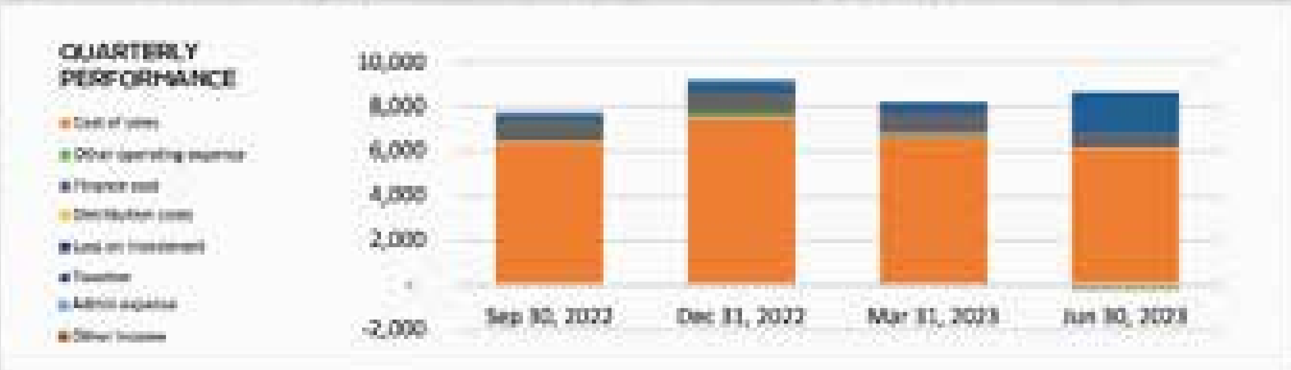

EARNINGS PER SHARE (Rs.)


BREAK UP VALUE PER SHARE (Rs.)


WORKING CAPITAL CYCLE (Days)


CEMENT PRODUCTION AND SALES


CURRENT ASSETS


QUARTERLY PERFORMANCE
10,000
8,000
6,000
4,000
2,000
-2,000
Sep 30, 2022
Dec 31, 2022
Mar 31, 2023
Jun 30, 2023

QUARTERLY PERFORMANCE ANALYSIS

Particulars	FY 2023 Actual					FY 2022
	Q1	Q2	Q3	Q4	Total	Actual
	--------------------------------------Rs. in million--------------------------------------					
Turnover - Net	8,322	10,325	9,150	8,369	36,165	31,879
Cost of sales	6,412	7,513	6,689	6,142	26,756	24,676
Gross profit	1,910	2,811	2,461	2,228	9,409	7,203
Distribution costs	29	33	32	48	142	119
Admin expense	37	43	39	50	169	134
Other operating expence	65	177	117	-149	210	313
Loss / (Profit) on Investment	1	8	9	-11	6	76
Other income	(11)	(6)	(21)	(8)	(46)	(40)
Finance cost	915	853	867	563	3,198	2,656
Profit before tax	874	1,704	1,418	1,735	5,732	3,945
Taxation	288	529	468	1,835	3,121	2,894
Profit / (loss) after tax	586	1,175	950	(100)	2,611	1,050

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. The Company has ranked revenue 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

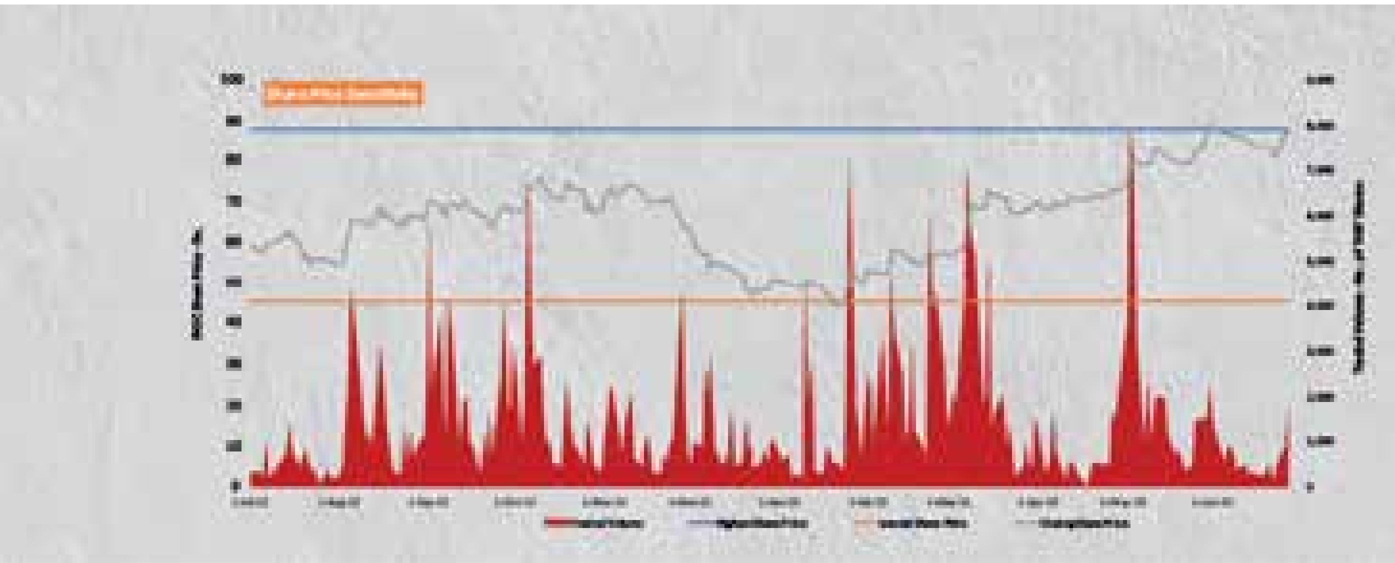
The Company being a responsible corporate entity is committed to timely discharge its responsibilities in this regard. Amount payable to statutory authorities, separately disclosed in Note 23.2 of annexed financial statements, represents liability in the normal course of business and is not due yet. The Company in current year has contributed PKR 14,518 million (2022: PKR 12,837 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



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 2023 is:

	Rs.per share
Highest Share Price	88.02
Lowest Share Price	45.49
Average Share Price	66.05
Closing Share Price - Jun 30, 2022	86.63

The equity profile of the Company on June 30, 2023 is:

Number of Shares	227,148,793
Free Float - Number	113,574,397
Free Float - %	50%
Market Captalization	19,677,899,938

Key Variables / Factors Affecting 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 75% of its 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 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, carries 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

Material Consumed	2023	2022
	Rs. in million	
Imported fuel	8,658	11,363
Imported stores & spares	226	264
Imported fuel for power	2,124	1,649
Total Imported	**11,009**	**13,276**
Local raw material	1,727	1,677
Local fuel	4,927	1,346
Local fuel for power	1,046	3,581
Local stores & spares	199	167
Local packing material	2,114	2,189
Total Local	**10,013**	**8,960**

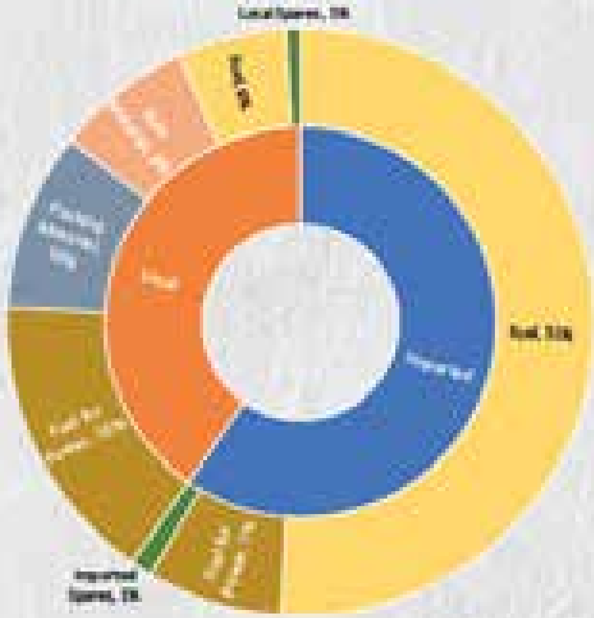
Sensitivity for each 5% Change in US$ Parity

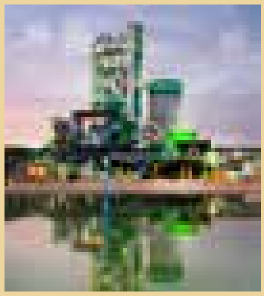
Each 5% increase in USD Vs. PKR	550	664
Each 5% decrease in USD Vs. PKR	(550)	(664)

Note: Imported fuel also includes locally procured Afghan origin coal.

FINANCIAL YEAR 2023

FINANCIAL YEAR 2022





07

IT GOVERNANCE AND CYBERSECURITY

IT GOVERNANCE
AND CYBERSECURITY

CYBER RISK AND BOARD'S RESPONSIBILITY

Cybersecurity attacks are among the gravest risks that businesses face today, therefore, stakeholders want to better understand how companies are preparing for and responding to cybersecurity 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, cybersecurity 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.

CYBERSECURITY PROGRAM

While overseeing cybersecurity 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 cybersecurity 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 CYBERSECURITY RISK BY THE BOARD

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

1. That cybersecurity 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. Boards should be equipped with adequate access to cybersecurity 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 cyber-risk management framework with adequate staffing and budget

OVERSIGHT OF IT GOVERNANCE AND CYBERSECURITY BY THE BOARD

The Board manages the oversight of IT governance and cybersecurity 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 cybercriminals 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 cybersecurity breach. In this regard, a comprehensive manual is designed which features early signs such as slow browser, an unexplainable increase in pop-up 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 cybersecurity 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 CYBERSECURITY RISKS

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

- Educate employees in cybersecurity, especially to:

  i. Protect from phishing attacks
  ii. SOP to use strong passwords and change regularly
  iii. Use updated versions of software
  iv. Introduce multifactor authentication for logins
  v. Install updated virus protection software and firewall and
  vi. Instructions to use secure Wi-Fi and VPN's

- 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 Cybersecurity into work culture DNA



08

FUTURE OUTLOOK

FORWARD LOOKING STATEMENT

Global Level Outlook

The global economic outlook exhibits a mix of optimism and uncertainty. Many countries are poised for economic growth, driven by various factors such as technological innovation, increased consumer spending, and government policies aimed at stimulating economic activity. The ongoing digital transformation is expected to reshape industries and create new opportunities. However, challenges like inflationary pressures, supply chain disruptions, and geopolitical tensions still cast shadows on the global financial landscape. The direction of interest rates and sustainability initiatives will significantly impact economic performance. As businesses and investors navigate this intricate landscape, adaptability and informed decision-making remain crucial for success.

National Level Outlook

Despite limited engagement in the global value chain, Pakistan's economy remains susceptible to the economic fortunes of its major 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 depleted SBP reserves. These factors, coupled with external imbalances, fiscal deficits, and heightened interest rates, continue to pose a substantial risk to Pakistan's economic growth prospects.

Industry Level Outlook

The cement industry finds itself in a state of flux due to the unprecedented inflation and prevailing political instability. 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 upward adjustments in policy interest rates. These factors collectively contribute to the uncertainty surrounding the industry's future trajectory.

Company Level Outlook

The challenging operational conditions, as previously outlined, are inherent in operating within developing countries like ours. 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:

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:

For Each:	Projected Impact on		
	Revenue	Gross Profit	Profit Before Tax
	Rs. in thousands		
10% Increase in Sales Volume	3,616,527	1,181,322	1,098,630
Rs.10 Per Bag Increase in Price	448,862	448,862	417,442
5% Increase in Production Cost	-	(1,217,602)	(1,132,370)
1% Increase in Policy Rate	-	-	(162,594)

IMPACT OF EXTERNAL ENVIRONMENT ON FUTURE OUTLOOK OF THE COMPANY

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

STATUS OF THE PROJECTS IN PROGRESS

After the successful commissioning of new production line, 24MW CFB and 12MW WHR also started commercial production. The new production line has provided the Company with the flexibility & expansion of its operations and helped in strengthening its foothold in local market. The Company’s new head office building, which will be Lahore’s first L.E.E.D. certified building, is near to completion and is in the finishing stage.

DISCLOSURE REGARDING ACTUAL PERFORMANCE AGAINST PREVIOUS YEAR'S FUTURE OUTLOOK

During the financial year 2022-23, the cement industry in Pakistan experienced a decline in sales volume. This decline can be attributed to a variety of factors, including high inflation, revisions in interest rates, expensive raw materials, elevated business operational costs, and political uncertainty 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 improving sales retention. However, it's worth noting that the introduction of the super tax and the upward revisions in policy rates, when combined, have placed significant pressure on the Company's profit margins.

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 judgement 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 1,152 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.



09

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 in us by our stakeholders. The Company strive 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:

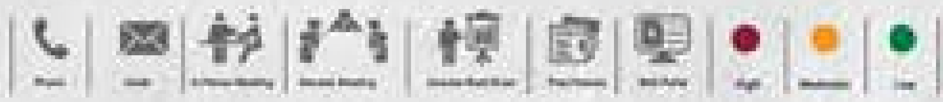
- Increase participation in sessions and intersessions
- Enhance contribution to the design, implementation, monitoring and evaluation
- Facilitate understanding of policies and priority action points
- Enable the Company to understand and respond to their perceptions and interests

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				Return on investment	Quarterly, Annually, Need Basis
General Shareholder	Internal				Return on investment	Annually, Need Basis
Sponsor	Internal				Return on capital employed, Payback period	Daily, Monthly, Quarterly,Annually
Customer	External				Higher product quality, Order fulfilment	Need Basis
Supplier	External				Timely payments, Contract compliance	Need Basis
Financial Institution	External				Debt servicing	Monthly, Need Basis
Statutory Bodies	External				Fair presentation, Timely compliance	Need Basis
Employees	Internal				Health & Safety, Market based remuneration, Job security, Personal development	Daily, Monthly, Quarterly,Annually
Community	External				Environmental safety, Corporate social responsibility, Growth & innovation	Need Basis
Media	External				Public announcements	Need Basis
Analyst	External				New developments, Performance reviews	Annually, Need Basis

LEGENDS



The relationship with stakeholders mentioned above 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

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. Its inclusive approach ensures that shareholders are kept well-informed about the business's current status. The most recent Annual General Meeting (AGM) took place on October 27, 2022.

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

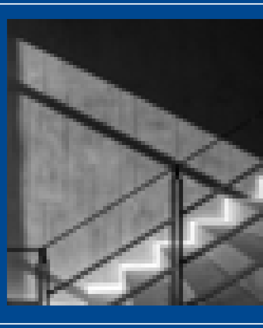
As part of the Company's commitment to keeping its stakeholders well-informed about its business operations, the Company regularly organizes investor briefing sessions, including the mandatory Corporate Briefing Session (CBS).

The most recent CBS was conducted on November 22, 2022, 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.



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, including the CEO. Finance literate members of the Board are qualified from recognized body of professional accountants
- Audit Committee of the Board also comprises of financial literate members
- Compliance is also ensured through regular audits of accounting record by external audit firm

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:

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

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
FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Pioneer Cement Limited

Report on the Audit of the Financial Statements for the year ended 30 June 2023

We have audited the annexed financial statements of Pioneer Cement Limited("the Company"), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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 2023 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.

