

# **Annual Report 2019**

**DANDOT CEMENT COMPANY LIMITED**

# Contents

Company Information	2
Notice of Annual General Meeting	3
Vision & Mission	4
Chairman's Review	5
CEO's Message	6
Directors' Report to the Shareholders	7
Pattern of Shareholding	11
Statement of Compliance with the listed Companies (Code of Corporate Governance) Regulations, 2017	13
Independent Auditor's Review Report on Statement of Compliance with the listed Companies (Code of Corporate Governance) Regulations, 2017	15
Independent Auditor's Report	16
Financial Statements	20
Summary of Last Ten Years' Financial Results	60
Directors' Report to the Shareholders (Urdu)	65
Notice of Annual General Meeting (Urdu)	67
Jama Punji	68
Form of Proxy	

## Company Information

### Board of Directors (BOD)

Taha Muhammad Naseem  
Muhammad Farooq Naseem  
Mrs. Roohi Farooq Naseem  
Zaka Muhammad Naseem  
Hamid Mahmood  
Murtaza Yousaf Mandviwala  
Shafqaat Ahmed

Chief Executive  
Chairman of BOD

### Audit Committee

Shafqaat Ahmed  
Muhammad Farooq Naseem  
Hamid Mahmood

Member / Chairman / Secretary  
Member  
Member

### Human Resources & Remuneration Committee

Murtaza Yousaf Mandviwala  
Muhammad Farooq Naseem  
Taha Muhammad Naseem

Member / Chairman  
Member  
Member

### Chief Financial Officer

Muhammad Kamran

### Statutory Auditors

Amin, Mudassar & Co.  
Chartered Accountants, Lahore.

### Internal Auditors

Parker Randall - A.J.S.  
Chartered Accountants, Faisalabad.

### Company Secretary

Muhammad Kamran

### Legal Advisor

International Legal Services

### Bankers

The Bank of Punjab  
United Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
Bank Alfalah Limited  
BankIslami Pakistan Limited (Formerly KASB Bank Limited)  
Bank Al-Habib Limited  
Askari Bank Limited

### Registered Office

5-Zafar Ali Road, Gulberg V, Lahore.  
Telephone: +92-42-3578614-16

### Postal Address

43-A/S Zafar Ali Road, Gulberg V, Lahore.

### Factory

Dandot R.S., Distt. Jhelum.  
Telephone: +92-544-211371, Fax: +92-544-211490

### Share Registrar

Corplink (Pvt.) Limited.  
Wings Arcade 1-K-Commercial, Model Town, Lahore.  
Telephone: +92-42-35839182, Fax: +92-42-35869037

### Website

[www.dandotcement.com](http://www.dandotcement.com)

# Notice of Annual General Meeting

NOTICE is hereby given that 39<sup>th</sup> Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2019 will be held on Wednesday, November 27, 2019 at 43-A/S Zafar Ali Road, Gulberg V, Lahore at 11:30 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on November 27, 2018.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2019 together with Auditors' and Directors' Reports thereon.
3. To appoint Auditors and to fix their remuneration. The present Auditors, M/s. Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business as may be placed before the meeting with the permission of the Chairman.

(By Order of the Board)



(MUHAMMAD KAMRAN)  
COMPANY SECRETARY

LAHORE:  
November 05, 2019

## NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from November 20, 2019 to November 27, 2019 (both days inclusive) for determining entitlement to attend the Annual General Meeting.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office situated at 5-A Zafar Ali Road, Gulberg V Lahore, of the Company not later than 48 hours before the time of the holding of the Meeting.
3. The shareholders through CDC are requested to bring Original Computerized National Identity Card (CNIC) passport for the purpose of identification to attend the meeting.
4. In case of corporate entity, the Board's resolution or power of attorney with specimen signature of the nominee shall produce at the time of meeting.
5. Shareholders having physical share certificates are requested to immediately notify the change in address, if any to the share registrar of the Company M/s Corplink (Pvt) Limited, Wings Arcade 1-K Commercial Model Town Lahore.
6. Consent for Video Conference facility.

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

To avail this facility, please provide following information and submit to registered office of the Company. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

I/We,-----of -----being a member of the DANDOT CEMENT COMPANY LIMITED, being holder of Ordinary Shares as per register Folio No.-----hereby option for video conference facility at-----

Signature of Member

## Vision

Strives to continue its path of market growth, consolidation and improvement, spanning the areas upto Abroad. Our vision is to establish a strong market presence, focused on customer brand loyalty and satisfaction, on long-term basis.

Envisions to maintain consistent quality, keep abreast with technology as well as up-date our dynamic managerial and human resource capabilities in a competitive business environment, and to accomplish further improvement in its market share in an aggressive growth scenario.

## Mission

Mission is to perform to the highest levels of professional excellence within the industry and the national economy, while catering to the needs of our ever dedicated workforce, ensuring reasonable return to the stakeholders while delivering our product to the end consumer at competitive prices to accelerate the sustained development of Pakistan.

# Chairman's Review Report

Dear Shareholders,

It gives me immense pleasure to present my first report to you the shareholders of Dandot Cement Company Limited as its Chairman. It is a matter of great honour for me to hold this position of responsibility. I hope and pray to Allah SWT to fulfill to these obligations to the best of my abilities and intent.

This report is submitted in terms of Section 192(4) of the Companies Act, 2017 on overall performance and effectiveness of the Board in achieving the objectives, goals and mission of your Company. Following are the material details;

Prior to May 2019, the previous Board exercised their powers and duties as per Companies Act, 2017 and the Listed Companies Code (Code of Corporate Governance) regulations, 2017 contained in the Rule Book of the Pakistan Stock Exchange (Rule Book), where the company is listed.

A new Board of the Company has been inducted and appointed on May 2019 as a result of a buy-out and transfer of shares to Calicom Industries (Pvt.) Limited. The new Board has adequate representation of non-executive and independent directors with relevant skills, experience and knowledge to conduct the respective committees and manage affairs of the Company.

Meeting of the Board and its committees have been held as per the requisite quorum. Agenda & notices have been circulated in advance, minutes appropriately recorded & maintained, decisions communicated and their execution monitored in compliance, thereafter.

The Directors of the Board are fully aware of their duties under the Companies Act 2017. Further, they are provided with orientation courses to enable them in performing their duties effectively and diligently. This shall be pursued on a continuing basis.

In the best interest of the shareholders, the Board has a long-term view of the Company. Its key function is on strategy and legal compliance. Currently the strategic focus is on Re-organization, BMR (Balancing Modernization and Replacement) project and financial revival of the Company. The new Board has been playing an active role in formulating these plans and has effectively communicated them to the executive management for implementation.

In this period, in order to carry out the above tasks, the Board has met frequently and regularly and has monitored management's performance. It has utilized services of internal auditors, external auditors and other independent consultants for assistance from time to time.

The Board believes in transparency, professionalism and legal compliance. It has set the tone to this effect and shall implement & strengthen relevant internal controls and systems to ensure ethical and professional conduct of the Company at all levels.

In the end, I would like to thank the services of the outgoing Board members. I would also like to assure the shareholders that the reform and reorganization agenda of your Company required to become an enterprise of true value in future years shall be pursued persistently and untiringly.

On behalf of your Board members, I would to thank all of you for your confidence, trust and hope in our promising future, Insha-Allah.