Emphasis of matter – Restatement of Comparative Information

We draw attention to note 23 to the financial statements which describes that the comparative information presented as at 30 June 2022 and 01 July 2021 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	**Revenue** Refer to notes 4.13 and 28 to the financial statements. The Company's revenue for the year ended 30 June 2023 was Rs. 36.17 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. 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.	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; • 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.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
2	**Revaluation of property, plant and equipment** Refer to notes 4.1.3, 18 and 46 to the financial statements. The Company has a policy of recording certain operating fixed assets i.e., freehold land, factory building on freehold land, plant and machinery, waste heat recovery plants and coal power plants at revalued amounts. Valuations are performed by independent valuer with sufficient frequency. Latest revaluation was undertaken as at 30 June 2023 and consequently, additional revaluation surplus – net of deferred tax amounting to Rs. 9,528 million has been recognized in the financial statements and the closing balance of revaluation surplus - net of deferred tax on property, plant and equipment at the year-end amounts to Rs. 23,600 million. We have identified revaluation of Property, Plant and Equipment as key audit matter due to its financial magnitude and judgement involved in the assessment of the fair value of these assets. The judgment relates to the valuation methodologies used and the assumptions included in each of those methodologies.	Our audit procedures to assess the revaluation, amongst others, included the following: • Obtaining and inspecting the valuation reports prepared by the external valuation expert engaged by the Company and on which the management assessment of valuation of property, plant and equipment was based; • Evaluating the information provided by the Company to the external valuation specialist by inspecting the relevant underlying documentation; • Assessing whether the increase in valuation is correctly accounted for within the revaluation reserve and statement of comprehensive income; • Involving our own valuation specialist to assist in evaluating the methodology used by the management's expert in determining the revalued amount and to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuations report by the management's expert; • Reviewed the work performed by our specialist to evaluate reasonableness of the methodology, assumptions and data used by the management's expert; • Ensuring that the revaluation surplus is recorded in the financial statements as per applicable accounting and reporting standards; and • Reviewing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting Standards.

Information Other than the Financial Statements and Auditors' 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 2023, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter relating to comparative information

The financial statements of the Company as at and for the year ended 30 June 2022, excluding the retrospective adjustments described in Note 23 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 September 2022.

As part of our audit of the financial statements as at and for the year ended 30 June 2023, we also audited the retrospective adjustments described in note 23 to the financial statements that were applied to restate the comparative information.

We were not engaged to audit, review, or apply any procedures to the comparative information, other than with respect to the retrospective adjustment described in note 23. Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the retrospective adjustment described in note 23 to the financial statements is appropriate and have been properly applied.

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

KPMG Taseer Hadi & Co.

Lahore
Date: 02 October 2023
UDIN: AR202310114WehDSQTBN

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023	30 June 2022	01 July 2021
		-------- Rupees in thousands --------		
			(Restated)	(Restated)
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	5	77,802,602	63,243,216	42,945,194
Investment property	6	94,926	90,396	88,450
Long-term advances and deposits	7	344,264	89,100	64,714
		78,241,792	63,422,712	43,098,358
CURRENT ASSETS				
Stores, spares and loose tools	8	4,435,649	4,504,964	3,080,234
Stock-in-trade	9	1,631,574	533,590	658,882
Trade receivables	10	1,825,648	1,708,217	1,333,978
Loans and advances	11	199,627	272,174	720,854
Short-term prepayments		6,027	898	7,048
Income tax receivable - net		-	484,150	1,265,134
Other receivables	12	9,952	7,368	236
Short-term investments	13	461,502	472,196	978,738
Cash and bank balances	14	343,596	484,259	337,437
		8,913,575	8,467,816	8,382,541
TOTAL ASSETS		87,155,367	71,890,528	51,480,899
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	15	3,500,000	3,500,000	3,500,000
Issued, subscribed and paid up share capital	16	2,271,489	2,271,489	2,271,489
Capital reserves				
Share premium	17	197,517	197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax	18	23,599,990	16,178,271	2,618,157
		23,797,507	16,375,788	2,815,674
Revenue reserve - unappropriated profit		14,452,447	11,124,064	10,012,127
		40,521,443	29,771,341	15,099,290
LIABILITIES				
NON CURRENT LIABILITIES				
Long-term financing	19	8,033,010	13,775,111	16,794,355
Long-term deposits	20	41,384	44,884	44,334
Deferred liabilities	21	19,681,537	10,511,694	1,757,564
		27,755,931	24,331,689	18,596,253
CURRENT LIABILITIES				
Trade and other payables	22	7,019,560	7,136,832	5,422,385
Retention money payable	23	843,944	812,169	802,746
Loan from related party		-	-	350,000
Provision for taxation - net		411,796	-	-
Contract liabilities		129,269	160,306	119,792
Sales tax payable - net		10,094	401,869	457,180
Accrued mark-up / profit on financing	24	952,532	780,233	575,086
Short-term borrowings	25	3,961,845	4,180,506	5,257,251
Current portion of long-term financing	19	5,488,369	4,254,920	4,739,973
Unclaimed dividend	26	60,584	60,663	60,943
		18,877,993	17,787,498	17,785,356
		46,633,924	42,119,187	36,381,609
CONTINGENCIES AND COMMITMENTS	27	-	-	-
TOTAL EQUITY AND LIABILITIES		87,155,367	71,890,528	51,480,899

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 30 JUNE 2023

	Note	2023	2022
		Rupees in thousands	
Revenue from contracts with customers - net	28	36,165,267	31,879,207
Cost of sales	29	(26,755,883)	(24,676,095)
Gross profit		9,409,384	7,203,112
Distribution cost	30	(141,767)	(111,756)
Allowance for expected credit losses	10.1	(77,633)	(7,703)
Administrative expenses	31	(168,699)	(134,230)
Other expenses	32	(131,991)	(312,810)
		(520,090)	(566,499)
Operating profit		8,889,294	6,636,613
Other income	33	46,161	40,326
Remeasurement loss on assets held at fair value - net	34	(6,149)	(76,107)
Finance costs	35	(3,197,648)	(2,656,186)
		(3,157,636)	(2,691,967)
Profit before taxation		5,731,658	3,944,646
Taxation	36	(3,120,552)	(2,894,376)
Profit after taxation		2,611,106	1,050,270
Earnings per share - basic and diluted (Rs.)	37	11.50	4.62

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 30 JUNE 2023

	Note	2023	2022
		Rupees in thousands	
Profit after taxation		2,611,106	1,050,270
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:			
Surplus on revaluation of property, plant and equipment		15,603,456	20,365,657
Related deferred tax		(6,074,486)	(6,585,731)
Increase in deferred tax liability on revaluation surplus due to change in tax rate	36.2	(1,388,903)	(153,575)
		8,140,067	13,626,351
Re-measurement loss on defined benefit plan		(1,755)	(6,436)
Related deferred tax		684	1,866
		(1,071)	(4,570)
Other comprehensive income for the year		8,138,996	13,621,781
Total comprehensive income for the year		10,750,102	14,672,051

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 30 JUNE 2023

	Issued, subscribed and paid-up capital	Reserves			Sub-Total	Total Equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profit		
	...Rupees in thousands...					
Balance as at July 01, 2021	2,271,489	197,517	2,618,157	10,012,127	12,827,801	15,099,290
Profit after taxation for the year	-	-	-	1,050,270	1,050,270	1,050,270
Other comprehensive income for the year	-	-	13,626,351	(4,570)	13,621,781	13,621,781
	-	-	13,626,351	1,045,700	14,672,051	14,672,051
Revaluation surplus realized through incremental depreciation - net of tax			(66,237)	66,237	-	-
Balance as at June 30, 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

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 30 JUNE 2023

	Note	2023	2022
		Rupees in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	10,046,298	8,356,650
Income tax paid - net		(547,383)	(119,034)
Employees' compensated absences paid	22.5	(22,083)	(17,319)
Gratuity paid	21.2.2	(18,592)	(15,213)
Increase in long-term deposits		(258,664)	(14,076)
Net cash generated from operating activities		9,199,576	8,191,008
Cash flows from investing activities			
Capital expenditure incurred		(1,274,246)	(976,074)
Proceeds from disposal of property, plant and equipment		9,029	3,121
Receipt of return on bank deposits		18,606	20,429
Disposals of short-term investments		-	408,676
Net cash used in investing activities		(1,246,611)	(543,848)
Cash flows from financing activities			
Repayment of long-term financing		(4,509,438)	(3,509,952)
Repayment of loan from related party		-	(350,000)
Decrease in short-term borrowings - net		(218,661)	(1,076,745)
Finance cost paid		(3,365,450)	(2,563,361)
Dividend paid		(79)	(280)
Net cash used in financing activities		(8,093,628)	(7,500,338)
Net increase in cash and cash equivalents		(140,663)	146,822
Cash and cash equivalents - at the beginning of the year		484,259	337,437
Cash and cash equivalents - at the end of the year	39	343,596	484,259

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 30 JUNE 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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 New standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after 01 July 2022:

There are certain amendments and interpretations to accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on 01 July 2022; however, these are not considered to be relevant or do not have any significant impact on these financial statements and are therefore not stated in these financial statements.

2.1.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2023:

- 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 1 January 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 1 January 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).

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

i) requiring companies to disclose their material accounting policies rather than their significant accounting policies;

ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

iii) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- 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 1 January 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 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:

- Once tax law is enacted but before top-up tax is effective:

    - disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.

The above amendments are effective from annual period beginning on or after 01 July 2023 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 the management in the application of accounting and reporting standards, as applicable in Pakistan that are significant/relevant to financial statements are documented in the following accounting policies and notes, and relate primarily to:

	Note
Significant estimate	
- Surplus on revaluation of fixed assets	4.1.3
Other estimates	
- Useful lives of property, plant and equipment	4.1
- Fair value of investment property	4.3
- Provision for obsolescence and slow moving stores	4.4.1
- Stock in trade	4.4.2
- Short-term investments at fair value through profit or loss (FVTPL)	4.12.1
- Defined benefit plans (gratuity);	4.7
- Provision for taxation;	4.90
- Expected credit loss model	4.15
Other estimates and judgements	
- Provisions and contingent liabilities.	4.8

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

4.1.1 Operating property, plant and equipment

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 5.1 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.

4.1.2 Capital work in progress

These are stated at cost less impairment loss, if any including capitalization of borrowing cost. It consists of expenditure incurred and advances paid to acquire fixed assets in course of their construction and installation. 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.

4.1.3 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.

4.2 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.

4.3 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.

4.4 Inventories

4.4.1 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.

4.4.2 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.

4.5 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 4.12. ''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).

4.6 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.

4.7 Employees' benefits

4.7.1 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 and 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.

4.7.2 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 21.2.

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.

4.8 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.

4.9 Taxation

4.9.1 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.

4.9.2 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 labilities in the statement of financial position.

4.10 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.

4.11 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.

4.12 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.

4.12.1 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.

- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.

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 doesn't 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 has classified short-term investments at fair value through profit or loss.

4.12.2 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

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4.12.3 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.

4.12.4 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.

4.13 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.

4.14 Dividend and appropriation reserves

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

4.15 Impairment of financial and non-financial assets

4.15.1 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).

4.15.2 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		Rupees in thousands	
Operating fixed assets	5.1	73,326,002	60,225,352
Capital work in progress	5.2	4,416,961	2,958,225
Capital spares		59,639	59,639
		77,802,602	63,243,216

5.1 Operating fixed assets

	Note	2023											
		COST/REVALUATION					DEPRECIATION					Written Down Value	Depreciation rate
		As at July 01, 2022	Additions	Revaluation surplus	Disposals	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	
		(Rupees in thousand)											%
Owned													
Freehold land	5.1.1	671,841	-	27,852	-	699,693	-	-	-	-	-	699,693	-
Factory building on freehold land	5.1.1	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	5.1.1	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	5.1.1	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	5.1.1	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	5.1.1	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	5.1.1	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	5.1.1	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	

	2022											
	COST/REVALUATION					DEPRECIATION					Written Down Value	Depreciation rate
	As at 01 July 2021	Additions / transfers	Revaluation surplus	Disposals	As at 30 June 2022	As at 01 July 2021	Disposals	For the year	Revaluation surplus	As at 30 June 2022	As at 30 June 2022	
	(Rupees in thousand)											
Owned												
Freehold land	262,946	-	408,895	-	671,841	-	-	-	-	-	671,841	-
Factory building on freehold land	4,142,329	14,306	3,442,947	-	7,599,582	1,965,228	-	137,520	2,092,163	4,194,911	3,404,671	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	7,144,992	545	1,592,938	-	8,738,475	5,229,339	-	13,351	1,168,831	6,411,521	2,326,954	UoP method
Plant and machinery line II	8,514,706	29,542	2,279,334	-	10,823,582	2,516,175	-	115,374	701,984	3,333,533	7,490,049	UoP method
Plant and machinery line III	23,914,656	290,085	13,115,198	-	37,319,939	520,766	-	612,896	614,267	1,747,929	35,572,010	UoP method
Waste heat recovery plant (WHR) - II	1,514,987	14,300	1,171,023	-	2,700,310	30,039	-	51,987	62,809	144,835	2,555,475	4
WHR & coal power plant - I	1,654,335	-	1,482,496	-	3,136,831	292,396	-	66,173	321,325	679,894	2,456,937	4
Coal power plant - II	3,988,115	2,259	1,904,319	-	5,894,693	11,300	-	135,619	70,114	217,033	5,677,660	4
Furniture and fixtures	42,257	216	-	-	42,473	30,638	-	1,866	-	32,504	9,969	10
Office equipment	81,008	205	-	-	81,213	46,110	-	6,278	-	52,388	28,825	10
Computers and accessories	36,568	999	-	(735)	36,832	34,421	(735)	1,811	-	35,497	1,335	33
Vehicles	181,167	8,595	-	(3,187)	186,575	141,325	(3,187)	18,811	-	156,949	29,626	20
	51,544,907	361,052	25,397,150	(3,922)	77,299,187	10,884,578	(3,922)	1,161,686	5,031,493	17,073,835	60,225,352	

5.1.1 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 30 June 2023 by Hamid Mukhtar & Company which created an additional revaluation surplus of Rs. 9,529 millions (net of tax). 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.

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

	Cost	Net book value 2023	Net book value 2022
	Rupees in thousands		
Freehold land	203,253	203,253	203,253
Factory building on freehold land	2,807,965	1,489,600	1,574,353
Plant and machinery line I	4,671,046	1,327,652	1,471,379
Plant and machinery line II	4,754,340	3,031,838	3,310,572
Plant and machinery line III	24,296,746	22,519,608	23,001,324
WHR & coal power plant - I	1,645,644	1,223,214	1,288,969
Waste heat recovery plant - II	1,531,654	1,397,510	1,447,261
Coal power plant - II	3,993,231	3,710,591	3,913,210
	43,903,879	34,903,266	36,210,321

5.1.3 FForced Sale Values of the assets under revaluation at the date of revaluation were as follows:

	2023 Rupees in thousands
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

5.1.4 Depreciation for the year has been allocated as follows:

	Note	2023	2022
		Rupees in thousands	
Cost of sales	29	2,177,345	865,052
Cost of sales (fuel and power)	29	473,200	288,195
Cost of sales (raw material consumed)	29	-	125
Distribution cost	30	1,381	1,344
Administrative expenses	31	6,490	6,970
		2,658,416	1,161,686

5.1.5 The operating fixed assets include fully depreciated assets having cost of Rs. 1,686.4 million (2022: Rs. 959.07 million).

5.1.6 During the year, the Company changed its accounting estimate for Plant & Machinery from Unit of Production method to Straight Line method. Had the Company followed UoP method, the depreciation charged for the year would be lower by Rs. 955.79 million.