**MUHAMMAD FAROOQ NASEEM**  
Chairman  
Lahore: November 05, 2019

## CEO's Message

Asalam Alaikum Shareholders,

I am pleased to share with you my thoughts about Dandot Cement Company Limited (DCCL) some key moments of the past year and my vision for your company for the future. The year 2019 has presented several difficult challenges for businesses in Pakistan in general and the cement industry in particular. As you know, besides the macro factors, there was a major change in DCCL this year, a new Board and management has taken over in May 2019.

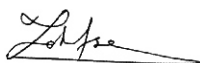
As corporate entity, your company has been facing several challenges for last many years. The accumulated financial losses of last many years have fundamentally stemmed from the fact that plant is old, inefficient on energy consumption and environmental compliance. This requires a comprehensive replacement and modernization of some of the major process sections. The new management has entered this venture with a view of carry out these changes to make the company viable and profitable.

The financial year 2019 continued to be difficult for DCCL. The operating margins were thinly squeezed, resulting in an operating loss of Rs. 411 million. The utility prices rose steeply, especially when the PM relief was removed, and further devaluation of the Rupee against the US dollar caused coal prices to increase. Due to plant's out dated technology, high energy consumption was by far the biggest contributing factor to the operating losses.

The cement industry got severely affected by shift of government spending and its lack of on large scale infrastructure projects. While the South zone still enjoyed the luxury of being able to export, the North zone struggled to maintain a steady price and also consistent dispatches. As the country faces current account deficit at an all-time high and the circular debt is un-resolved, the country's economic managers have adopted a fiscal tightening policy.

The focus of the new management is to realize the potential of your company and translate it into real market and brand value. Over the years, the Cement industry of Pakistan has been highly successful in creating solid businesses and have extracted unprecedented value due to the plethora of infrastructure development in the country.

We have taken a long-term view on your company and aim to reach our goals, which are to make your company a profitable business enterprise based on ethics, perseverance, and the pursuit of excellence. As we embark on this journey, we thank you for your support in the past and are excited to be with you for the future.



**TAHA MUHAMMAD NASEEM**

Chief Executive Officer

Lahore: November 05, 2019

# Directors' Report to the Shareholders

The Board of Directors presents the 39<sup>th</sup> annual report along with the audited financial statements of the company for the year ended June 30, 2019.

## Principal Activity and Operational Performance

Dandot Cement Company Limited (the Company) is a Public Listed Company. The principal activity of the Company is production and sale of cement. The operational performance of the company for the year under review as compared with preceding year is as follows:

		2019	2018 Re-stated
Clinker production	M. Ton	187,369	210,579
Capacity utilization	%age	39	44
Cement production	M. Ton	200,928	219,017
Capacity utilization	%age	40	43
Sales	M. Ton	205,184	216,245

The comparative financial results of the company are summarized as below: (Rs. in `000`)

Gross sales	2,231,887	1,908,323
Net sales	1,593,517	1,306,529
Gross loss	(343,681)	(449,031)
Operating loss	(411,284)	(514,262)
Net profit/(loss)	624,545	(717,909)
Profit/(loss) per share (Rs.)	6.59	(7.57)

During the year under review, cement production & related sales volume decreased. The shortfall is mainly due to extra ordinary interruptions in the production process hampering constant outflow of the product. The disruption in production was attributable to outdated equipment not performing at their desired ratings and causing unplanned shutdowns. Moreover, consistent interruptions was due to voltage fluctuations from the utility company (WAPDA). Irregularities in voltage supply caused damage to the plant equipment, resulting in tremors and sudden stoppages of the plant. The company has also emissions which are non-compliant to the Pakistani emissions standards and thus to minimize the pollutions and damage from the emissions the plant cannot operate on an optimum level. A Balancing, Modernization, and Replacement (BMR) has to be done in order to rectify this issue.

The company sustained gross and operating loss is due to low retention of sale per bag with high input costs such as electricity and coal. The increase in electricity tariff by NEPRA combined with hike in coal prices and further Rupee devaluation against the US dollar has increased the operating loss greatly. Hence, dividend has not been recommended by the board of directors for the current year.

## Future Prospects

### Industry:

The current economic scenario of Pakistan has had a major impact on the cement industry. There has been a slowdown in construction activity due to reduction in government funded projects, and a sense of uncertainty of economic conditions has impacted domestic consumer development. The increase in capacities, especially in the North region has further put pressure on the industry in the past year. A shrinking demand coupled with a sudden increase in output has led to several price fluctuations and squeezing of margins.

In the short term, the supply glut trend seems to stay, however, in the long term the industry has a positive outlook. Pakistan is an emerging market with several infrastructure projects on the horizon (Dams, affordable housing schemes). Hence the long-term sentiment on the Cement industry is optimistic.

## Principal Risks and Uncertainties

- Increasing supply with stagnant demand
- Further devaluation of Pak Rupee against the dollar
- High finance cost
- Significant cut in government spending on infrastructure projects



## Company

Energy efficiency, labour efficiency & productivity and right financial modeling and smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, creditors, employees and shareholders.

## Company's Plan

In May 2019 your company successfully concluded its share transfer transaction with Calicom Industries (Pvt.) Limited and a new board of directors were appointed. The new management would like to address all critical issues head-on and tackle them permanently to lay a solid foundation for future of this Company. There are two most critical issues; one is the non-compliance of the current plant to the environmental standards and the other is the in-efficiencies in energy consumption. The resolution of these factors requires a comprehensive Balancing, Modernization and Replacement (BMR) project.

Amid a turbulent market and pessimistic short-term economic conditions, this is a good opportunity to go through this BMR project, thereby correct our gaps to make the company competitive in all respects. Your company is finalizing the BMR project design and details and will proceed towards securing funding for this imminent project.

## Auditors' Observations

The new management of the company, within such short period of time after acquisition, has injected significant funds, restructured liabilities of ex-management and financial institutions and has made public announcement of its intention for Balancing, Modernization and Replacement (BMR) of its plant. On the basis of efforts of the new management in right direction, the company is fully confident that the company will continue its operations as a going concern. Workers' compensation benefits in excess of statutory/legal requirement will be subject to recognition after final determination and verification by the Competent Authority. Letter for the balance confirmation has already been circulated to Economic Affairs Division (EAD) and no reply has been received. However, as mentioned in auditors' report, the balance has already been confirmed by external auditors' through alternative audit procedures. Furthermore, since 2014, the company is also regularly complying the order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP) related to past and current dues of provident fund trust.

## Adequacy of Internal Control

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

## Compliance with Code of Corporate Governance

The management is fully aware of the compliance with Code of Corporate Governance and steps have been taken for its effective implementation since its inception.

Statements as required by the Code of Corporate Governance are given below:

The financial statements prepared by the management present fairly the company's state of affairs, the results of its operations, cash flows and changes in equity.

Proper books of account have been maintained.

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

International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements.

The board of directors outsourced the internal audit department to Parker Randall AJS Chartered Accountants who are suitably qualified & experienced for this purpose and are conversant with the policies and procedures of the company.

There are no doubts about the Company's ability to continue as a going concern.

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the company for the year ended June 30, 2019.

Key operating and financial data of last 10 years in annexed.

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in notes to the annexed financial statements.

The Company maintained a provident fund scheme for its eligible employees. The estimated value of investment and assets of provident fund are referred in note 48.

## Composition of Board of Directors

The total number of directors are seven including a female director. At present the Board has following composition:

Executive Director	1
Non-Executive Directors	4
Independent Directors	2

## Directors' Remuneration

The new Board of Directors has not yet finalized remuneration policy of the directors.

## Meetings of the Board of Directors (BOD)

During the year ending June 30, 2019, following is the detail of meetings of the BOD:

New BOD ( From May 09, 2019)		Previous BOD (Before May 09, 2019)	
Taha Muhammad Naseem (CEO)	2	Muhammad Asif Khan (CEO)	5
Muhammad Farooq Naseem	2	Muhammad Amjad Aziz	5
Mrs. Roohi Farooq Naseem	1	Muhammad Imran Iqbal	5
Zaka Muhammad Naseem	2	Shahid Ali Sheikh	5
Hamid Mehmood	2	Gul Hussain	-
Shafqaat Ahmed	1	Syed Ansar Raza Shah	5
Murtaza Yousaf Mandviwala	1	Imran Bashir	5

### Note:

The directors who could not attend the meetings were duly granted leave of absence from the board in accordance with the law.

## Audit Committee

The Board of Directors has constituted an Audit Committee in compliance with the Code of Corporate Governance with the following members:

New Committee ( From May 09, 2019)		Previous Committee (Before May 09, 2019)	
Shafqaat Ahmed (Chairman)	3	Imran Bashir (Chairman)	4
Muhammad Farooq Naseem	2	Shahid Ali Sheikh	4
Hamid Mehmood	2	Gul Hussain	-

### Note:

The members of committee who could not attend the meetings were duly granted leave of absence in accordance with the law.

## Human Resource & Remuneration Committee

The Board, in compliance with the new Code of Corporate Governance has formed Human Resource Committee comprising of the following members:

New Committee ( From May 09, 2019)		Previous Committee (Before May 09, 2019)	
Murtaza Yousaf Mandviwala (Chairman)	1	Gul Hussain (Chairman)	-
Muhammad Farooq Naseem	1	Muhammad Asif Khan	4
Taha Muhammad Naseem	1	Syed Ansar Raza Shah	4

**Note:**

The members of committee who could not attend the meetings were duly granted leave of absence in accordance with the law.

**Trading in Company's Shares**

During the year, each of the new director has acquired 500 qualification shares of the company. Whereas, no trading in the shares of the company was carried out by CFO/Company Secretary and his spouse and minor children.

**Subsequent Events**

All subsequent events have been properly disclosed in the relevant notes to the audited financial statements of the company.

**Change in Nature of Business**

No change has been occurred during the financial year concerning the nature of the business of the Company.

**Environmental and Social Responsibility**

Your company being a responsible corporate citizen always tries its level best to protect and create a healthier environment for not only its own employees but also for our surrounding communities. Currently, the plant cannot be operated on desired environmental standards so the company is working for a BMR. Further, your company being a responsible corporate citizen is always conscious to discharge its obligations towards its valued human resources.

**Pattern of Shareholding**

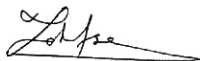
The pattern of shareholding and additional information required in this regard is enclosed.

**External Auditors**

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2019-20. The Audit Committee has recommended their re-appointment.

**Acknowledgement**

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the current year.



**TAHA MUHAMMAD NASEEM**  
Chief Executive  
Lahore: November 05, 2019



**MUHAMMAD FAROOQ NASEEM**  
Director

## Pattern of Shareholding

As at June 30, 2019

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
193	1	100	4,930
193	101	500	70,832
84	501	1,000	74,556
135	1,001	5,000	359,683
33	5,001	10,000	234,485
12	10,001	15,000	147,247
6	15,001	20,000	108,834
2	20,001	25,000	46,745
1	25,001	30,000	30,000
1	45,001	50,000	47,500
1	60,001	65,000	64,500
2	70,001	75,000	142,293
1	90,001	95,000	92,500
2	95,001	100,000	195,212
1	125,001	130,000	129,588
2	180,001	185,000	365,965
1	195,001	200,000	200,000
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	365,001	370,000	366,377
1	380,001	385,000	381,024
2	495,001	500,000	1,000,000
1	505,001	510,000	507,500
1	520,001	525,000	523,500
1	770,001	775,000	774,160
1	1,250,001	1,255,000	1,253,500
1	1,540,001	1,545,000	1,543,839
1	2,430,001	2,435,000	2,433,750
1	2,705,001	2,710,000	2,705,506
1	2,765,001	2,770,000	2,767,499
1	3,245,001	3,250,000	3,250,000
1	3,495,001	3,500,000	3,495,737
1	3,765,001	3,770,000	3,766,552
1	11,410,001	11,415,000	11,413,500
1	55,895,001	55,900,000	55,899,425
<b>689</b>			<b>94,839,980</b>

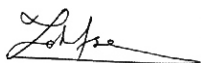
2.3 Categories Of Shareholders	Shares held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	3,500	0.0037%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	55,899,425	58.9408%
2.3.3 NIT and ICP	1,100	0.0012%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	12,187,860	12.8510%
2.3.5 Insurance Companies	182,625	0.1926%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Share holders holding 10% or more	67,312,925	70.9753%
2.3.8 General Public		
a. Local	18,882,586	19.9099%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	5,208,628	5.4920%
2- Foreign Companies	328,031	0.3459%
3- Others	2,146,225	2.2630%

## Catagories of Shareholding required under Code of Coprorate Governance (CCG) As on June 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	Calicom Industries (Private) Limited (CDC)	55,899,425	58.9408
<b>Mutual Funds (Name Wise Detail)</b>			
		-	0.0000
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	Hamid Mahmood (CDC)	500	0.0005
2	Mrs. Roohi Farooq Naseem (CDC)	500	0.0005
3	Muhammad Farooq Naseem (CDC)	500	0.0005
4	Zaka Muhammad Naseem (CDC)	500	0.0005
5	Shafqaat Ahmed (CDC)	500	0.0005
6	Taha Muhammad Naseem (CDC)	500	0.0005
7	Murtaza Yousuf Mandviwala (CDC)	500	0.0005
<b>Executives:</b>			
		-	0.0000
<b>Public Sector Companies &amp; Corporations:</b>			
		-	0.0000
<b>Banks, Development Finance Institutions, Non Banking Finance</b>			
		12,370,485	13.0435
<b>Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>			
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	Calicom Industries (Private) Limited (CDC)	55,899,425	58.9408
2	Bank Islami Pakistan Limited (CDC)	11,413,500	12.0345

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

S. No.	NAME	SALE	PURCHASE
1	Hamid Mahmood (CDC)		500
2	Mrs. Roohi Farooq Naseem (CDC)		500
3	Muhammad Farooq Naseem (CDC)		500
4	Zaka Muhammad Naseem (CDC)		500
5	Shafqaat Ahmed (CDC)		500
6	Taha Muhammad Naseem (CDC)		500
7	Murtaza Yousuf Mandviwala (CDC)		500



**TAHA MUHAMMAD NASEEM**  
Chief Executive  
Lahore: November 05, 2019

## Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017

The company has complied with the requirements of the Code of Corporate Governance (CCG) in the following manner:-

1- The total number of directors are 7 (seven) as per following:

- Male                 6
- Female             1

2- The composition of board is as follows:

<b>Category</b>	<b>Names</b>
- Executive Director	Taha Muhammad Naseem (CEO)
- Non-Executive Director	Muhammad Farooq Naseem (Chairman) Mrs. Roohi Farooq Naseem (Female Director) Zaka Muhammad Naseem Hamid Mehmood
- Independent Director	Shafqaat Ahmed Murtaza Yousaf Mandviwala

The independent directors meet the criteria of independence under clause 6(3) of CCG.