5.1.7 Particulars of immovable fixed assets

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

5.1.8 Particulars of rented premises

Description of asset	Location
Head office	135, Ferozepur Road, Lahore
Sales office	House No. 218, Naqshband Colony, Khanewal Road, Multan
Sales office	Office No. 3, 2nd Floor, Sitara Tower, Bilal Chowk, New Civil Lines, Faisalabad
Liaison office	Karachi Office 4th Floor, KDLB Building West Wharf, Karachi

5.1.9 Assets disposed off during the year do not exceed net book value of Rs. 5 million, therefore particulars of each asset are not disclosed.

5.2 Capital work in progress

	Note	2023	2022
		Rupees in thousands	
Opening balance		2,958,225	2,284,865
Additions during the year	5.2.1	1,458,736	673,360
Closing balance		4,416,961	2,958,225

Represented by:

	Note	2023	2022
Civil work at factory including non plant building		2,330,882	1,802,923
Other plant and machinery items		183,051	169,463
Office premises under construction	5.2.2	1,856,122	939,643
Other civil works		46,906	46,196
		4,416,961	2,958,225

5.2.1 The amount of borrowing cost capitalized during the year amounts to Rs. 340.10 million (2022: Rs. 117.98 million). The applicable financing rates for the under construction projects was 6-month KIBOR plus 150 bps and 3-month KIBOR plus 70 bps (2022: KIBOR plus 150 bps).

5.2.2 This represents new head office building under construction located at 64-B/1, Gulberg-III, Lahore, having land area of 3.859 kanals.

6. INVESTMENT PROPERTY

	2023	2022
	Rupees in thousands	
Opening balance	90,396	88,450
Net gain from fair value adjustment	4,530	1,946
Closing balance	94,926	90,396

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

6.2 The latest valuation of investment property was conducted as at 30 June 2023 by M/S Surval using a sales comparison approach. The forced sale value of investment property, based on valuation at year end, is Rs. 80.69 million (2022: Rs. 76.84 million).

6.3 Breakup of net profit arising from investment property is as follows:

	Note	2023	2022
		Rupees in thousands	
Rental income		11,200	10,182
Operating expenses		(3,920)	(3,562)
Net profit		7,280	6,620

7. LONG-TERM ADVANCES AND DEPOSITS

	Note	2023	2022
Advances	7.1	259,760	9,760
Security deposits against utilities		36,716	35,848
Others		47,788	43,492
	7.2	344,264	89,100

7.1 This relates to advance to Imperial Builders and Developers (Pvt.) Ltd. (Related Party).

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

		Note	2023	2022
			Rupees in thousands	
8.	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		2,036,677	2,162,362
	Spare parts		2,429,019	2,349,356
	Loose tools		17,947	17,219
			4,483,643	4,528,93
	Stores in transit		-	24,021
			4,483,643	4,552,958
	Provision for slow moving stores and spare parts	8.1	(47,994)	(47,994)
			4,435,649	4,504,964
8.1	Set out below is the movement of slow moving stores and spare parts			
	Opening balance		47,994	43,933
	Allowance for the year	29	-	4,061
	Closing balance		47,994	47,994
9.	**STOCK-IN-TRADE**			
	Raw materials		73,514	78,657
	Packing materials		248,751	119,817
	Work in process		722,507	152,126
	Finished goods		586,802	182,990
			1,631,574	533,590
10.	**TRADE RECEIVABLES**			
	Trade receivables		1,944,229	1,749,165
	Allowance for expected credit losses	10.1	(118,581)	(40,948)
			1,825,648	1,708,217
10.1	Set out below is the movement of the allowance for expected credit losses of trade receivables:			
	Opening balance		40,948	33,245
	Allowance for the year		77,633	7,703
	Closing balance		118,581	40,948

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

		Note	2023	2022
			Rupees in thousands	
11.	**LOANS AND ADVANCES**			
	Loans to employees	11.1	3,860	3,790
	Banks' margin against letter of credit		9,051	4,984
	Advances to:			
	Suppliers		33,421	27,266
	Contractors		146,572	220,863
	Service providers		6,723	15,271
		11.2	186,716	263,400
			199,627	272,174

11.1 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.

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

	Note	2023	2022
		Rupees in thousands	

12. OTHER RECEIVABLES

	Note	2023	2022
Receivable from WAPDA	12.1	19,381	19,381
Others		12,925	10,341
		32,306	29,722
Less: allowance for expected credit losses		(22,354)	(22,354)
		9,952	7,368

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

13. SHORT-TERM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments with Shariah compliant funds

	2023	2022
	Rupees in thousands	
Meezan Islamic Fund Units 4,004,681 (June 30, 2022: 4,004,681)	219,522	225,189
NBP Islamic Stock Fund Units 23,222,138 (June 30, 2022: 23,222,138)	241,176	246,292
Meezan Islamic Income Fund Units 15,601 (June 30, 2022: 13,879)	804	715
	461,502	472,196

13.1 These short-term investments are measured at fair value through profit or loss. The fair value of these investments has been determined using their respective redemption Net Assets Value, published by Mutual Funds Association of Pakistan (MUFAP) on its website, at the reporting date.

14. CASH AND BANK BALANCES

	Note	2023	2022
		Rupees in thousands	
Cash in hand		707	1,126
Balance with banks in:			
- Deposit accounts	14.1	129,006	156,617
- Current accounts		213,883	326,516
	14.2	342,889	483,133
		343,596	484,259

14.1 These carry profits at rates ranging from 6.6% to 19.5% (2022: 2.75% to 12.75%) per annum.

14.2 Out of this, an aggregate amount of Rs. 24.05 million (2022: Rs. 65.98 million) has been deposited with Shariah compliant Islamic Banks

15. AUTHORIZED SHARE CAPITAL

	2023	2022	2023	2022
	Shares in thousands		Rupees in thousands	
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

16. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2023	2022	2023	2022
	Shares in thousands		Rupees in thousands	
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	23,223	23,223	232,228	232,228
Ordinary shares of Rs.10/- each	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

16.1 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 (2022: 106.863 million) ordinary shares of Rs. 10 each as on 30 June 2023 comprising 47% of paid up share capital. William Gordan Rodgers is authorized agent of VHMEL.

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

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

17. SHARE PREMIUM

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

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

	Note	2023	2022
		Rupees in thousands	
Gross surplus			
Balance as at 01 July		23,945,276	3,678,480
Surplus on revaluation carried out during the year		15,603,456	20,365,657
Transferred to accumulated profits in respect of incremental depreciation charged during the year		(1,177,620)	(98,861)
	18.1	38,371,112	23,945,276
Less: Deferred tax liability			
Balance as at 01 July		7,767,005	1,060,323
Increase in surplus revaluation carried out during the year		6,074,486	6,585,731
Incremental depreciation charge on related assets		(459,272)	(32,624)
Increase in deferred tax liability due to change in tax rate		1,388,903	153,575
		14,771,122	7,767,005
Balance of surplus on revaluation - net of tax as at 30 June		23,599,990	16,178,271

18.1 This includes surplus on revaluation of freehold land amounting to Rs. 496.44 million (2022: Rs. 468.56 million).

	Note	2023	2022
		Rupees in thousands	

19. LONG-TERM FINANCING

Islamic long-term financing arrangements

	Note	2023	2022
Meezan Bank Limited - I	19.1	-	112,500
Meezan Bank Limited - III	19.2	291,667	350,000
Meezan Bank Limited - IV	19.3	950,000	950,000
Meezan Bank Limited - Syndicate	19.4	1,814,997	2,333,548
National Bank of Pakistan - Syndicate I	19.5	959,266	1,400,000
		4,015,930	5,146,048

Conventional long-term financing arrangements

	Note	2023	2022
National Bank of Pakistan - Syndicate I	19.5	6,240,449	9,099,900
National Bank of Pakistan - Syndicate II	19.6	440,000	727,000
National Bank of Pakistan - Bilateral facility	19.7	825,000	1,008,333
JS Bank Limited	19.8	-	48,750
Allied Bank Limited - facility I	19.9	1,000,000	1,000,000
Allied Bank Limited - facility II	19.10	1,000,000	1,000,000
		9,505,449	12,883,983
Total long-term financing		13,521,379	18,030,031
Less: current portion		(5,488,369)	(4,254,920)
Non-current portion		8,033,010	13,775,111

19.1 This loan has been repaid during the year

19.2 The Company has obtained Diminishing Musharaka (Sale & Lease Back) facility amounting to Rs.1,390 million. This facility carries markup / profit at 3-Month KIBOR + 1.10% per annum payable quarterly whereas the principal was originally repayable in five years including a grace period of two years ending on 18th December 2025. The facility is secured by way of pari passu charge over waste heat recovery power plant, and investments of the Company with Al Meezan Investments Management Limited and NBP Funds Management Limited. During the prior year, the Company has made advance payment of Rs. 1,039 million.

19.3 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 27th November 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.

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

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

19.6 The Company has obtained syndicated facility amounting to Rs. 2,081 million to finance new integrated cement plant supported by a 12 MW waste heat recovery power plant. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 3 months KIBOR plus 1.75% per annum payable quarterly whereas the principal is repayable in four years including a grace period of six months ending on 30th June 2024. This facility is secured by way of pari passu charge by way of hypothecation over all present and future fixed assets of the Company excluding existing waste heat recovery power plant, cement grinding mills, cement grinding upgradation project and 24 MW coal power plant with 25% margin; and by first pari passu constructive equitable mortgage over land and building of the Company with 25% margin.

19.7 The Company has obtained bilateral facility amounting to Rs. 2,100 million from National Bank of Pakistan to finance non-plant buildings and infrastructure work for Line-III This facility carries markup at 6 months KIBOR plus 1.50% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of one year ending on 30th June 2027.

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

19.8 This loan has been repaid during the year

19.9 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 25th May 2027. The facility is secured against first pari passu charge over existing waste heat recovery power plant of the Company with 25% margin.

19.10 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 30th June 2030. The facility is secured against first pari passu mortgage charge over the project with 25% margin.

20 LONG-TERM DEPOSITS

	2023	2022
	Rupees in thousands	
Security deposits payable in respect of:		
- Goods and services	36,492	39,992
- Office building	4,892	4,892
	41,384	44,884

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

21. DEFERRED LIABILITIES

	Note	2023	2022
		Rupees in thousands	
Deferred tax liability	21.1	19,450,155	10,310,243
Deferred grant		-	786
Defined benefits obligation	21.2	231,382	200,665
		19,681,537	10,511,694

21.1 Deferred tax liability

As at 30 June 2023	Note	Opening Deferred tax liability / (asset)	Deferred tax expense / (income) Charged to statement of profit or loss	Deferred tax expense / (income) Charged to OCI	Closing Deferred tax liability / (asset)
		Rupees in thousands			
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 and 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	21.1.1	(2,737,322)	868,058	-	(1,869,264)
Alternate corporate tax recoverable against tax charge in future years	21.1.2	(333,542)	(61,311)	-	(394,853)
Minimum tax recoverable against tax charge in future years	21.1.2	(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
As at 30 June 2022					
Taxable temporary differences					
Accelerated depreciation for tax purposes		4,276,440	2,067,893	-	6,344,333
Revaluations of property, plant and equipment		1,060,323	(32,623)	6,739,306	7,767,006
		5,336,763	2,035,270	6,739,306	14,111,339
Deductible temporary differences					
Post-employment benefits		(59,975)	(25,211)	(1,866)	(87,052)
Provision for slow moving stores and spare parts		(11,467)	(4,371)	-	(15,838)
Expected credit losses of debt instruments		(8,677)	(12,213)	-	(20,890)
Unabsorbed depreciation losses available for offsetting against future taxable income		(3,070,659)	333,337	-	(2,737,322)
Unabsorbed business losses available for offsetting against future taxable income		(109,641)	109,641	-	-
Alternate corporate tax recoverable against tax charge in future years		(336,207)	2,665	-	(333,542)
Minimum tax recoverable against tax charge in future years		(135,686)	(430,385)	-	(566,071)
Others		(26,006)	(14,375)	-	(40,381)
		(3,758,318)	(40,912)	(1,866)	(3,801,096)
		1,578,445	1,994,358	6,737,440	10,310,243

21.1.1 This represents deferred tax asset on unused tax losses (depreciation loss) amounting to Rs. 1,869.26 million (2022: Rs. 2,737.32 million) recognized on the basis of future expected taxable profits.

21.1.2 This represents deferred tax credits on minimum and alternate corporate tax amounting to Rs. 960.92 million (2022: Rs. 899.61 million) available for adjustment against normal tax liability in tax years ranging from 2025 to 2033.

	Note	2023	2022
		Rupees in thousands	
21.2 Defined benefits obligation	21.2.1	231,382	200,665

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

	Note	2023	2022
Present value of defined benefit obligation	21.2.2	229,822	199,721
Benefit payable		1,560	944
		231,382	200,665

21.2.2 Movements in the present value of defined benefit obligation:

	2023	2022
Opening balance	199,721	172,307
Current service cost	22,420	19,721
Interest cost on defined benefit obligation	25,134	16,470
Benefits due but not paid (payable)	(616)	-
Benefits paid	(18,592)	(15,213)
Actuarial losses from changes in financial assumptions	1,339	1,358
Experience adjustments	416	5,078
Closing balance	229,822	199,721

	2023	2022
	Rupees in thousands	

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

	2023	2022
Current service cost	22,420	19,721
Interest cost on defined benefit obligation	25,134	16,470
Expense recognized in cost of sales	47,554	36,191

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

	2023	2022
Actuarial losses from changes in financial assumptions	1,339	1,358
Experience adjustments	416	5,078
Re-measurement loss charged to other comprehensive income	1,755	6,436

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

	Rupees in thousands
Current service cost	25,362
Interest cost on defined benefit obligation	36,240
Amount chargeable to statement of profit or loss	61,602

21.2.6 Significant assumptions

Qualified actuaries have carried out the valuation as at 30 June 2023. The projected unit credit method, based on the following significant assumptions, is used for valuation of the scheme:

	2023	2022
Discount rate for interest cost in profit or loss charge	13.25%	10.00%
Discount rate for obligation	16.25%	13.25%
Expected rates of salary increase in future years	15.25%	12.25%
Mortality rates	SLIC 2001-2005 Setback 1 year	
Retirement age assumption	Age 60	Age 60

Discount rate used in last actuarial valuation was 13.25% per annum. However, in the current investment environment, where there is an upward trend in the interest rate structure, discount rate has been increased to 16.25% per annum.

Correspondingly, due to increase in inflationary expectations, the rate of increase in eligible salary has been increased to 15.25% from 12.25%.

21.2.7 Sensitivity analysis

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

Sensitivity level	Assumption	2023 Defined benefit obligation	2022 Defined benefit obligation
+100 bps	Discount rate	212,229	183,534
-100 bps	Discount rate	250,034	218,200
+100 bps	Expected increase in salary	250,327	218,473
-100 bps	Expected increase in salary	211,678	183,020

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 (2022: 9 years).

21.2.8 Maturity profile of the defined benefit obligation

	Rupees in thousands
Expected benefit payment for the next 10 years and beyond	
FY 2024	13,615
FY 2025	23,760
FY 2026	31,707
FY 2027	28,023
FY 2028	35,817
FY 2029	48,853
FY 2030	47,485
FY 2031	36,808
FY 2032	57,801
FY 2033	63,371
FY 2034 onwards	7,611,783

22. TRADE AND OTHER PAYABLES

	Note	2023	2022
		Rupees in thousands	
Creditors	22.1	5,442,808	5,026,161
Payable to statutory authorities	22.2	658,050	1,033,725
Accrued expenses	22.3	609,035	879,917
Deposits	22.4	8,430	8,884
Employees' compensated absences	22.5	83,028	63,129
Worker related funds	22.6	218,117	124,211
Others		92	805
		7,019,560	7,136,832

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

22.2 Payable to statutory authorities

	Note	2023	2022
		Rupees in thousands	
Excise duty on cement		445,248	799,028
Royalty and excise duty	22.2.1	18,130	47,380
Income tax deducted at source		194,672	187,317
		658,050	1,033,725

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

22.3 This includes provision amounting to Rs. 177.27 million (2022: 140.68 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Company is under a industry-wide dispute on the basis of calculation 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 The Pakistan Standards and Quality Control 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.

22.4 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.

22.5 Employees' compensated absences

	2023	2022
	Rupees in thousands	
Opening balance	63,129	56,540
Charge for the year	41,982	23,908
	105,111	80,448
Payments made during the year	(22,083)	(17,319)
Closing balance	83,028	63,129

		Note	2023	2022
			Rupees in thousands	
22.6	**Worker related funds**			
	Workers' profit participation fund - net	22.6.1	(8,877)	1,850
	Workers' welfare fund	22.6.2	226,994	122,361
			218,117	124,211

		2023	2022
22.6.1	**Workers' profit participation fund - net**		
	Opening balance	1,850	30,152
	Charge for the year	129,581	211,850
	Excess accural recorded in prior year reversed	(138,458)	-
		(8,877)	211,850
	Payments made during the year	(1,850)	(240,152)
	Closing balance	(8,877)	1,850

22.6.1.1 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.

		2023	2022
		Rupees in thousands	
22.6.2	**Workers' welfare fund**		
	Opening balance	122,361	41,858
	Charge for the year	114,633	80,503
		236,994	122,361
	Payments made during the year	(10,000)	-
	Closing balance	226,994	122,361

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 filled writ petition on 07 December 2021 with Lahore High Court, on the above matter, which is pending adjudication.

23. RETENTION MONEY PAYABLE

In previous years, the Company has classified amount of retention money payable to contractors as non-current liabilities considering that it has no intention to settle the balance in next twelve months, however as per the terms of the agreements, Company does not have the right to defer the settlement of liability for at least twelve months and retention money payable by the Company should have been classified as current liabilities.

Accordingly, as per IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', to rectify the above explained error, the Company has restated its comparative financial information as follows:

	As at 01 July 2021		
	As previously reported	**Adjustments**	**As restated**
Statement of financial position		**Rupees in thousand**	
Non-current liabilities			
Retention money payable	802,746	(802,746)	-
Current liabilities			
Retention money payable	-	802,746	802,746

	As at 30 June 2022		
	As previously reported	**Adjustments**	**As restated**
Statement of financial position		**Rupees in thousand**	
Non-current liabilities			
Retention money payable	812,169	(812,169)	-
Current liabilities			
Retention money payable	-	812,169	812,169

23.1 There is no impact on the operating, investing and financing cashflows for the year ended 30 June 2022 and 01 July 2021.

23.2 There is no impact on Profit after tax and earnings per share for the year ended 30 June 2022.

	Note	2023	2022
		Rupees in thousands	
24. ACCRUED MARKUP / PROFIT ON FINANCING			
Accrued profit on financing from islamic banks			
Long-term financing		212,611	221,485
Short-term borrowing		57,305	35,662
		269,916	257,147
Accrued mark-up on financing from conventional banks			
Long-term financing		554,606	423,400
Short-term borrowing		128,010	99,686
		682,616	523,086
		952,532	780,233
25. SHORT-TERM BORROWINGS			
Islamic Banks			
Meezan Bank Limited - Running Musharaka	25.1	999,617	999,159
Conventional Banks			
Allied Bank Limited	25.2	467,811	490,243
National Bank of Pakistan	25.3	999,355	999,582
MCB Bank Limited	25.4	429,756	395,099
Bank Al Habib Limited	25.5	175,069	130,247
Habib Bank Limited	25.6	690,273	796,839
JS Bank Limited	25.7	-	971
United Bank Limited	25.8	199,964	368,366
		2,962,228	3,181,347
		3,961,845	4,180,506

25.1 The Company has obtained Running Musharaka facility of Rs. 1,000 million. The facility carries profit rate of 1-month KIBOR plus 1.10% p.a (2022: 1 month KIBOR plus 1.10% p.a) on basis of Meezan Bank's average Musharaka investment determined at the time of disbursement and is payable on quarterly basis. This also carries 0.001% bank share of Musharaka profit if Musharaka profit exceeds beyond profit rate. The facility is secured against joint pari passu charge over current assets of the Company and lien over investments of the Company with Al Meezan Investments Management Limited and NBP Funds Management Limited. Subsequent to the year end, this facility has been fully repaid. This facility will expire on 31st December 2023.

25.2 The Company has obtained short term running finance / Money market line / LC 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 (2022: 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. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This facility will expire on 30th September 2023.

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 0.85% per annum (2022: 3 months KIBOR plus 0.85% 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 30th September 2023.

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 (2022: 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 31st July 2023.

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 (2022: 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 31st August 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% (2022: 1 month / 3 months KIBOR plus 0.50%) per annum payable on quarterly basis. This facility will expire on 29th February 2024.

25.7 This facility has been fully repaid and the limit has been released.

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 1.25% (2022: 1 month KIBOR plus 1.25%) per annum payable on quarterly basis whereas NICF carries markup at the rate of 1 month KIBOR plus 1.50% (2022: 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 will expire on 31st October 2023.

26. UNCLAIMED DIVIDEND

	2023	2022
	Rupees in thousands	
Opening balance	60,663	60,943
Payments made during the year	(79)	(280)
Closing balance	60,584	60,663

26.1 This amount has been deposited in a profit account carrying 15% (2022: 13%) 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 favorable 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 05 August 2022 acknowledging tax collection/deduction under various sections of the Ordinance to the tune of Rs. 718.85 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 15 August 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 17 September 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 29 January 2019 under section 122(5A) of the Ordinance for tax year 2017, wherein certain additions were made which resulted into increase in taxable income of Rs. 4.42 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 26 December 2019 decided the appeal against the Company. Being aggrieved with the said order, the Company filed an appeal before the ATIR which is pending adjudication.

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 28 January 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 6 June 2022 which is pending adjudication.

27.1.5 The ACIR initiated proceedings u/s 122(5A) of the Ordinance for Tax Year 2016 which resulted into impugned addition of Rs. 144 million thus creating impugned demand of Rs. 58 million. The Company, being aggrieved from the aforesaid impugned order filed an Appeal before the CIR-A. The CIR-A vide order dated 28 January 2021 granted partial relief against the impugned addition, upheld the amount of Rs. 20 million and the remaining points were remanded back. The Company being dissatisfied from the aforesaid Appellate Order, preferred appeal before (ATIR) which is pending fixation. Remand back proceedings were initiated by the ACIR on 08 June 2023 who concluded the remand back proceedings wherein no adverse inference was drawn except for addition of Rs. 4.89 million. The Company, being aggrieved from the aforesaid order, preferred to file an appeal before CIR-A. The latest case was heard on 30 August 2023 and the order is awaited.

27.1.6 The ADCIR passed an amended order dated 25 November 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 13 September 2017 upheld the decision of CIR(A). The Addl. CIR passed appeal effect order dated 13 Novemeber 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 favor. The CIR, being dissatisfied from the aforesaid appellate Order, has filed an appeal before ATIR dated 17 May 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 31 January 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 17 April 2020 before ATIR, which has not been heard yet.

27.1.7 The Company's case was selected under section 214C/177 of the Ordinance by the FBR for audit of its income tax affairs for the tax year 2014. Audit proceedings were finalized by the DCIR and passed an order dated 09 September 2017 under section 122(1) of the Ordinance, wherein certain additions were made which resulted into taxable income at Rs. 1,304 million and income tax demand at Rs. 347 million. Being aggrieved with the said order, the Company filed an appeal on 08 December 2017 before the CIR(A) wherein the CIR(A) vide order dated 24 April 2020 granted partial relief to the Company. Being aggrieved with the order of CIR(A), both the Company and CIR filed appeals before the ATIR, the Company's appeal is decided in its favour thereby deleting additions made into the taxable income of the Company, whereas appeal filed by the CIR is a pending adjudication.

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

27.1.9 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 26 March 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 by Rs. 1,043 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 22 June 2015, granted substantial relief of Rs. 758 million against the above mentioned impugned addition. Both the Company and CIRA being dissatisfied from the aforesaid Order filed an appeal before ATIR. The case is pending adjudication.

27.1.10 The ACIR finalized proceedings u/s 122(5A) for Tax Year 2011 and passed the impugned Order on 13 June 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 21 September 17 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 20 May 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 24 November 2017 before the ATIR. However, the case has not been fixed for hearing till date.

27.1.11 The ACIR finalized proceedings u/s 122(5A)/122(4) of the Ordinance for Tax Year 2010 and passed Order dated 29 June 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 06 October 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 30 June 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 30 July 2018 against the Appeal Effect Order. The Company being aggrieved from the Appeal Effect Order also filed appeal before CIR-A on 13 August 2018. The CIR-A have passed the Order dated 16 Novemeber 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. CIR also being aggrieved from the aforesaid appellate Order filed an Appeal before the ATIR. Hearing of the same is still pending.

27.1.12 The ACIR finalized proceedings u/s 122(5A) for Tax Year 2008 and passed the impugned Order dated 30 June 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 17 September 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 19 September 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.

27.1.13 Multiple petitions, including one by the Company, bearing writ petition no. 8349/2022 were filed before Honorable 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 Honorable LHC through its order dated 27 June 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. Subsequent to the year end, the Company has filed an intra-court appeal No. 49450/2023 on 26 July 2023 before Honorable Islamabad High Court against levy of 4% super tax on the Company which is pending adjudication. During the year ended 30 June 2022, Company recorded provision of super tax at the rate of 10% out of which 6% has been reversed in the current year in line with aforementioned Honorable LHC order.

Sales Tax Matters

27.1.14 The DCIR passed an order dated 18 October 2019 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42 million was created. However, being aggrieved from the aforesaid order, the Company filed appeal in terms of section 45B of the Act before CIR (A). The CIR (A) passed an order dated 16 November 2020 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42 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 27 April 2021 wherein the sales tax demand of Rs 24.89 million was created. The Company filed an appeal before ATIR against the said order which is pending adjudication.

27.1.16 The DCIR passed an order dated 15 October 2019 under section 11(2) of the Act for the tax year 2017, wherein the sales tax demand of Rs. 20 million was created. However, being aggrieved with the said order, the Company filed an appeal before CIR(A). The CIR (A) passed an order dated 16 November 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 04 November 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 03 April 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.

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 3 February 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.

Other Matters

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

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

The penalized cement companies jointly filed a petition in the Honorable Lahore High Court challenging the imposition of penalties by the CCP and any adverse action against the cement companies has been stayed by the Honorable 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.

27.1.21 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.

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

The Honorable Lahore High Court as well as the Honorable 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 Honorable Supreme Court of Pakistan vide the Supreme Court Judgment upheld the Judgments and the Appeals filed by the department were dismissed. In the Supreme Court Judgment it has been categorically held that excise duty is not to be included as a component for determination of the value (retail price) for levying excise duty under sub-section (2) of section 4 of the 1944 Act.

In view of the above, during the year ended 30 June 2008, the Company had filed a refund claim amounting to Rs. 734.06 million before Collector, Sales Tax and Federal Excise Duty, Government of Pakistan (the Department). During the year ended 30 June 2010, the aforesaid refund claim has been rejected by the Department, however, the Company filed an appeal before Commissioner (Appeals) Inland Revenue, Lahore which has been decided in favour of the Company. Later on, tax department filed an appeal to the Appellate Tribunal Inland Revenue where case has also been decided in favour of the Company. However, the refund will be accounted for at the time of its realization.

27.1.23 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 favorable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

27.2 Commitments

27.2.1 Commitments in respect of:

	2023	2022
	Rupees in thousands	
Outstanding letters of credit	85,310	22,509
Contracts registered with banks	587	42,650
Issued letters of guarantees favouring Collector of Customs - Karachi	63,980	78,860
	149,877	144,019

		2023	2022
		Rupees in thousands	
27.2.2	**Contracts for capital expenditure**	1,289,093	1,639,680

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	2023	2022
		Rupees in thousands	
Revenue from contracts with customers - gross		49,333,125	44,509,286
Less:			
Sales Tax		8,254,809	7,278,708
Federal Excise Duty		4,485,525	5,082,524
Rebates		386,696	262,767
Discounts		40,828	6,080
		13,167,858	12,630,079
Total revenue from contracts with customers - net		36,165,267	31,879,207
Geographical Markets			
All sales are made in Pakistan		49,333,125	44,509,286
Timing of revenue recognition			
Goods transferred at a point in time		49,333,125	44,509,286

28.2 Contract balances

	Note	2023	2022
Trade receivables	28.2.1	1,825,648	1,708,217
Contract liabilities	28.2.2	(129,269)	(160,306)
		1,696,379	1,547,911

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. 72.3 million (2022: Rs 34.40 million), have been recognized as revenue upon dispatch of goods.