- 3- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4- The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9- The Board has arranged Directors' Training Program for Mr. Taha Muhammad Naseem (CEO) and Mr. Shafqaat Ahmed. However, remaining directors will complete the Directors' Training within the prescribed time period.
- 10- The board has approved appointment of CFO / Company Secretary and outsourced the internal audit in lieu of requirement of Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

- 11- CFO and CEO duly endorsed the financial statements before approval of the board.
- 12- The board has formed committees comprising of members given below:
- a) Audit Committee is as follows:
- i. Shafqaat Ahmed (Chairman)
  - ii. Muhammad Farooq Naseem
  - iii. Hamid Mehmood
- b) HR and Remuneration Committee is as follows:
- i. Murtaza Yousaf Mandviwala (Chairman)
  - ii. Muhammad Farooq Naseem
  - iii. Taha Muhammad Naseem
- 13- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14- The meetings of the audit committee and HR and Remuneration Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG.
- 15- The board of directors has outsourced the internal audit department to Parker Randall A.J.S. Chartered Accountants who are considered suitably qualified and experienced for this purpose and are conversant with the policies and procedures of the company.
- 16- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18- We confirm that all other requirements of the Regulations have been complied with.



**MUHAMMAD FAROOQ NASEEM**

Chairman

Lahore: November 05, 2019

# Independent Auditor's Review Report

To the members of Dandot Cement Company Limited

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

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

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

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

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

The offices of the Chief Financial Officer and the Company Secretary are operated by the same person which is non-compliance of the requirements of the Regulations and it has not been stated in Statement of Compliance.

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

Amin Mudassar & Co.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Muhammad Amin  
Lahore: November 05, 2019



# Independent Auditor's Report

## To the members of Dandot Cement Company Limited Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the annexed financial statements of **Dandot Cement Company Limited**, which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, 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, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, statement of profit or loss, 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 June 30, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Qualified Opinion

- a) As described in note 1.2 to the financial statements, the financial statements have been prepared on going concern basis. The company sustained gross loss and operating loss amounting Rs. 343.68 million and Rs. 411.28 million respectively during the year ended June 30, 2019 and as of that date its accumulated loss was Rs. 4,587.51 million due to which total equity stood at negative balance of Rs. 1,107.09 million without considering the effect of long term loan from holding company amounting Rs.1,773.44 million classified in equity. As of June 30, 2019, the company's current liabilities exceeded its current assets by Rs. 708.74 million. Further, if balances referred in para (b) have not been written back, the company's current liabilities would exceed its current assets by Rs. 1,072.46 million. The company has been facing financial crunch, resulting in overdue of some obligations. Though the management of the company is planning to overcome the current situation, however, equivocal disclosures of these matters has been made in these financial statements. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.
- b) As explained in note no. 4 to the financial statements, on the basis of legal opinion, the company has written back outstanding liability in respect of Past Dues Payable, Payable against Gratuity and Interest on Workers' Profit Participation Fund Payable retrospectively aggregating Rs. 317.12 million and has not accounted for related expense and liability for the year amounting Rs.46.60 million. However, basis of balances written back and non-provisioning of benefits remained unsubstantiated in the absence of any agreement(s) or related approval(s). Had the company accounted for and not reversed the outstanding liability related to prior years, profit for the year would have been lower by Rs.29.59 million, and other comprehensive loss, current liabilities and accumulated loss as at June 30, 2019 would have been higher by Rs.17.01 million, Rs.363.73 million and Rs.363.73 million respectively.

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

We draw attention to note 11.1 and note 18.2 to the financial statements respectively which describes overdue liability in respect of loan from Economic Affairs Division (EAD) and accrued interest thereon amounting Rs.35.23 million and Rs.57.40 million respectively. We have not received reply of direct balance confirmation circulated in respect of these balances, however, carrying amount of aforesaid balances has been confirmed through alternative procedures.

Further, we draw attention to note 48 to the financial statements which describes that the company did not pay dues of provident fund in past within stipulated time in compliance with the requirements of the Companies Ordinance, 1984 (repealed).

Our opinion is not modified in respect of these matters.

### Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	<p><b>Recognition of Revenue</b></p> <p><i>(Refer to note 2.5.1 and 3.18 to the financial statements)</i></p> <p>The company is engaged in the production and sale of cement.</p> <p>The Company recognized revenue from the sale of cement amounting Rs. 1,593.52 million for the year ended 30 June 2019.</p> <p>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 could be subject to misstatement to meet expectations or targets and that during the year IFRS 15 "Revenue from contracts with customers" became applicable to the Company which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when the control is transferred to the purchaser.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</p> <p>Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery orders and other relevant underlying documents;</p> <p>Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; and</p> <p>Assessing the impact of IFRS 15 "Revenue from Contracts with customers" on the Company in respect of revenue recognition.</p>
(ii)	<p><b>Long term loan from banking companies</b></p> <p><i>(Refer to note 8.5 to the financial statements)</i></p> <p>During the year, the company took over loan of ex-associate and ex-associated company amounting Rs.408.13 million and Rs.999.63 million respectively. The aforesaid associates took over creditors of equivalent amount of Rs.1,407.76 million.</p> <p>Due to the significance of the balances involved, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the transaction by analyzing the substance of the transaction and critically evaluating the agreed terms as per the agreements;</p> <p>Seeking legal opinion</p> <p>Circulating third party confirmations</p> <p>Reviewing minutes of Board of Directors' meetings</p>

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

Management is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

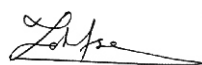
The engagement partner on the audit resulting in this independent auditor's report is Muhammad Amin.

Amin Mudassar & Co.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Muhammad Amin  
Lahore: November 05, 2019

## Statement of Financial Position

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized share capital 100,000,000 (2018: 100,000,000) ordinary shares of Rs.10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up share capital	5	948,399,800	948,399,800	948,399,800
Share premium reserve	5.1	31,800,740	31,800,740	31,800,740
Accumulated loss		(4,587,511,104)	(5,291,926,899)	(4,637,548,403)
Revaluation surplus on property, plant and equipment	6	<u>2,500,224,322</u>	<u>2,585,160,601</u>	<u>1,782,380,292</u>
		(1,107,086,242)	(1,726,565,758)	(1,874,967,571)
Long term loan from holding company	7	<u>1,773,441,126</u>	-	-
		<u>666,354,884</u>	(1,726,565,758)	(1,874,967,571)
<b>NON CURRENT LIABILITIES</b>				
Long term financing from banking companies	8	1,892,941,955	1,104,854,442	1,101,881,000
Long term financing from related parties	9	203,459,588	-	-
Payable to Provident fund trust	10	-	1,751,530	7,751,530
Other loans and liabilities	11	-	-	-
Deferred liabilities	12	918,820,123	953,512,405	750,383,613
Long term advances and deposits	13	<u>3,563,334</u>	<u>1,788,334</u>	<u>1,882,313</u>
		<u>3,018,785,000</u>	2,061,906,711	1,861,898,456
<b>CURRENT LIABILITIES</b>				
Trade and other payables	14	905,966,038	2,143,844,348	1,797,765,325
Deposits, accrued liabilities and advances	15	191,755,365	265,854,215	522,174,287
Unclaimed dividend		1,081,940	1,081,940	1,081,940
Payable to provident fund	16	93,785,100	91,079,071	82,292,222
Payable against gratuity	17	-	4,643,494	5,960,256
Mark up accrued	18	206,250,692	601,330,490	575,289,168
Loan from banking companies	19	-	290,000,000	290,000,000
Loans from ex-related parties	20	-	114,846,081	100,386,081
Loans and advances - others	21	-	1,315,411,045	1,037,523,247
Current portion of non current liabilities	22	185,292,637	92,580,559	75,590,946
Provision for taxation	23	-	-	-
		<u>1,584,131,772</u>	4,920,671,243	4,488,063,472
<b>CONTINGENCIES AND COMMITMENTS</b>				
	24	-	-	-
		<u>5,269,271,656</u>	5,256,012,196	4,474,994,357