		Note	2023	2022
			Rupees in thousands	
29.	**COST OF SALES**			
	Raw material consumed	29.1	1,726,756	1,677,090
	Packing material consumed		2,114,307	2,188,892
	Fuel and power	5.1.4	19,902,807	18,301,226
	Stores and spare parts consumed		397,468	428,480
	Salaries, wages and benefits	29.2	921,802	733,497
	Travelling and conveyance		72,592	43,602
	Insurance		50,065	25,012
	Repairs and maintenance		156,228	118,180
	Depreciation	5.1.4	2,177,345	865,052
	Provision for slow moving store and spare		-	4,061
	Communication		6,112	6,069
	Entertainment		8,402	8,091
	Fee and subscription		42,974	35,407
	Legal and professional charges		179	1,462
	Printing and stationery		4,243	3,797
	Rent, rates and taxes		52,247	61,889
	Utilities		37,343	20,615
	Vehicle running expenses		39,041	23,019
	Other manufacturing expenses		20,165	9,018
	Total manufacturing cost		27,730,076	24,554,459
	Work in process			
	Opening balance		152,126	259,633
	Closing balance	9	(722,507)	(152,126)
			(570,381)	107,507
	Cost of goods manufactured		27,159,695	24,661,966
	Finished goods			
	Opening balance		182,990	197,119
	Closing balance	9	(586,802)	(182,990)
			(403,812)	14,129
	Cost of Sales		26,755,883	24,676,095
29.1	**Raw material consumed**			
	Opening balance		78,657	125,148
	Royalty paid for extraction of clay and lime stone		432,851	511,671
	Quarrying / transportation / purchases and other overheads		1,288,762	1,118,929
			1,800,270	1,755,748
	Closing balance	9	(73,514)	(78,657)
			1,726,756	1,677,091
29.2	**Includes amount pertaining to employee benefits as follows:**			
	Provident fund		17,091	13,815
	Gratuity		47,554	32,823
	Compensated absences		32,101	18,187
			96,746	64,825
30.	**DISTRIBUTION COST**			
	Salaries, wages and benefits	30.1	90,488	75,953
	Travelling and conveyance		3,648	2,507
	Vehicle running expenses		8,033	4,177
	Communication		2,427	1,992
	Printing and stationery		1,566	1,315
	Rent, rates and taxes		9,808	9,055
	Utilities		4,314	4,283
	Repairs and maintenance		2,622	2,514
	Legal and professional charges		202	1,094
	Insurance		367	327
	Fee and subscription		2,221	2,243
	Advertisements / sales promotion		10,186	192
	Freight and handling charges		1,070	2,617
	Entertainment		3,434	2,143
	Depreciation	5.1.4	1,381	1,344
			141,767	111,756

		Note	2023	2022
			Rupees in thousands	
30.1	**Includes amount pertaining to employee benefits as follows:**			
	Provident fund		3,420	2,851
	Compensated absences		4,247	2,923
			7,667	5,774
31.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	31.1	108,505	87,123
	Travelling and conveyance		2,757	1,110
	Vehicle running expenses		13,014	7,096
	Communication		2,993	2,903
	Printing and stationery		2,308	1,229
	Rent, rates and taxes		10,391	7,684
	Utilities		13	27
	Repairs and maintenance		4,239	4,040
	Legal and professional charges		5,808	5,067
	Insurance		1,301	1,257
	Auditors' remuneration	31.2	4,000	2,348
	Fee and subscription		5,748	7,128
	Depreciation	5.1.4	6,490	6,970
	Entertainment		156	45
	Others		976	203
			168,699	134,230
31.1	**Includes amount pertaining to employee benefits as follows:**			
	Provident fund		3,304	2,685
	Compensated absences		5,634	2,798
			8,938	5,483
31.2	**Auditors' remuneration**			
	Annual audit fee		2,500	1,210
	Fee for half yearly review		500	484
	Other certifications		500	300
	Out of pocket expenses		500	354
			4,000	2,348
32.	**OTHER OPERATING EXPENSES**			
	Workers' profit participation fund	22.6.1	(8,877)	211,850
	Workers' welfare fund	22.6.2	114,633	80,503
	Realized loss on sale of short-term investments		-	20,071
	Other expenses		25,889	-
	Donations	32.1	346	386
			131,991	312,810

32.1 None of the Directors of the Company or his spouse has any interest in any of the donees.

	Note	2023	2022
		Rupees in thousands	
33. OTHER INCOME			
Income from financial assets:			
Profit on banks		18,606	20,429
Income from short-term investments recognized at fair value through profit or loss:			
- Dividend income		-	258
Income from non-financial assets:			
Scrap sales		6,457	5,490
Gain on disposal of fixed assets		9,029	3,121
Rental income arising from investment property		11,200	10,182
Rental income		869	846
		27,555	19,639
		46,161	40,326
34. REMEASUREMENT (LOSS) / GAIN ON ASSETS HELD AT FAIR VALUE - NET			
Fair value gain on investment property carried at fair value		4,530	1,946
Unrealized loss on re-measurement to fair value on short-term investments		(10,679)	(78,053)
		(6,149)	(76,107)
35. FINANCE COSTS			
Mark-up on conventional finances:			
Mark-up on long-term financing from conventional banks		1,720,391	1,383,035
Mark-up on short-term borrowings from conventional banks		465,209	515,673
Mark-up on islamic finances:			
Mark-up on long-term financing from islamic banks		814,431	629,812
Mark-up on short-term borrowings from islamic banks		186,696	109,718
Bank charges and commission		10,921	17,948
		3,197,648	2,656,186
36. TAXATION			
Current tax			
- for the year		1,569,102	900,018
- for prior year		(125,758)	-
		1,443,344	900,018
Deferred tax		1,677,208	1,994,358
		3,120,552	2,894,376
36.1 Relationship between tax expense and accounting profit			
Profit before taxation		5,731,658	3,944,646
Tax calculated at the rate of 29%		1,662,181	1,143,947
Tax effect of:			
- super tax @ 10%		594,719	216,433
- prior year reversal of super tax @ 6%	27.1.13	(125,758)	-
- revision in tax rate	36.2	989,310	1,074,194
- revision in proration between local and export sales		-	459,802
- others		100	-
		3,120,552	2,894,376

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.

		2023	2022

37. EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share

	2023	2022
Profit attributable to ordinary shareholders - Rupees in thousands	**2,611,106**	1,050,270
Weighted average number of ordinary shares - in thousands	**227,149**	227,149
Basic earnings per share - Rupees	**11.50**	4.62

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 2023 (2022: Nil).

38. CASH GENERATED FROM OPERATIONS

	Note	2023 Rupees in thousands	2022
Profit before taxation		5,731,658	3,944,646
Adjustment for			
Depreciation	5.1.4	2,658,416	1,161,686
Allowance for expected credit losses	10.1	77,633	7,703
Provision for gratuity	21.2.3	47,554	36,191
Provision for compensated absences	22.5	41,982	23,908
Provision for slow moving store and spare	8.1	-	4,061
Finance cost	35	3,197,648	2,656,186
Gain on disposal of property, plant and equipment	33	(9,029)	(3,121)
Fair value gain on investment property carried at fair value	34	(4,530)	(1,946)
Amortization of deferred grant		-	(5,082)
Profit on bank deposits	33	(18,606)	(20,429)
Realized loss on sale of short-term investments	32	-	20,071
Dividend income on short-term investments	33	-	(258)
Unrealized loss / (gain) on re-measurement of fair value of short-term investments	34	10,679	78,053
Cash flow before working capital changes		11,733,405	7,901,669
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		69,315	(1,428,791)
Stock in trade		(1,097,984)	125,292
Trade receivables		(195,064)	(381,942)
Loans and advances		72,547	438,920
Trade deposits and short term prepayments		(5,129)	6,150
Other receivables		(2,584)	11
		(1,158,899)	(1,240,360)
Increase/ (decrease) in current liabilities			
Trade and other payables		(137,171)	1,700,715
Contract liabilities		(31,037)	40,514
Sales tax payable		(391,775)	(55,311)
Retention money		31,775	9,423
		(528,208)	1,695,341
Cash generated from operations		10,046,298	8,356,650

39. CASH AND CASH EQUIVALENT

	Note	2023	2022
Cash and bank balances	14	343,596	484,259

40. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE OFFICER AND EXECUTIVES

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

	Chief Executive Officer		Executives		Total	
	2023	2022	2023	2022	2023	2022
Number:	1	1	37	33	38	34
Basic Salary	14,160	14,102	111,812	81,825	125,972	90,354
Contribution to Provident Fund Trust	-	-	9,931	7,127	9,931	7,162
Allowances & benefits:						
- House Rent	6,372	6,346	50,316	36,821	56,688	40,660
- Utilities	1,416	1,410	11,181	8,183	12,597	9,035
- Others	7,102	7,068	63,745	57,556	70,847	39,293
	29,050	28,926	246,985	191,512	276,035	186,504

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

40.2 No remuneration is being paid / payable to the directors of the Company except meeting fee which is paid to all 6 non-executive directors at the rate of Rs. 30,000 per meeting attended accumulating to Rs. 810 thousands paid during the year. (2022: Rs. 690 thousands).

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 mutually agreed terms. Transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of Related Party	**Relationship**	**Nature of Transaction**	2023	2022
			Rupees in thousand	
Imperial Developers and Builders (Private) Limited	Common Directorship	Project supervision and consultancy fee	250,000	-
		Repayment of loan from related party	-	350,000
Provident Fund Trust	Staff retirement benefit	Contribution to staff provident fund	23,815	19,351
Period end balances				
Imperial Developers and Builders (Private) Limited			259,759	9,759

42. NUMBER OF EMPLOYEES

	2023	2022
Number of employees at year end including permanent and contractual - total	1,152	1,098
Average number of employees during the year - total	1,135	1,124
Number of employees at year end including permanent and contractual - factory	1,054	1,005
Average number of employees during the year - factory	1,038	1,030

43, PRODUCTION CAPACITY (300 Days Basis)

	2023	2022
	Metric tons	
Rated capacity - cement	5,194,500	5,194,500
Actual production - cement	2,741,440	3,372,946

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 30 June 2023.

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:

	2023	2022
	Rupees in thousands	
Long-term financing - current and non-current	13,521,379	18,030,031
Short-term borrowing	3,961,845	4,180,506
Total borrowings	17,483,224	22,210,537
Less: cash and bank balances	(343,596)	(484,259)
Net borrowings	17,139,628	21,726,278
Share capital	2,271,489	2,271,489
Reserves	38,249,954	27,499,851
Total equity	40,521,443	29,771,340
Total capital employed	57,661,071	51,497,618
Gearing ratio	29.72%	42.19%

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 neighboring 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 some of the financial covenants (current and debt service ratios) 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 30 June 2023 and 30 June 2022.

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 as fair value through profit or loss:

	2023	2022
	Rupees in thousands	
Short term investments	461,502	472,196

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:

Changes in NAV %	2023	2022
	Rupees in thousands	
+2%	5,630	6,327
-2%	(5,630)	(6,327)

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.

	Carrying amount	Contractual cash flows	Up to 1 years	Between 1 to 5 years	5 years and above
	Rupees in thousands				
At 30 June 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

	Carrying amount	Contractual cash flows	Up to 1 years	Between 1 to 5 years	5 years and above
			Rupees in thousands		
At 30 June 2022					
Long-term financing	18,030,031	23,806,465	7,153,867	15,501,365	1,151,233
Long-term deposits	44,884	44,884	-	44,884	-
Unclaimed dividend	60,663	60,663	60,663	-	-
Retention money	812,169	812,169	812,169	-	-
Trade and other payables	6,095,963	6,095,963	6,095,963	-	-
Accrued mark-up / profit on financing	780,233	780,233	780,233	-	-
Short-term borrowings	4,224,791	4,224,791	4,224,791	-	-
	30,048,734	35,825,168	19,127,686	15,546,249	1,151,233

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:

	2023	2022
	Rupees in thousands	
Financial assets:		
Deposits with banks	129,006	156,617
Financial liabilities		
Long-term financing	(13,521,379)	(18,030,031)
Short-term borrowings	(3,961,845)	(4,224,791)
	(17,483,224)	(22,254,822)
Financial liabilities at variable rate instruments - net	(17,354,218)	(22,098,205)

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 2022.

	Increase / decrease in basis points	2023	2022
		Effects on profit before tax Rupees in thousands	
Cash flow sensitivity - variable rate instruments			
	+1%	(173,542)	(220,982)
	-1%	173,542	220,982

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:

	Note	2023	2022
		Rupees in thousands	
Long-term deposits	7	344,264	89,100
Trade receivables	10	1,825,648	1,708,217
Loans to employees	11	3,860	3,790
Other receivables	12	9,952	7,368
Short-term investments	13	461,502	472,196
Bank balances	14	342,889	483,133
		2,988,115	2,763,804

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:

i) Bank balances	Rating			2023	2022
	Short-term	Long-term	Agency	Rupees in thousands	
Allied Bank Limited	A1+	AAA	PACRA	47,348	83,130
Askari Bank Limited	A1+	AA+	PACRA	4,299	29,675
Bank Al-Habib Limited	A1+	AAA	PACRA	45,211	48,792
Bank Islami Pakistan Limited	A1	AA-	PACRA	48	363
Dubai Islamic Bank Limited	A-1+	AA	VIS	12	324
Habib Bank Limited	A-1+	AAA	VIS	30,735	49,144
MCB Limited	A1+	AAA	PACRA	10,134	2,332
Meezan Bank Limited	A-1+	AAA	VIS	63,291	101,425
National Bank of Pakistan	A1+	AAA	PACRA	4,136	1,413
The Bank of Punjab	A1+	AA+	PACRA	82,685	87,863
United Bank Limited	A-1+	AAA	VIS	53,333	78,672
JS Bank Limited	A1+	AA-	PACRA	1,657	-
				342,889	483,133

ii) Short-term investments	2023	2022
Unrated (equity based funds)	461,502	472,196
	461,502	472,196

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 not major customers with balances accounting for over 10% of the total amounts of receivable as at 30 June 2023 and 2022. 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:

	At 30 June 2023			At 30 June 2022		
	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
	Rupees in thousands					
Upto 30 Days	0.03%	1,505,016	424	0.19%	1,612,394	3,085
31 to 90 Days	3.50%	143,453	5,020	7.64%	25,776	1,968
91 to 180 Days	0.43%	129,090	557	6.22%	15,912	989
More than 181 Days	23.43%	70,643	16,553	9.65%	12,792	1,234
Between 1 to 2 years	100.00%	22,193	22,193	7.20%	52,391	3,772
Between 2 to 3 years	100.00%	42,679	42,679	100.00%	10,753	10,753
More than 3 years	100.00%	31,155	31,155	100.00%	19,147	19,147
Total trade receivables		1,944,229	118,581		1,749,165	40,948

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 there respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Level 1	Level 2	Level 3	Total
	Rupees in thousands			
At 30 June 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
Waste heat recovery plant - II	-	-	3,264,402	3,264,402
WHR & coal power plant - I	-	-	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

	Level 1	Level 2	Level 3	Total
		Rupees in thousands		
At 30 June 2022				
Short-term investments	-	472,196	-	472,196
Operating fixed assets:				
Freehold land	-	-	671,841	671,841
Factory building on freehold land	-	-	3,404,671	3,404,671
Plant and machinery line I	-	-	2,326,954	2,326,954
Plant and machinery line II	-	-	7,490,049	7,490,049
Plant and machinery line III	-	-	35,572,010	35,572,010
WHR & coal power plant - I	-	-	2,555,475	2,555,475
Waste heat recovery plant - II	-	-	2,456,937	2,456,937
Coal power plant - II	-	-	5,677,660	5,677,660
Investment property	-	-	90,396	90,396
	-	472,196	60,245,993	60,718,189

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.

For the year ended June 30, 2023

	Liabilities					
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Loan from related party	Unclaimed Dividend	Total
	Rupees in thousand					
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
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

For the year ended June 30, 2022

	Liabilities					
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Loan from related party	Unclaimed Dividend	Total
	Rupees in thousand					
Balance as at July 01, 2021	21,534,328	5,257,251	575,086	350,000	60,943	27,777,608
Changes from financing activities						
Repayment of long term finances - secured	(3,509,952)	-	-	-	-	(3,509,952)
Disbursement of short term borrowings - net	-	(1,076,745)	-	-	-	(1,076,745)
Repayment of loan from related party	-	-	-	(350,000)	-	(350,000)
Finance cost paid	-	-	(2,563,361)	-	-	(2,563,361)
Dividend paid	-	-	-	-	(280)	(280)
Total changes from financing cash flows	(3,509,952)	(1,076,745)	(2,563,361)	(350,000)	(280)	(7,500,338)
Other changes						
Amortization of government grant	5,655	-	-	-	-	5,655
Finance cost capitalized	-	-	117,977	-	-	117,977
Finance cost	-	-	2,650,531	-	-	2,650,531
Total liability related other changes	5,655	-	2,768,508	-	-	2,774,163
Closing as at June 30, 2022	18,030,031	4,180,506	780,233	-	60,663	23,051,433

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:

		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	Note	------------------------------------ Rupees in thousand ------------------------------------							
June 30, 2023									
Financial assets measured at fair value									
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	-	-	-
	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		-	-	-	6,060,365	6,060,365	-	-	-
Accrued mark-up/ profit on financing		-	-	-	952,532	952,532	-	-	-
Short term borrowings		-	-	-	3,961,845	3,961,845	-	-	-
	48.1	-	-	-	25,442,033	25,442,033	-	-	-

		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	Note	------------------------------------ Rupees in thousand ------------------------------------							
June 30, 2022									
Financial assets measured at fair value									
Short term Investments			472,196	-	-	472,196	-	472,196	-
Financial assets at amortised cost									
Long term deposits		-	-	89,100	-	89,100	-	-	-
Trade debts - unsecured, considered good		-	-	1,708,217	-	1,708,217	-	-	-
Loans to employees		-	-	3,790	-	3,790	-	-	-
Other receivables		-	-	7,368	-	7,368	-	-	-
Cash and bank balances		-	-	484,259	-	484,259	-	-	-
	48.1	-	-	2,292,734	-	2,292,734	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Long term financing		-	-	-	18,030,031	18,030,031	-	-	-
Long term deposits		-	-	-	44,884	44,884	-	-	-
Unclaimed dividend		-	-	-	60,663	60,663	-	-	-
Retention money		-	-	-	812,169	812,169	-	-	-
Trade and other payables					5,915,767	5,915,767			
Accrued mark-up/ profit on financing		-	-	-	780,233	780,233	-	-	-
Short term borrowings		-	-	-	4,180,506	4,180,506	-	-	-
	48.1	-	-	-	29,824,253	29,824,253	-	-	-

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. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on 28 September 2023.