The annexed notes from 1 to 54 form an integral part of these financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer

## As at June 30, 2019

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Operating fixed assets	25	4,383,558,222	4,479,852,858	3,446,070,235
Capital work in progress - civil works	25.7	-	-	2,741,999
<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>	26	<b>10,320,545</b>	<b>10,286,715</b>	<b>10,666,715</b>
		<b>4,393,878,767</b>	<b>4,490,139,573</b>	<b>3,459,478,949</b>
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools	27	286,622,020	199,170,624	200,804,243
Stock in trade	28	220,018,479	214,407,859	162,404,493
Trade debts	29	105,295,812	144,323,234	167,546,402
Loans and advances	30	32,677,676	34,677,366	326,073,473
Trade deposits, short term prepayments and current account balances with statutory authorities	31	181,868,751	159,443,493	128,385,779
Interest accrued	32	-	-	9,388,556
Other receivables	33	-	359,994	359,995
Cash and bank balances	34	48,910,151	13,490,053	20,552,467
		<b>875,392,889</b>	<b>765,872,623</b>	<b>1,015,515,408</b>
		<b>5,269,271,656</b>	<b>5,256,012,196</b>	<b>4,474,994,357</b>



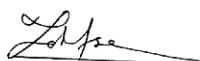
**ZAKA MUHAMMAD NASEEM**  
Director

## Statement of Profit or Loss Account

### For the Year Ended June 30, 2019

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
Sales				
Local sales		2,231,887,463	1,908,322,681	2,493,917,952
Less: Excise duty		307,775,730	275,873,567	266,096,710
Sales tax		327,595,284	322,822,820	402,854,930
Commission / discount		2,999,834	3,097,037	18,714,418
		638,370,848	601,793,424	687,666,058
Net sales		1,593,516,615	1,306,529,257	1,806,251,894
Cost of sales	35	(1,937,197,269)	(1,755,560,263)	(2,053,298,148)
<b>Gross loss</b>		<b>(343,680,654)</b>	<b>(449,031,006)</b>	<b>(247,046,254)</b>
Distribution cost	36	(8,929,419)	(5,117,600)	(24,156,773)
Administrative expenses	37	(58,673,674)	(60,112,929)	(55,817,746)
		(67,603,093)	(65,230,529)	(79,974,519)
<b>Operating loss</b>		<b>(411,283,747)</b>	<b>(514,261,535)</b>	<b>(327,020,773)</b>
Other income	38	425,125,343	2,023,540	1,845,586
Other operating expenses	39	(12,606,642)	(31,455,500)	(2,220,463)
		1,234,954	(543,693,495)	(327,395,650)
Finance cost	40	608,545,565	(185,109,228)	(184,437,509)
<b>Profit/(loss) before taxation</b>		<b>609,780,519</b>	<b>(728,802,723)</b>	<b>(511,833,159)</b>
Taxation	41	14,764,160	10,893,789	11,715,538
<b>Profit/(loss) after taxation</b>		<b>624,544,679</b>	<b>(717,908,934)</b>	<b>(500,117,621)</b>
<b>Earnings per share - Basic and Diluted</b>	42	<b>6.59</b>	<b>(7.57)</b>	<b>(5.27)</b>

The annexed notes from 1 to 54 form an integral part of these financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



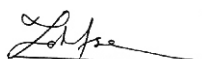
**ZAKA MUHAMMAD NASEEM**  
Director

# Statement of Comprehensive Income

## For the Year Ended June 30, 2019

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
Profit/(loss) after taxation		624,544,679	(717,908,934)	(500,117,621)
<b>Items that will not be reclassified to profit or loss</b>				
Gain on revaluation of property, plant and equipment-net	6	-	1,096,666,870	-
Deferred tax on gain on revaluation of property, plant and equipment	6	-	(254,461,332)	-
		-	842,205,538	-
<b>Items that may be reclassified to profit or loss</b>				
		-	-	-
<b>Other comprehensive income</b>				
		-	842,205,538	-
<b>Total comprehensive income / (loss) for the year</b>		<b>624,544,679</b>	<b>124,296,604</b>	<b>(500,117,621)</b>


The annexed notes from 1 to 54 form an integral part of these financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director



# Cash Flow Statement

## For the Year Ended June 30, 2019

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Profit)/loss before taxation		609,780,519	(728,802,723)	(511,833,159)
<b>Adjustments of items not involving movement of cash:</b>				
Depreciation	25	150,791,337	120,090,732	125,570,126
Gratuity	17	443,482	55,008	55,008
Profit on deposit and PLS accounts	38	(213,224)	(154,114)	(173,570)
Gain on disposal of fixed assets	38	(278,940)	-	(393,660)
Reversal of provision for doubtful balances	38	-	(671,576)	(1,048,080)
Balances written back	38	(10,318,046)	(1,197,850)	(230,276)
Interest payable - Written back	38	(414,315,133)	-	-
Reversal of interest income accrued	39	-	9,388,556	-
Exchange loss	39	-	-	1,854,864
Provision for obsolescence of stores, spares and loose tools	39	7,088,943	22,066,944	-
Provision for doubtful debts	39	5,182,106	-	-
Balances written off	39	335,593	-	365,599
Finance income on long term loans	40	(768,747,582)	-	-
Unwinding of long term finances	8	81,724,972	-	-
Finance cost	40	76,319,421	185,109,228	184,437,509
		(871,987,072)	334,686,927	310,437,520
Net cash used before working capital changes		(262,206,553)	(394,115,796)	(201,395,639)
<b>(Increase) / Decrease in operating assets:</b>				
Stores, spares and loose tools		(94,540,339)	(20,433,325)	10,003,460
Stock in trade		(5,610,620)	(52,003,366)	(135,188,456)
Trade debts		28,780,153	23,223,168	(1,870,947)
Loans and advances		1,999,690	42,067,683	(9,919,038)
Sales tax		(3,219,608)	(6,088,126)	-
Other receivables		24,401	-	100
<b>Increase / (decrease) in current liabilities:</b>				
Trade and other payables		180,197,736	318,229,892	445,481,717
Deposits, accrued liabilities and advances		(74,098,850)	(227,273,091)	-
Payable to Provident fund trust		954,499	8,786,849	-
		34,487,062	86,509,684	308,506,836
Cash (used in)/generated from operations		(227,719,491)	(307,606,112)	107,111,197
Long term deposits and prepayments		1,775,000	286,020	-
Gratuity paid		(5,086,976)	(1,371,770)	(5,522,253)
Finance cost paid		(57,084,086)	(34,808,796)	(49,279,772)
Interest received		213,224	154,114	173,570
Income tax paid		(39,133,772)	(41,303,130)	(41,828,243)
<b>Net cash (used in)/ flows from operating activities</b>		<b>(327,036,101)</b>	<b>(384,649,673)</b>	<b>10,654,499</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Fixed capital expenditure		(54,737,761)	(57,206,485)	(2,727,128)
Sale proceeds of fixed assets		520,000	-	410,000
Long term security deposits		(33,830)	-	-
Capital work in progress		-	2,741,999	(2,741,999)
<b>Net cash used in investing activities</b>		<b>(54,251,591)</b>	<b>(54,464,486)</b>	<b>(5,059,127)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Loan received from ex-related parties		-	14,460,000	-
Long term loan received from holding company		343,184,000	-	-
Long term loan repaid to banking companies		(60,061,632)	(110,296,053)	(30,585,414)
Long term loan from related party- net		133,616,034	-	-
Other loans and liabilities repaid- net		(30,612)	527,887,798	-
<b>Net cash inflow from/ used in financing activities</b>		<b>416,707,791</b>	<b>432,051,745</b>	<b>(30,585,414)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>35,420,098</b>	<b>(7,062,414)</b>	<b>(24,990,042)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>				
		13,490,053	20,552,467	45,542,509
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
	34	48,910,151	13,490,053	20,552,467

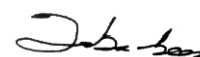
The annexed notes from 1 to 54 form an integral part of these financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer

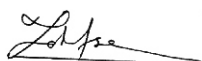


**ZAKA MUHAMMAD NASEEM**  
Director

## Statement of Changes in Equity For the Year Ended June 30, 2019

	Issued, subscribed and paid-up capital	Capital Reserve	Revenue Reserves	Revaluation surplus on property, plant and equipment	Sub Total	Loan From Parent Company	Total
	Share premium	Accumulated loss					
(R U P E E S)							
<b>Balance as at June 30, 2016</b>							
- As previously reported	948,399,800	31,800,740	(4,471,759,146)	-	(3,491,558,606)	-	(3,491,558,606)
Impact of retrospective restatement - note 4	-	-	268,035,184	2,115,757,386	2,383,792,570	-	2,383,792,570
<b>Balance as at June 30, 2016</b>							
- Restated	<u>948,399,800</u>	<u>31,800,740</u>	<u>(4,203,723,962)</u>	<u>2,115,757,386</u>	<u>(1,107,766,036)</u>	<u>-</u>	<u>(1,107,766,036)</u>
Loss after taxation for the year ended June 30, 2017	-	-	(500,117,621)	-	(500,117,621)	-	(500,117,621)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-	-
	-	-	(500,117,621)	-	(500,117,621)	-	(500,117,621)
Impact of incremental depreciation, tax rate change and related deferred tax liability - note 6	-	-	66,293,180	(333,377,094)	(267,083,914)	-	(267,083,914)
<b>Balance as at June 30, 2017</b>							
- Restated	<u>948,399,800</u>	<u>31,800,740</u>	<u>(4,637,548,403)</u>	<u>1,782,380,292</u>	<u>(1,874,967,571)</u>	<u>-</u>	<u>(1,874,967,571)</u>
Loss after taxation for the year ended June 30, 2018	-	-	(717,908,934)	-	(717,908,934)	-	(717,908,934)
<b>Other comprehensive income for the year</b>							
Surplus arise on revaluation of property, plant and equipment - net - note 6	-	-	-	1,096,666,870	1,096,666,870	-	1,096,666,870
Deferred tax on gain on revaluation of property, plant and equipment - net - note 6	-	-	-	(254,461,332)	(254,461,332)	-	(254,461,332)
	-	-	-	842,205,538	842,205,538	-	842,205,538
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 6	-	-	63,530,438	(63,530,438)	-	-	-
Revaluation surplus on property, plant and equipment - adjustment due to change in tax rate - note 6	-	-	-	24,105,209	24,105,209	-	24,105,209
<b>Balance as at June 30, 2018</b>							
- Restated	<u>948,399,800</u>	<u>31,800,740</u>	<u>(5,291,926,899)</u>	<u>2,585,160,601</u>	<u>(1,726,565,758)</u>	<u>-</u>	<u>(1,726,565,758)</u>
Effect of changes in accounting policies due to adoption of IFRS 9 - note 2.5.1	-	-	(5,065,163)	-	(5,065,163)	-	(5,065,163)
<b>Adjusted balance as at July 1, 2018 - Restated</b>	<u>948,399,800</u>	<u>31,800,740</u>	<u>(5,296,992,062)</u>	<u>2,585,160,601</u>	<u>(1,731,630,921)</u>	<u>-</u>	<u>(1,731,630,921)</u>
Profit after taxation for the year ended June 30, 2019	-	-	624,544,679	-	624,544,679	-	624,544,679
<b>Other comprehensive income for the year</b>							
Loan received during the year	-	-	-	-	-	1,773,441,126	1,773,441,126
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 6	-	-	84,936,279	(84,936,279)	-	-	-
<b>Balance as at June 30, 2019</b>	<u>948,399,800</u>	<u>31,800,740</u>	<u>(4,587,511,104)</u>	<u>2,500,224,322</u>	<u>(1,107,086,242)</u>	<u>1,773,441,126</u>	<u>666,354,884</u>

The annexed notes from 1 to 54 form an integral part of these financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director

# Notes to the Financial Statements

For the Year Ended June 30, 2019

## 1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The Company started its production on 1983 and has been engaged in production and marketing of cement. As mentioned in note 1.2 to these financial statements, the company is now a subsidiary of Calicom Industries (Pvt.) Limited. The new registered office of the company is situated at 5-Zafar Ali Road, Gulberg - V, Lahore. The factory is situated at Dandot Railway Station, District Jhelum, Pakistan.

1.2 During the year, the company have been acquired by Calicom Industries (Pvt.) Limited (CIPL) under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulation, 2017. Upto the signing of these financial statements, CIPL (holding company) has 67,312,925 voting shares (71% of paid up capital) of the company.

Upto the balance sheet date, the new management has just after acquisition arranged funds of Rs. 492 million to bring out the company from existing financial crunch. The company has successfully managed to reschedule the liability of the Bank of Punjab by paying Rs. 117 million. The liability of Bank Islami Pakistan Limited / Calicom Industries (Pvt.) Limited has also been rescheduled by paying Rs. 15 million at 0% markup rate. Further, Rs. 125 million has been paid for annual maintenance and Rs. 235 million to creditors to regularize the supply chain of the company. Furthermore, since 2014, the company is also complying the order passed by Securities and Exchange Commission of Pakistan (SECP) in 2009 related to old dues of provident fund trust.

The new management of the company is continuously working on various options to arrange funds to be invested for a comprehensive Balancing, Modernization and Replacement (BMR) of the project to achieve environmental standards, energy efficiency with cost effectiveness and convert the process into fully automated plant and to make this company profitable. On the basis of above mentioned efforts, the new management of the company is fully confident that the company will continue its operations as a going concern. Hence the financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary for the company to continue as a going concern.

## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

## Notes.....

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

### 2.2 BASIS OF MEASUREMENT AND PREPARATION

These financial statements have been prepared under historical cost convention except stated in the relevant notes.

This is the first set of the company's annual financial statements in which IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied. Changes to significant accounting policies are described in Note 3.15.

### 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency.

### 2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

- i Surplus on revaluation of freehold land
- ii Contingencies
- iii Estimated useful life of operating assets
- iv Deferred taxation
- v Provision for taxation

### 2.5 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS:

#### 2.5.1 New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the year:

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards have become applicable to the Company effective July 1, 2018:

- IFRS 15 'Revenue from contracts with customers' This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core

## Notes.....

principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

As a result, the Company has considered affects due to application of this standard and concluded that there is no material impact resulting from such adoption.

- IFRS 9 'Financial instruments' This standard replaces the provisions of IAS 39 which relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost').

The management has applied the modified retrospective method upon adoption of IFRS 9 as allowed under the standard. The cumulative effect representing the difference between the carrying amount before the adoption of IFRS 9 and the new carrying amount calculated in accordance with the standard at the beginning of the current year (i.e as of 1 July 2018), has been recognised in accumulated loss amounting Rs. 5,065,163 and similar adjustment has been recorded in trade debts against provision for doubtful debts (refer note 29.1).

### **2.5.2 New standards, amendments to approved accounting standards and interpretations that are effective for the Company's accounting periods beginning on or after July 1, 2019**

There are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the changes as indicated below:

### **3.1 Taxation**

#### **Current**

Current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws. Company's export sales, if any, fall under presumptive

## Notes.....

tax regime under Section 154 of the Income Tax Ordinance, 2001.

### Deferred

The company accounts for deferred taxation using the liability method on all temporary differences between the amounts for financial reporting purpose and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credit to the extent that it is probable that the future profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date.

### 3.2 Employees Retirement Benefits

- a) During the year, the company has ceased funded gratuity scheme as referred to not 4 to the financial statements.
- b) The Company operates a funded contributory provident fund scheme for all eligible employees and contribution is based on salaries of the employees and the liability is recognized in accounts on monthly basis.

### 3.3 Borrowing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### 3.4 Trade and Other Payables

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

### 3.5 Dividend

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

### 3.6 Provisions

A provision is recognized in the reporting when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation.

## Notes.....

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

### 3.7 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

### 3.8 Property, Plant and Equipment

Operating fixed assets are stated at cost or revalued amount less accumulated depreciation except for freehold land which is stated at revalued amount.

Depreciation charge is based on reducing balance method at the rates specified in note 25. Leasehold land for quarries are amortized over a period of 15-20 years.

Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which asset is disposed off. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets, if any, are included in profit or loss account.

The management assesses at each reporting date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

### 3.9 Capital Work In Progress

Capital work in progress is stated at cost excluding impairment and including borrowing cost and represents expenditure incurred on fixed assets during their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

### 3.10 Stores, Spares and Loose Tools

Stores, spares and loose tools are valued at lower of moving average cost and net realizable. Cost is determined using moving average method except for items in transit which is determined on the basis of cost incurred upto the reporting date. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

### 3.11 Stock In Trade

These are valued at lower of cost and net realizable value applying the following method:

Raw Materials	at weighted average cost.
Work in process and finished goods	at average cost covering direct material, labour and manufacturing overheads.
Finished goods	at lower of cost and net realizable value.

## Notes.....

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

### 3.12 Trade Debts

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

### 3.13 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of change in value.

### 3.14 Foreign Currency Transactions and Translation

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date.

The company charges all exchange differences to profit or loss account.

### 3.15 Financial Instruments

#### 3.15.1 Financial Assets

##### a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

##### b) Financial assets at fair value through other comprehensive income

Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual term 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.

##### c) Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.



## Notes.....

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

### 3.15.2 Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

### 3.16 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 3.17 Impairment

#### (a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets.

## Notes.....

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

### (b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is 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.

### 3.18 Revenue Recognition:

#### (a) Sale of goods

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Mark-up on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

(c) Dividend income is recognized when the right to receive such payment is established.

### 3.19 Borrowing Cost

Borrowing cost 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are recognised in profit or loss account as incurred.

## Notes.....

### 3.20 Related Party Transactions

All transactions with related parties are at arm's length prices determined in accordance with the pricing method as approved by the Board of Directors.

### 3.21 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

- 4 The management believes that contractual liabilities of workers' benefits that are in excess of legal requirements of labour and other relevant laws need not to be continued any more. Consequently, the management has not accounted for expense for gratuity, contractual past dues and some other baseless liabilities in respect of workers' benefits for the year amounting Rs. 46.60 million and reversed prior years' liabilities aggregating Rs. 317.12 million. This retrospective adjustment has been made in accordance with the requirement of International Accounting Standards (IAS - 8) "Accounting Policies, Changes in Accounting Estimates and Errors". Resultantly, accumulated loss as at July 01, 2016 has decreased by Rs. 268.04 million and total comprehensive loss for the year ended June 30, 2017 has reduced by Rs. 22.22 million and total comprehensive income for the year ended June 30, 2018 has increased by Rs. 26.86 million. Accordingly, Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against gratuity as at June 30, 2017 and June 30, 2018 has been reduced by amounting Rs. 22.22 million and Rs. 26.86 million respectively. (Refer contingencies and commitments note no 24.1). Further, the company has not accounted for provision against Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against Gratuity amounting Rs. 9.32 million, Rs. 0.47 million and Rs. 36.81 million respectively. Earnings per share – basic and diluted has been increased by Rs. 0.29 and Rs. 0.35 for the year ended June 30, 2017 and June 30, 2018 respectively.

There is no cash flow impact in respect of this adjustment.

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>				
86,089,980 (2018: 86,089,980) ordinary shares of Rs.10 each fully paid in cash		<b>860,899,800</b>	860,899,800	860,899,800
8,750,000 (2018: 8,750,000) ordinary shares of Rs.10 each issued as fully paid bonus shares		<b>87,500,000</b>	87,500,000	87,500,000
		<b>948,399,800</b>	948,399,800	948,399,800

5.1 This reserve can be utilized by the company only for the purpose specified in section 81 of the Companies Act, 2017.

## 6 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Balance as at July 01,		<b>3,538,673,006</b>	2,532,763,905	2,628,840,978
Revaluation surplus during the year		-	1,096,666,870	-
		<b>3,538,673,006</b>	3,629,430,775	2,628,840,978
<b>Less: transfer to accumulated loss in respect of</b>				
Incremental depreciation		<b>84,936,279</b>	63,530,438	66,293,180
Related deferred tax liability		<b>34,692,283</b>	27,227,331	29,783,892
		<b>119,628,562</b>	90,757,769	96,077,073
Balance as at June 30,		<b>3,419,044,444</b>	3,538,673,006	2,532,763,905
<b>Less: Related deferred tax liabilities on</b>				
Revaluation at the beginning of the year		<b>953,512,405</b>	750,383,613	805,180,293
Effect of change in rate		-	(24,105,209)	(25,012,787)
Incremental depreciation on revalued assets		<b>(34,692,283)</b>	(27,227,331)	(29,783,892)
Deferred tax liability related surplus for the year		-	254,461,332	-
		<b>918,820,122</b>	953,512,405	750,383,613
		<b>2,500,224,322</b>	2,585,160,601	1,782,380,292

Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007, 2016 and 2018, as referred in note 25.5 to these financial statements resulting a surplus of Rs. 1,843.8 million, Rs. 685.61 million, Rs. 1,666.20 and Rs. 1,096.67 million respectively.