51. 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.

52. EVENTS AFTER REPORTING DATE

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

CHAIRMAN

OTHER INFORMATION

12

PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2023

No. of Shareholders	Shareholdings		Total Number of Shares Held
	From	To	
2030	1	100	64,038
2032	101	500	549,791
1410	501	1,000	1,085,969
1496	1,001	5,000	3,388,854
304	5,001	10,000	2,301,745
98	10,001	15,000	1,251,403
62	15,001	20,000	1,135,277
40	20,001	25,000	917,963
29	25,001	30,000	827,226
19	30,001	35,000	649,285
18	35,001	40,000	679,101
8	40,001	45,000	335,723
21	45,001	50,000	1,038,195
9	50,001	55,000	474,900
3	55,001	60,000	175,762
15	60,001	65,000	941,242
7	65,001	70,000	480,404
7	70,001	75,000	508,334
6	75,001	80,000	461,744
6	80,001	85,000	490,400
4	85,001	90,000	354,110
4	90,001	95,000	371,758
7	95,001	100,000	700,000
4	100,001	105,000	410,585
2	105,001	110,000	216,784
1	110,001	115,000	115,000
2	115,001	120,000	233,252
1	120,001	125,000	125,000
4	125,001	130,000	508,274
2	135,001	140,000	273,000
3	145,001	150,000	450,000
1	150,001	155,000	152,000
4	155,001	160,000	632,400
1	165,001	170,000	167,500
1	170,001	175,000	175,000
1	185,001	190,000	190,000
5	195,001	200,000	996,306
1	200,001	205,000	202,000
1	210,001	215,000	211,682
1	230,001	235,000	231,170
1	245,001	250,000	247,231
2	250,001	255,000	506,783

No. of Shareholders	Shareholdings		Total Number of Shares Held
	From	To	
1	265,001	270,000	269,000
1	285,001	290,000	286,755
1	295,001	300,000	300,000
1	300,001	305,000	303,700
1	320,001	325,000	322,353
1	325,001	330,000	330,000
1	375,001	380,000	376,700
1	390,001	395,000	395,000
1	395,001	400,000	400,000
2	420,001	425,000	843,752
1	445,001	450,000	450,000
1	515,001	520,000	520,000
1	525,001	530,000	527,002
1	595,001	600,000	600,000
1	645,001	650,000	646,200
1	695,001	700,000	700,000
1	995,001	1,000,000	1,000,000
1	1,130,001	1,135,000	1,131,412
1	1,155,001	1,160,000	1,155,300
1	1,215,001	1,220,000	1,215,554
1	1,385,001	1,390,000	1,385,500
1	1,425,001	1,430,000	1,427,761
1	1,435,001	1,440,000	1,438,000
1	2,115,001	2,120,000	2,117,650
1	2,765,001	2,770,000	2,765,777
1	3,295,001	3,300,000	3,298,660
1	3,340,001	3,345,000	3,342,000
1	3,745,001	3,750,000	3,750,000
1	3,995,001	4,000,000	4,000,000
1	4,690,001	4,695,000	4,690,100
1	5,180,001	5,185,000	5,180,479
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
7,709			**227,148,793**

CATEGORIES OF SHAREHOLDERS

CATEGORIES OF SHAREHOLDERS	SHARES HELD	%
Directors, Chief Executive Officer, their spouse and minor children	11,841	0.0052
Associated Companies, undertakings and related parties	4,690,100	2.0648
NIT and ICP	36,000	0.0158
Banks, Development Financial Institutions & Non Banking Financial Institutions	6,536,787	2.8778
Insurance Companies	122,700	0.0540
Modarabas and Mutual Funds	4,168,666	1.8352
Shareholders holding 10% or more	131,472,194	57.8793
General Public		
a. Local	33,435,631	14.7197
b. Foreign	1,087,740	0.4789
Others		
a- Leasing Companies	79,640	0.0351
b- Investment Companies	4,216	0.0019
c- Joint Stock Companies	58,547,592	25.7750
d- Pension Funds	742,792	0.3270
e- Foreign Companies	116,442,491	51.2627
f- Others	1,242,597	0.5470

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

As on June 30, 2023

SR. #	CATEGORIES	SHARES HELD	%
	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES:		
1	IMPERIAL DEVELOPERS AND BUILDER (PRIVATE) LIMITED (CDC)	4,690,100	2.0648
	MUTUAL FUNDS		
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	31,800	0.0140
2	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	65,000	0.0286
3	CDC - TRUSTEE AL HABIB STOCK FUND (CDC)	28,000	0.0123
4	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	450,000	0.1981
5	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	1,929	0.0008
6	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	104,463	0.0460
7	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	6,731	0.0030
8	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	10,700	0.0047
9	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	253,000	0.1114
10	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	196,303	0.0864
11	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	150,000	0.0660
12	CDC - TRUSTEE FAYSAL ASSET ALOCATION FUND (CDC)	3,100	0.0014
13	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	253,783	0.1117
14	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	269,000	0.1184
15	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PALN I - MT (CDC)	80,500	0.0354
16	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	9,500	0.0042
17	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND (CDC)	64,935	0.0286
18	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	420,580	0.1852
19	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	231,170	0.1018
20	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	43,000	0.0189
21	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	50,000	0.0220
22	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	50,000	0.0220
23	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	1,131,412	0.4981
24	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND (CDC)	126,703	0.0558
25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	8,000	0.0035
26	CDC - TRUSTEE UBL DEDICATED EQUITY FUND (CDC)	8,100	0.0036
27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC) 24,512 0.0108		
28	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	3,322	0.0015
29	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	50,000	0.0220
30	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC) 66 0.0000		
31	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	37,000	0.0163
	DIRECTORS AND THEIR SPOUSE AND MINOR CHILDREN:		
1	SAYED MAZHAR IQBAL (CDC)	10,500	0.0046
2	MR. MOHAMMED 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	MS. ALEEYA KHAN	11	0.0000
7	MR. DORAIB A KISAT	8	0.0000
8	MR. JAMAL NASIM	1,010	0.0004
9	MRS. FATIN ALY KHAN W/O ALY 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:	7,487,976	3.2965%
	SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST		
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 ARE AS FOLLOWS:

	Sales	Purchase
NIL	-	-

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 37th Annual General Meeting of the Company to be held on Friday, October 27, 2023 at ICMAP Building, 42 Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this ______________ day of October 2023.

____

Signature of the Shareholder / Appointer

WITNESSES

1	Name ______________________	2	Name ______________________
	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.

AFFIX
CORRECT
POSTAGE

Company Secretary
Pioneer Cement Limited
135 - Ferozepur Road, Lahore
Tel : +92 (42) 37503570-2
Fax: +92 (42) 37503573-4
Email: shares@pioneercement.com

ڈائریکٹرز کیلئے تربیتی پروگرام

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

بورڈ کی اپنی کارکردگی کا جائزہ

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

حصص داری کی ترتیب

کمپنی کی 30 جون 2023 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 ایک مستقل موضوع رہا ہے جو پالیسی کے تسلسل اور سرمایہ کاروں کے اعتماد کو متاثر کرتا ہے۔ سرمایہ کاری کی حوصلہ افزائی اور اقتصادی ترقی کو تیز کرنے کے لئے مزید مستحکم گورننس اور مستقل پالیسیوں کی طرف منتقلی ضروری ہے۔
اس ہمیشہ سے ابھرتے ہوئے عالمی اقتصادی ماحول میں ہماری کمپنی بہتر حکمت عملی اور چستا رسک مینجمنٹ کے لئے پرعزم ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ ہم چیلنجز کا موثر طریقے سے سامنا کریں اور ابھرتے ہوئے مواقع سے فائدہ اٹھائیں۔

اعتراف

بورڈ مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور کمپنی کو مضبوط بنانے والے تمام دیگر اسٹیک ہولڈرز کی معاونت اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی محنت اور لگن پر ان کا شکرگزار ہے۔

ایم حبیب اللہ خان
چیف ایگزیکٹو آفیسر
28 ستمبر 2023

علی خان
چیئرمین

ملازمین کی حفاظت

بطور ذمہ دار کارپوریٹ شہری آپ کی کمپنی اپنے ملازمین کی صحت اور تحفظ کو اولین ترجیح دیتی ہے کمپنی کے ملازمین کو مطلوبہ حفاظتی آلات فراہم کئے گئے ہیں تاکہ وہ بحفاظت اپنا کام کر سکیں۔ ایک علیحدہ حفاظتی شعبہ بھی قائم کیا گیا ہے جو کہ حفاظتی قواعد وضوابط قائم کر کے اور اس کے ساتھ تعمیل کو یقینی بنائے۔ وقتاً فوقتاً قواعد وضوابط پر نظر ثانی کی جاتی ہے تاکہ کسی بھی ناخوشگوار واقع سے بچنے کے لئے ضروری اقدامات کئے جاسکیں۔

کمیونٹی سرمایہ کاری اور فلاحی سکیم

کمپنی ایک کارپوریٹ شہری کے طور پر سوسائٹی کی فلاح و بہبود کیلئے اپنا کردار ادا کرتی رہتی ہے۔ کمپنی علاقائی ترقی اور فلاحی پروگراموں میں بڑھ چڑھ کر حصہ لیتی ہے جس میں جنگی گاؤں کے علاقے کی مسجد، طبی ڈسپنسری، ایمبولینس سروس، مقامی پرائمری سکول اور جوہرآباد میں ڈویژنل پبلک سکول کی تعمیر اور مالی امداد شامل ہے۔ پلانٹ کے اردگرد مقیم لوگ نئے پلانٹ کی تنصیب سے مزید فوائد حاصل کر رہے ہیں۔ نئی سڑک کی تعمیر اور دوسرے ترقیاتی منصوبوں سے نزدیکی علاقوں کے لوگوں کے طرز زندگی پر بہتر اثرات مرتب ہوں گے۔ پلانٹ کے اردگرد مقیم لوگوں کے لئے پینے کے صاف پانی کی سہولیات بھی فراہم کی گئی ہیں۔

قومی خزانے میں شراکت

کمپنی نے قومی خزانے میں اس سال 14,518.35 ملین روپے (2022: 12,836.50 ملین روپے) انکم ٹیکس، محصولات، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں جمع کرائے۔

بہبود ملازمین

انسانی سرمایہ

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

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 آڈٹ شدہ قیمت 30 جون 2022 کو 255.92 ملین روپے (2021: 221.83 ملین روپے) ہے۔

طبی سہولیات

کمپنی پالیسی کے تحت کمپنی کے تمام اہل ملازمین کو بشمول بیوی بچوں کے مفت طبی سہولت فراہم کی گئی ہے تاکہ وہ اپنے کار منصبی ذہنی سکون سے ادا کر سکیں۔ آپ کی کمپنی نے ملازمین کی سہولت کے لئے کووِڈ-19 ویکسین مفت لگانے کا بندوبست کیا اور تمام ملازمین کی حوصلہ افزائی کی تاکہ وہ ویکسین لگوائیں۔ کورونا سے متعلقہ تمام ہدایات پر عمل درآمد کے لئے مستقل طور پر نظر رکھی جا رہی ہے۔

آڈیٹرز

میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی (آڈیٹرز) 37 ویں سالانہ اجلاس عام کے اختتام کے موقع پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کی سفارش کے تحت بورڈ میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی کی بطور آڈیٹر دوبارہ تقرری کی تجویز دیتا ہے۔

قابل تقسیم منافع

توسیعی منصوبوں کی تعمیر کے لئے حاصل کردہ قرضوں کی ادائیگی کو مدنظر رکھتے ہوئے بورڈ نے مالی سال 2023 کے لئے منافع کی تقسیم کی سفارش نہ کرنے کا فیصلہ کیا ہے۔ تاہم بورڈ سیمنٹ کی صنعت کے مستقبل، کمپنی کی کارکردگی اور منافع کی دستیابی کے بارے میں پرامید ہے اور آنے والے وقت میں منافع کی تقسیم پر غور کرے گا۔

کارپوریٹ اور مالی رپورٹنگ کا طریقہ کار

بورڈ کمپنی کی حکمت عملی کی سمت کا جائزہ 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۔

بورڈ مندرجہ ذیل امور کی تصدیق کرتا ہے:

- پائنیر سیمنٹ کی انتظامیہ کے تیار کردہ مالی حسابات، کاروباری نتائج، کیش فلو کی حالت اور سرمایہ میں ردوبدل کا قابل اعتبار جائزہ پیش کرتے ہیں۔
- حساب کتاب کی مناسب کتب کو برقرار رکھا گیا ہے۔
- مالی حسابات کی تیاری میں اکاؤنٹنگ پالیسیز کا خیال رکھا گیا ہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں مروجہ بین الاقوامی اکاؤنٹنگ کے معیار کا خیال رکھا جاتا ہے اور اگر ان میں کوئی تبدیلی ہو تو باقاعدہ ظاہر کیا جاتا ہے۔
- آڈٹ کمیٹی اندرونی 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 وشبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا قابل ذکر اختلاف نہیں پایا جاتا۔
- اخلاقی اور کاروباری ضابطہ بنایا گیا ہے اور ڈائریکٹرز اور کارکنان میں بھی تقسیم کیا گیا ہے۔
- بورڈ نے مشن سٹیٹمنٹ اور کاروباری حکمت عملی کی سٹیٹمنٹ بھی بنائی ہے۔
- کوڈ آف کارپوریٹ گورننس کے تحت مندرجہ ذیل بیانیہ لف ہذا ہیں۔

١) چھ سالہ مالیاتی اور کاروباری اعداد کا خلاصہ۔

٢) حصص داری کی ترکیب۔

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

٤) دیگر معلومات کا بیانیہ۔

کارپوریٹ سماجی کارکردگی

صحت، تحفظ اور ماحول

آپ کی کمپنی پلانٹ کے اردگرد رہنے والے تمام لوگوں کے تحفظ اور صحت مندانہ ماحول کی فراہمی کو ترجیح دیتی ہے۔ انتظامیہ اپنے سٹاف کو ایک محفوظ، صحت مندانہ اور افزائش کا ماحول دینے کیلئے پرعزم ہے اور اس کے مطابق ISO 14001:2015 اور ISO 45001:2018 کے سرٹیفیکیٹ بھی حاصل کر چکی ہے۔ مزید برآں قدرتی ذرائع کے استعمال میں کمی کی بدولت آپ کی کمپنی کو گرین آفس ڈپلومہ بھی مل چکا ہے۔ آپ کی کمپنی ماحولیات کے معیار کو قائم رکھنے کے اقدامات جاری رکھے ہوئے ہے۔ سال کے دوران ماحول کو صاف اور سرسبز رکھنے کے لئے پلانٹ کے گردونواح میں بڑے پیمانے پر شجرکاری کی گئی

گیس اور دھول کا اخراج

کمپنی آلودگی سے پاک ماحول کو برقرار رکھنے کیلئے کوشاں ہے اور اس کیلئے دھول جمع کرنے والے آلات کمپنی کے پیداواری مقام پر لگائے ہیں۔ کمپنی نے 2 ویسٹ ہیٹ ریکوری پلانٹ بھی لگائے ہیں جن کی استعداد کار 18 میگا واٹ ہے جو کہ پیداواری عمل کے دوران پیدا شدہ ہواؤں کو استعمال کرتے ہوئے بجلی پیدا کرتے ہیں۔

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

کل ارکان بشمول چیف ایگزیکٹو آفیسر

حضرات	۷
خاتون	۱

ترکیب

انڈیپنڈنٹ	۲
نان ایگزیکٹو	۵
ایگزیکٹو	۱

بورڈ آف ڈائریکٹرز اور کمیٹیز کے اجلاس

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

نمبر شمار	نام	عہدہ	بورڈ	آڈٹ کمیٹی	ایچ آر آر کمیٹی
۱۔	جناب علی خان	(چیئرمین) نان ایگزیکٹو	۴	۴	۱
۲۔	محترمہ عالیہ خان	نان ایگزیکٹو	۳	۳	۱
۳۔	جناب شفیع الدین غنی خان	انڈیپنڈنٹ	۴	۴	۱
۴۔	جناب محمد آفتاب عالم	نان ایگزیکٹو	۴	۴	۱
۵۔	مرزا علی حسن عسکری	نان ایگزیکٹو	۴	-	-
۶۔	جناب جمال نسیم	انڈیپنڈنٹ	۴	۴	-
۷۔	جناب دوریب اے کیست	انڈیپنڈنٹ	۳	-	-
۸۔	جناب سید مظہر اقبال	چیف ایگزیکٹو آفیسر	۴	-	۱

اس کے بعد سال کے آخر میں جناب حبیب اللہ خان کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کر دیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کی منظور کردہ معاوضے کی پالیسی کے مطابق ہر حاضر ڈائریکٹر کو فی میٹنگ -/30,000 روپے دیے جاتے ہیں۔
چیف ایگزیکٹو کو ملنے والے معاوضے کی تفصیل مالی گوشواروں کے نوٹ 40 میں درج ہے۔

داخلی مالیاتی کنٹرول کی قابلیت

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

فیصد تھی۔ حکومت کے سپر ٹیکس کے نفاذ کے بعد کمپنی کو اس سال 216.47 ملین روپے اور موخر ٹیکس میں 1,994.26 ملین روپے کا اضافی بوجھ برداشت کرنا پڑا ہے۔ ان عوامل کی وجہ سے بعد از ٹیکس منافع 1,050.27 ملین روپے تک محدود ہو گیا جو کہ گزشتہ مالی سال میں 1,974.45 ملین روپے تھا۔

فی حصص آمدنی

موجودہ سال کے دوران کمپنی کو فی حصص 4.62 روپے کا منافع ہوا جبکہ پچھلے سال اس عرصہ کے دوران فی حصص منافع 8.69 روپے تھا۔

قابل تقسیم منافع

توسیعی منصوبوں کی تعمیر کے لئے حاصل کردہ قرضوں کی ادائیگی کو مدنظر رکھتے ہوئے بورڈ نے مالی سال 2022 کے لئے منافع کی تقسیم کی سفارش نہ کرنے کا فیصلہ کیا ہے۔ تاہم بورڈ سیمنٹ کی صنعت کے مستقبل، کمپنی کی کارکردگی اور منافع کی دستیابی کے بارے میں پرامید ہے اور آنے والے وقت میں منافع کی تقسیم پر غور کرے گا۔

بورڈ آف ڈائریکٹرز

بورڈ ارکان کی کل تعداد بشمول چیف ایگزیکٹو آفیسر آٹھ ہے جن میں ایک ایگزیکٹو اور سات نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔

مندرجہ ذیل سات ڈائریکٹرز منتخب شدہ ہیں۔

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

سال کے اختتام کے بعد جناب رفیق داؤد صاحب رضائے الٰہی سے انتقال کر گئے اور بورڈ نے قابل اطلاق قوانین کے تحت جناب دور یب اے۔ کیسٹ کو بطور ڈائریکٹر نامزد کر دیا ہے۔

کمپنی کے تمام منتخب ڈائریکٹرز نان ایگزیکٹو ہیں جن میں تین انڈیپنڈنٹ ڈائریکٹرز بھی شامل ہیں۔ کوڈ آف کارپوریٹ گورننس 2019 کے تحت چیئرمین اور چیف ایگزیکٹو کے عہدے الگ الگ ہیں۔

- فروخت ہونے والے سیمنٹ کی فی ٹن فرسودگی چارج 805 روپے رہی جبکہ گزشتہ سال یہ 255 روپے تھی۔ یہ خاطر خواہ اضافہ فرسودگی چارجنگ کے طریقہ کار میں تبدیلی اور جائیداد، پلانٹ اور آلات کی دوبارہ تشخیص سے منسوب ہے۔

آپریٹنگ اور بعد از ٹیکس منافع

پریمیم مارکیٹوں میں سٹریٹیجک تبدیلی، فروخت کی قیمتوں میں بہتری، لاگت پر قابو پانے کی فعال پالیسیوں اور بہتر پیداواری کارکردگی کے ساتھ کمپنی نے پیداواری اخراجات میں اضافے سے درپیش چیلنجز کا موثر طریقے سے مقابلہ کرلیا ہے اور 8,889.30 ملین روپے (2022: 6,636.61 ملین روپے) کا آپریٹنگ منافع کمایا ہے۔
قرضوں میں مسلسل کمی کے باوجود سال کے لئے مالیاتی لاگت بڑھ کر 3,197.65 ملین روپے (2022: 2,656.19 ملین روپے) سٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں متعدد بار اضافے کی وجہ سے موجودہ رپورٹنگ کی تاریخ تک کل بقایا بینکنگ قرضوں کی رقم 17,483.22 ملین روپے ہے جو کہ پچھلے سال کے 22,254.82 ملین روپے کے مقابلے میں 4,771.60 ملین روپے کی خالص کمی کو ظاہر کرتا ہے۔

قبل از ٹیکس منافع 5,731.66 ملین روپے رہا جو کہ سپر ٹیکس کی بڑھتی ہوئی شرح کے تسلسل سے متاثر ہوا جس کے نتیجے میں ٹیکس سے پہلے موجودہ سال کے منافع کی بنیاد پر 54.44% موثر ٹیکس چارج ہوا۔ اس کے نتیجے میں بعد از ٹیکس منافع 2,611.11 ملین روپے رہا جو کہ گزشتہ سال 1,050.27 ملین روپے تھا۔
موجودہ سال کے لئے EBITDA 11,587.72 ملین روپے پر پہنچ گیا (Rs.7,762.52:2022) قرض کی ذمہ داریوں کو پورا کرنے کے لئے ضروری حد کو عبور کر رہا ہے۔

فی حصص آمدنی

موجودہ سال کے دوران کوفی حصص 11.50 روپے کا منافع ہوا جبکہ پچھلے سال اس عرصے کے دوران فی حصص منافع 4.62 روپے تھا۔

بورڈ آف ڈائریکٹرز

بورڈ ارکان کی کل تعداد بشمول چیف ایگزیکٹو آفیسر آٹھ ہے جن میں ایک ایگزیکٹو اور سات نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔

مندرجہ ذیل سات ڈائریکٹرز منتخب شدہ ہیں۔

۱۔	جناب علی خان	(چیئرمین) نان ایگزیکٹو
۲۔	محترمہ عالیہ خان	نان ایگزیکٹو
۳۔	جناب شفیع الدین غنی خان	انڈیپینڈنٹ
۴۔	جناب محمد آفتاب عالم	نان ایگزیکٹو
۵۔	مرزا علی حسن عسکری	نان ایگزیکٹو
۶۔	جناب جمال نسیم	انڈیپینڈنٹ
۷۔	جناب دوریب اے کیست	انڈیپینڈنٹ

کمپنی کے تمام منتخب ڈائریکٹرز نان ایگزیکٹو ہیں جن میں دو انڈیپینڈنٹ ڈائریکٹرز بھی شامل ہیں۔ کوڈ آف کارپوریٹ گورننس 2019 کے تحت چیئرمین اور چیف ایگزیکٹو کے عہدے الگ الگ ہیں۔

ڈائریکٹرز رپورٹ برائے حصص داران

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

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ بمع آڈٹ شدہ مالی گوشوارے اور آڈیٹرز رپورٹ بخوشی پیش کر رہے ہیں۔

معیشت

موجودہ تناظر کو تشکیل دینے والے کئی اہم عوامل کے ساتھ عالمی اقتصادیات بہت پر امید ہے۔ جغرافیائی سیاسی تبدیلیوں کی اور روس یوکرین تنازعہ کے بعد سپلائی چینز کی تبدیلی کی وجہ سے تجارت بڑھنے کو تیار ہے۔ مالی سال 2023 کے دوران پاکستان کو کئی معاشی چیلنجز کا سامنا رہا۔ عالمی مالیاتی ادارے کے ساتھ طویل متوقع معاہدے کی وجہ سے سٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں اضافہ ہوا جو کہ دوست ممالک کی مدد کی وجہ سے ممکن ہوا۔ یہ تعاون معاشی توازن کے لئے ناگزیر ہے۔ آئندہ عام انتخابات سیاسی استحکام کی بحالی کے جاری عمل کو مزید مستحکم کرنے کے لئے معاون ہوں گے۔ مالی سال 2023 کے آغاز سے پاکستان کو ایک ہنگامہ خیز صورتحال کا سامنا ہے جس کی خصوصیت پاکستانی روپے کی قدر میں نمایاں کمی ہے جس کا مجموعی افراط زر پر گہرا اثر پڑا اور وہ ریکارڈ 29% کی سطح پر پہنچ گیا۔ مہنگائی کے اس دباؤ کے جواب میں سٹیٹ بینک نے پالیسی ریٹ بڑھا کر 22% کر دیا۔ اگرچہ یہ پالیسی اقدامات ترقی کے نقطہ نظر کو متاثر کر رہے ہیں، لیکن ان کا مقصد افراط زر کے رجحانات کو روکنا اور مختصر مدت میں کرنسی کی قدر میں کمی کو مستحکم کرنا ہے۔

سیمنٹ کی صنعت

زیر نظر سال کے دوران سیمنٹ کی صنعت نے 44.58 ملین ٹن سیمنٹ فروخت کیا جبکہ گزشتہ سال 52.89 ملین ٹن سیمنٹ بیچا گیا تھا۔ مقامی سطح پر سیمنٹ کی ترسیل 40.58 ملین ٹن رہی جو کہ گزشتہ سال 47.63 ملین ٹن تھی۔ برآمدات 4.57 ملین ٹن رہیں جو کہ گزشتہ سال اسی عرصہ کے دوران 5.26 ملین ٹن تھیں۔

مالیاتی کارکردگی

آمدن

موجودہ مالی سال کے دوران کمپنی کی مجموعی فروخت 49,333.13 ملین روپے رہی جو کہ گزشتہ سال 44,509.29 ملین روپے تھی قابل اطلاق ٹیکس محصولات اور کمیشن مجموعی طور پر 13,167.86 ملین روپے رہا جس کے نتیجے میں خالص فروخت 36,165.27 ملین روپے (2022: 31,879.21 ملین روپے) رہی (13.44% ترقی)۔ یہ اضافہ بنیادی طور پر مقامی منڈی میں قیمت فروخت میں اضافے کی وجہ سے ہے۔

فروخت کی لاگت

رواں سال کے لئے فروخت کی لاگت 26,755.88 ملین روپے رہی جو کہ گزشتہ سال اسی عرصہ کے دوران 24,676.10 ملین روپے تھی (8.43% کا اضافہ)۔ زیر نظر سال کی کل پیداواری لاگت 27,730.08 ملین روپے رہی جبکہ گزشتہ سال کے دوران یہ 24,554.46 ملین روپے تھی۔ ایندھن اور بجلی کے اخراجات میں بڑا اضافہ دیکھا گیا جس کی وجہ سے مجموعی لاگت 19,902.81 ملین روپے (2022: 18,301.23 ملین روپے) ہو گئی۔ پراپرٹی، پلانٹ اور آلات کی دوبارہ تشخیص اور یونٹ آف پروڈکشن سے سٹریٹ لائن بیسس تک پلانٹ اور مشینری کیلئے فرسودگی چارجنگ کے طریقہ کار میں تبدیلی کے بعد 1,312.30 ملین روپے کا اضافہ ہوا اس طرح دوران سال فرسودگی 2,177.35 ملین روپے رہی (2022: 865.05 ملین روپے)۔ سال کے لئے فروخت کی لاگت کا فی ٹن تجزیہ مندرجہ ذیل ہے:

- فروخت ہونے والے سیمنٹ میں ایندھن اور بجلی کی لاگت 7,361 روپے فی ٹن رہی جبکہ گزشتہ سال یہ 5,401 روپے فی ٹن تھی۔ ایندھن کی بڑھتی ہوئی لاگت کی بنیادی وجہ عالمی اور مقامی منڈی میں کوئلے کی بڑھتی ہوئی قیمت اور ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی ہے۔ درآمدی کوئلے کی لاگت کے منفی اثرات کو کم کرنے کے لئے کمپنی نے افغان اور کم قیمت مقامی کوئلے کا استعمال شروع کر دیا ہے۔
- بجلی کے ذرائع کے حوالے سے کمپنی نے بڑی حد تک ویسٹ ہیٹ ریکوری اور کوئلے سے چلنے والے پاور پلانٹس پر انحصار کیا ہے اس سے کمپنی کو بجلی کی لاگت میں اضافے کے منفی اثرات کم کرنے میں مدد ملی ہے۔
- رواں سال کے لئے پیکنگ میٹیریل کی لاگت بڑھ کر 782 روپے فی ٹن (2022: 646 روپے فی ٹن) ہو گئی۔ بین الاقوامی منڈی میں کرافٹ پیپر کی قیمتوں کے منفی اثرات کم کرنے کے لئے کمپنی نے اپنی پولی تو پیپر مکس کو بہتر کیا ہے۔

کمپنیز ایکٹ، 2017 کے سیکشن (3)134 کی تعمیل میں کیفیت نامہ

مندرجہ ذیل کیفیت نامہ پائنیر سیمنٹ لمیٹڈ کے بمقام ۱۳۵ فیروز پور روڈ، لاہور میں مورخہ 27 اکتوبر 2023 کو بوقت گیارہ بجے صبح ہونے والے سالانہ اجلاس عام میں منظوری کے لیے پیش کیے جانے والے خصوصی امور سے متعلق تمام اہم حقائق کا احاطہ کرتا ہے:

‎-1 کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۱۳۲(۳) کے تحت کیو آر کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے نوٹیفکیشن نمبر ایس آر او ۳۸۹/۲۰۲۳ مورخہ ۲۱ مارچ ۲۰۲۳ کمپنیوں کو USB/DVD/CD کے بجائے کوئیک ریسپانس (QR) کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو اپنے اراکین تک پہنچانے کی اجازت دی ہے۔ میٹنگ کا نوٹس اراکین کو کمپنیز ایکٹ ۲۰۱۷ کے تقاضوں کے مطابق ان کے رجسٹرڈ پتے پر بھیجا جائے گا جس میں کیو آر کوڈ اور ویب لنک ایڈریس پر مشتمل سالانہ آڈٹ شدہ مالیاتی گوشواروں کو دیکھنے اور ڈاؤن لوڈ کرنے کے لئے رپورٹس اور دستاویزات کے ساتھ کمپنیز ایکٹ ۲۰۱۷ کے تحت منسلک کیا جائے گا۔
ٹیکنالوجی میں پیشرفت کے زیادہ سے زیادہ استعمال کو مدنظر رکھتے ہوئے اور ایس آر او ۳۸۹/۲۰۲۳ مورخہ ۲۱ مارچ ۲۰۲۳ کے مطابق (QR) فعال کوڈ اور ویب لنک کے ذریعے کمپنی کے اراکین کو سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالیاتی بیانات اور اس میں موجود دیگر رپورٹس) کی سرکولیشن کے لئے اراکین کی منظوری طلب کی جاتی ہے۔

‎-2 کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۱۶۶(۳) کے تحت ڈائریکٹرز کے انتخاب کے سلسلے میں بیان

انڈیپنڈنٹ ڈائریکٹرز کا انتخاب ایکٹ کی دفعہ ۱۵۹ کے مطابق ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا اور وہ ایکٹ کی دفعہ ۱۶۶(۲) کے تحت طے شدہ معیار پر پورا اترتے ہوں اور پاکستان انسٹیٹیوٹ آف کارپوریٹ گورنس کے انڈیپنڈنٹ ڈائریکٹرز کے ڈیٹا بینک پر درج ہوں۔ مزید یہ کہ ان کا انتخاب ان کی متعلقہ بنیادی صلاحیتوں، تبدیلی کی صلاحیت، مہارت، علم اور تجربے کی بنیاد پر عمل میں لایا جائے گا۔

کسی بھی ڈائریکٹر کو کمپنی کے شیئر ہولڈر ہونے کے علاوہ مذکورہ بالا معاملات میں براہ راست یا بالواسطہ دلچسپی نہیں ہے اور وہ ڈائریکٹرز کا انتخاب لڑنے کے اہل ہیں۔
موجودہ ڈائریکٹرز اس حد تک دلچسپی رکھتے ہیں کہ وہ کمپنی کے ڈائریکٹرز کے طور پر دوبارہ انتخاب کے اہل ہیں۔

لاہور۔

28 ستمبر 2023

میں/ہم ـــــــــــــــــــ ساکن ـــــــــــــــــــ پائنیر سیمنٹ لمیٹڈ کے ممبر کی حیثیت سے ملکیتی ـــــــــــــــــــ عام شیئرز

بمطابق رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ـــــــــــــــــــ ویڈیو کانفرنس

بمقام ـــــــــــــــــــ کی سہولت لینا چاہتا ہوں/چاہتے ہیں۔

دستخط ممبر ـــــــــــــــــــ

۱۰۔ 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 اسٹاک ایکسچینج کے ریگولیشنز کے مطابق اب فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

۱۱۔ اپنے شیئر ہولڈرز کی سہولت کو مدنظر رکھتے ہوئے کمپنی نے ویڈیو لنک کے ذریعے اجلاس میں شرکت کے خصوصی انتظامات کئے ہیں۔ ویڈیو 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۔

۱۲۔ کمپنیز ایکٹ ۲۰۱۷ کی شق ۲۲۳ کے تحت آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر رکھ دیئے گئے ہیں۔

۱۳۔ کمپنی نے سالانہ رپورٹ کی سی ڈی تمام شیئر ہولڈرز کے پتوں پر ارسال کردی ہے۔ کسی بھی رکن کی درخواست پر اسے طبع شدہ نقل فراہم کردی جائے گی۔

اگر کیٹیگری میں اپنے آپ کو پیش کرنے والے ممبران کی تعداد کیٹیگری میں منتخب ہونے والے ڈائریکٹرز کی تعداد سے زیادہ نہیں ہے تو ایسے ممبران ووٹنگ کے عمل کے بغیر بلامقابلہ منتخب ہو جائیں گے۔

۳۔ کوئی بھی شیئر ہولڈر جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا حقدار ہے وہ اپنی جگہ اجلاس میں شرکت کرنے کیلئے اپنا پراکسی مقرر کرنے کا 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۔

۴۔ ان تمام امور جن کی کمپنیز پوسٹل بیلٹ ریگولیشن ۲۰۱۸ کے مطابق خصوصی درجہ بندی کی گئی ہے کے لئے کمپنیز ایکٹ ۲۰۱۷ میں شامل شرائط و ضوابط کے ساتھ الیکٹرانک ووٹنگ اور پوسٹل بیلٹ کے ذریعے ووٹ دینے کا حق کمپنی کے ممبران کو فراہم کیا جائے گا۔

الیکٹرانک ووٹنگ کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے پاس کمپنی کے ممبر رجسٹر میں موجود موبائل نمبر ز ای میل ایڈریس سے مطابقت رکھنے والی رابطہ کی معلومات دستیاب ہوں جو ۱۹ اکتوبر ۲۰۲۳ کو کاروباری اوقات کار کے اختتام تک کارپ لنک (پرائیویٹ) لمیٹڈ (ای ووٹنگ کی خدمات فراہم کرنے والی کمپنی) کو جمع کروائی گئی ہوں۔

ای ووٹنگ کے ذریعے ووٹ ڈالنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے ذریعے کی جائے گی۔

ممبران ۲۲ اکتوبر ۲۰۲۳ کی صبح ۹ بجے سے ۲۶ اکتوبر شام ۵ بجے تک آن لائن ووٹ ڈال سکیں گے۔ ووٹنگ ۲۶ 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۔

۵۔ اراکین متبادل طور پر پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ اراکین کی سہولت کیلئے بیلٹ پیپر ڈاؤن لوڈ کرنے کے لئے کمپنی کی ویب سائٹ www.pioneercement.com پر دستیاب ہوگا۔

اراکین 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 ۱۳۵ فیروزپور روڈ، لاہور یا ای میل chairman@pioneercement.com پر اجلاس عام سے ایک دن قبل یعنی ۲۶ اکتوبر ۲۰۲۳ کو شام ۵ بجے سے پہلے موصول ہوں۔ اس وقت اور 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۔

۶۔ وہ ممبران جن کے پاس فزیکل شیئرز ہیں، ان سے التماس ہے کہ وہ اپنے ڈاک کے پتوں میں اگر کوئی تبدیلی ہو تو اس سے فوری مطلع کریں۔

۷۔ ممبران سے گزارش ہے کہ اگر انہوں نے اپنے شناختی کارڈ کی نقل / این ٹی این سرٹیفکیٹ کی نقل پہلے فراہم نہیں کی تو فوری طور پر کمپنی کے پاس جمع کرائیں۔

۸۔ 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۔

۹۔ کمپنیز ایکٹ ۲۰۱۷ کی شق ۱۳۴(۱)(ب) 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 مع تمام ضروری معلومات مطلع کردے گی۔

نوٹس :

ا۔ کمپنی حصص کی منتقلی کی کتابیں 20 اکتوبر 2023ء تا 27 اکتوبر 2023ء (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام میں شرکت کرنے کے استحقاق کا تعین کرنے کے لیے بند رہیں گی۔ 19 اکتوبر 2023 کے دفتری اوقات کے خاتمہ تک کمپنی کے شیئرز رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن لاہور کو منتقلی کے لیے موصول ہونے والے شیئر ٹرانسفر کو سالانہ اجلاس میں شرکت کیلئے بروقت تصور کیا جائے گا۔

ڈائریکٹرز کا انتخاب

۲۔ کوئی بھی ممبر جو ڈائریکٹرز کے انتخاب میں حصہ لینا چاہتا ہے چاہے وہ ریٹائرڈ ہونے والا ڈائریکٹر ہو وہ پائنیر سیمنٹ لمیٹڈ کے رجسٹرڈ آفس واقع ۱۳۵ فیروز پور روڈ لاہور میں اجلاس عام کی تاریخ سے ۱۴ دن پہلے رجوع کرے گا اور کمپنیز ایکٹ ۲۰۱۷ کی دفعات کے مطابق بطور ڈائریکٹر انتخاب کے لئے اپنے آپ کو پیش کرنے کے ارادے کا نوٹس اور مندرجہ ذیل دستاویزات اور معلومات فراہم کرے گا۔

اے۔ فولیو نمبر یا سی ڈی سی اکاؤنٹ نمبر

بی۔ کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۱۶۷ کے تحت فارم ۲۸ پر ڈائریکٹر کے طور پر کام کرنے کی رضامندی

سی۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن ایس آر او ۱۱۹۶(I) مورخہ ۳ اکتوبر ۲۰۱۹ کے مطابق مطلوب معلومات بشمول تفصیلی پروفائل اور آفس ایڈریس۔

ڈی۔ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اور این ٹی این سٹیفکیٹ کی تصدیق شدہ کاپی۔

ای۔ نان جوڈیشل سٹیمپ پیپر پر انڈیپنڈنٹ ڈائریکٹر کے لئے کوڈ آف کارپوریٹ گورننس کے تحت اعلامیہ کہ وہ کمپنیز ایکٹ کی دفعہ ۱۶۶ کے تحت طے شدہ انڈیپنڈنس کے معیار کو پورا کرتا ہے۔

الف۔ امیدواروں سے درخواست کی جاتی ہے کہ وہ کمپنیز ایکٹ ۲۰۱۷ اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ اور دیگر قابل اطلاق قوانین اور ضوابط میں بیان کردہ ڈائریکٹرز کے انتخاب سے متعلق دفعات اور ضوابط کو پڑھیں اور ان کی من وعن تعمیل کو یقینی بنائیں۔

جی۔ اعلانیہ تصدیق کرے کہ

i وہ متعلقہ قابل اطلاق قوانین، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوی ایشن، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ اور پاکستان سٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت فرائض اور اختیارات سے واقف ہے۔

ii وہ بیک وقت سات (۷) سے زیادہ لسٹڈ کمپنیز میں بطور ڈائریکٹر خدمات انجام نہیں دے رہا ہے جس میں متبادل ڈائریکٹر بھی شامل ہے۔

iii وہ کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۱۵۳ اور کسی دوسرے قابل اطلاق قوانین اور ضوابط کے تحت لسٹڈ کمپنی کا ڈائریکٹر بننے کیلئے نااہل نہیں ہے۔

ایچ۔ الیکشن لڑنے کا خواہشمند ممبر کسی ایک کیٹگری کا انتخاب کرسکتا ہے جس میں وہ ڈائریکٹر کے انتخاب کا الیکشن لڑنا چاہتا ہے۔ کمپنی ڈائریکٹرز کے انتخاب کے مقاصد کے تحت نشستوں کی مخصوص تعداد کے لئے مندرجہ ذیل تین (۳) کیٹگریز میں ووٹنگ کا انعقاد الگ سے ہوگا۔

سیریل نمبر	کیٹگری	نشستوں کی تعداد
۱	فی میل ڈائریکٹر	۱ نشست
۲	انڈیپنڈنٹ ڈائریکٹرز	۲ نشستیں
۳	دیگر ڈائریکٹرز	۴ نشستیں

ممبرز اپنی صوابدید کے مطابق مندرجہ بالا کیٹگریز میں سے اپنی رضامندی والے کسی بھی ایک امیدوار کو ووٹ دے سکتا ہے۔ تاہم یہ واضح رہے کہ کیٹگری کے لئے ہر رکن کے لئے دستیاب ووٹوں کی تقسیم کیٹگری کے تحت ڈائریکٹرز کی نشستوں کی تعداد کے تناسب سے ہوگی جو درج ذیل ہیں۔

سیریل نمبر	کیٹگری	نشستوں کی تعداد	ووٹ
۱	فی میل ڈائریکٹر	۱ نشست	۱/۷
۲	انڈیپنڈنٹ ڈائریکٹرز	۲ نشستیں	۲/۷
۳	دیگر ڈائریکٹرز	۴ نشستیں	۴/۷

سالانہ اجلاس عام کی اطلاع

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ پائنیر سیمنٹ لمیٹڈ کے ممبران کا سینتیسواں سالانہ اجلاس عام بروز جمعہ مورخہ 27 اکتوبر 2023 صبح گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام ICMAP بلڈنگ ۳۲، فیروز پور روڈ لاہور میں منعقد ہوگا:

عمومی کارروائی:

1 - سالانہ اجلاس عام منعقدہ 27 اکتوبر 2022 کی کارروائی کی توثیق۔

2 - 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پر آڈیٹران اور ڈائریکٹرز کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔

3 - آئندہ سال کے لیے کمپنی کے آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز پر سبکدوش ہونے والے M/s. KPMG, Taseer Hadi & Co., چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے

4- کمپنیز ایکٹ، 2017 کی شق ۱۵۹ میں فراہم کردہ طریق کار کے تحت ڈائریکٹرز کا انتخاب کرنا۔

بورڈ آف ڈائریکٹرز نے بذریعہ انتخاب چنے جانے والے ڈائریکٹرز کی تعداد سات مقرر کی ہے۔ منتخب ڈائریکٹرز کی تین سالہ مدت کا آغاز انتخاب کی تاریخ سے ہوگا۔

ریٹائر ہونے والے ڈائریکٹران کے نام یہ ہیں:

جناب علی خان، محترمہ عالیہ خان، جناب شفیع الدین غنی خان، جناب محمد آفتاب عالم، مرزا علی حسن عسکری، جناب جمال نسیم اور جناب دور یپ اے کیسٹ۔

خصوصی کارروائی:

5- کمپنیز ایکٹ، 2017 کی دفعہ 223(6) بحوالہ ایس آر او 389(1)/2023 مورخہ 21 مارچ 2023 کے مطابق QR کوڈ اور ویب لنک کے ذریعے کمپنی کے اراکین کو سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ) کی سرکولیشن کی منظوری دینا۔ یس پی

قرار پایا کہ پائنیر سیمنٹ لمیٹڈ کو یہ اختیار دیا جاتا ہے کہ وہ اپنی سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ) کمپنی کے اراکین کو ایس آر او 389(1)/2023 کے مطابق QR کوڈ اور ویب لنک کے ذریعے ارسال کر سکے اور سالانہ رپورٹ بذریعہ سی ڈی یا یو ایس بی بھیجنے کی روایت کو ختم کیا جا سکے۔

مزید قرار پایا کہ چیف فنانشل آفیسر یا کمپنی سیکرٹری کو یہ اختیار دیا جاتا ہے کہ وہ تمام ضروری کاروائیاں اور امور سر انجام دے جو کہ اس قرارداد کے موثر ہونے کیلئے ضروری ہیں

6- صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

حسب الحکم بورڈ

طلحہ سیف

کمپنی سیکرٹری

لاہور۔

28 ستمبر، 2023

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