Based upon recent revaluation report, the forced sale value of above said land, buildings, plant and machinery and vehicles are amounting Rs. 242.63 million, Rs. 180.99 million, Rs. 2,721.60 million and Rs. 37.59 million respectively.

## 7 LONG TERM LOAN FROM HOLDING COMPANY

	Aggregate % of shareholding			
Loan from Calicom Industries (Pvt.) Ltd	58.94%	7.1	<b>1,773,441,126</b>	-

7.1 This includes the liabilities taken over by CIPL under share purchase agreement for restructuring of financial liabilities through tri-party agreements (Refer note no 1.2, 20 and 21 to these financial statements).

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>8 LONG TERM FINANCING FROM BANKING COMPANIES</b>				
<b>Secured - From Bank of Punjab Limited (BOP)</b>				
Demand finance facility - 1	8.1	1,557,617,550	820,379,451	847,169,660
Demand finance facility - 2	8.2	451,302,095	341,493,991	294,734,340
		<b>2,008,919,645</b>	1,161,873,442	1,141,904,000
Less: current portion				
Payable within next 12 months		(107,224,000)	(57,019,000)	(40,023,000)
Overdue		(8,753,690)	-	-
		<b>(115,977,690)</b>	(57,019,000)	(40,023,000)
		<b>1,892,941,955</b>	1,104,854,442	1,101,881,000
<b>8.1 Demand finance facility - 1 (DF - 1)</b>				
Balance as at July 01,		820,379,451	847,169,660	797,798,990
Addition during the year	8.5	853,045,000	-	-
	8.3	1,673,424,451	847,169,660	797,798,990
Add: Unwinding for the year		39,166,216	77,499,457	73,906,830
		1,712,590,667	924,669,117	871,705,820
Less: Payments made during the year		(34,138,597)	(104,289,666)	(24,536,160)
Less: Finance income		(120,834,520)	-	-
		<b>1,557,617,550</b>	820,379,451	847,169,660
<b>8.2 Demand finance facility - 2 (DF - 2)</b>				
Balance as at July 01,		341,493,991	294,734,340	254,030,921
Addition during the year	8.5	549,190,000	-	-
	8.4	890,683,991	294,734,340	254,030,921
Add: Unwinding for the year		42,558,756	46,759,651	40,703,419
		933,242,747	341,493,991	294,734,340
Less: Payments made during the year		(20,400,000)	-	-
Less: Finance income		(461,540,652)	-	-
		<b>451,302,095</b>	341,493,991	294,734,340

- 8.3** During the year, the company has renegotiated further restructuring/rescheduling of entire outstanding principal of Rs. 1,852.40 million. It is secured against 1st pari passu charge of Rs. 3,326 million on fixed assets, 1st charge of Rs. 268 million on current assets, debt subordination agreement of directors/Calicom Industries Pvt. Ltd. (CIPL), corporate guarantee of CIPL and personal guarantee of directors of the company/CIPL.

Repayments of restructured loan shall be made in first 60 equal monthly installments amounting Rs. 14.09 million each including markup @ 4.15% p.a fixed commencing from March 31, 2019 and next 40 equal monthly installments amounting Rs. 40.04 million including markup @ 03 month KIBOR without any floor or cap using KIBOR rate at the last working day of previous quarter. The finance has been presented at amortized cost by using effective rate of markup.

- 8.4** During the year, the company has renegotiated further restructuring/rescheduling of entire outstanding past markup amounting Rs. 1,227.67 million. It is secured against 1st pari passu charge of Rs. 3,326 million on fixed assets of the company, joint pari passu charge of Rs. 268 million on current assets, debt subordination agreement of directors/Calicom Industries Pvt. Ltd. (CIPL), corporate guarantee of CIPL and personal guarantee of directors of the company/CIPL.

Repayments of restructured loan shall be made in 108 installments commencing from March 31, 2019. The finance has been presented at amortized cost by using effective rate of markup.

## Notes.....

- 8.5 As part of restructuring arrangement, under the share purchase agreement, the company has swapped the liability of the Bank of Punjab Limited (BOP) of Three Stars Hosiery Mills (Pvt.) Limited (TSH) (ex-associated company) and Mr. Saud Rasheed (ex-sponsoring director) amounting Rs. 999.63 million and Rs. 408.13 million respectively against the consideration of taking over the company's creditors with the equivalent amount in the book of account of TSH as referred to note no. 14.1.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>9 LONG TERM FINANCING FROM RELATED PARTIES</b>				
<b>Secured - From Calicom Industries Pvt. Limited (Holding Company)</b>				
Loan - 1	9.1	155,033,494	-	-
Loan - 2	9.2	82,210,094	-	-
	9.5	237,243,588	-	-
Less: current portion Payable within next 12 months		(33,784,000)	-	-
		<b>203,459,588</b>	<b>-</b>	<b>-</b>
<b>9.1 Loan from Calicom Industries (Pvt.) Ltd - Loan 1 (Holding Company)</b>				
Balance as at July 01,		-	-	-
Loan taking over - BankIslami Pakistan Ltd. during the year		290,000,000	-	-
	9.3	290,000,000	-	-
Add: Unwinding for the year		-	-	-
		290,000,000	-	-
Less: Payments made during the year		-	-	-
Less: Finance income		(134,966,506)	-	-
		<b>155,033,494</b>	<b>-</b>	<b>-</b>
<b>9.2 Loan from Calicom Industries (Pvt.) Ltd - Loan 2 (Holding Company)</b>				
Balance as at July 01,		-	-	-
Loan taking over during the year		148,616,000	-	-
	9.4	148,616,000	-	-
Add: Unwinding for the year		-	-	-
		148,616,000	-	-
Less: Payments made during the year		(15,000,000)	-	-
Less: Finance income		(51,405,940)	-	-
		<b>82,210,060</b>	<b>-</b>	<b>-</b>

- 9.3 As part of restructuring arrangement, Calicom Industries (Pvt) Limited (CIPL) has taken over the company's liability of BankIslami Pakistan Limited (BIPL) and in lieu of this BIPL's liability, a long term loan of CIPL with the same amount has been booked in the books of account of the company.

Repayments of CIPL loan shall be made in 28 quarterly installments commencing from July 31, 2019. The finance has been presented at amortized cost by using effective rate of markup.

Further, BIPL has withdrawn the suit which was filed against the company. The fact is disclosed in note no 24 (d) to the financial statements.

- 9.4 This loan liability has been created through an arrangement in which CIPL has taken over the liability of Mr. Mansoor Rasheed (ex-sponsoring director) in respect of his loan of BIPL. Due to the fact that payment of BIPL will be made from the sources of the company, liability is recorded by crediting long term loan with equivalent amount.

## Notes.....

Repayments of loan shall be settled in 28 quarterly installments commencing from July 31, 2019. The finance has been presented at amortized cost by using effective rate of markup.

- 9.5 These loans are secured against 1st pari passu charge of Rs. 425 million on Plant and Machinery of the company, pledge of 11,413,500 company shares and personal guarantees of all the directors of CIPL.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>10 PAYABLE TO PROVIDENT FUND TRUST</b>				
Principal	10.1	25,030,316	31,030,316	37,030,316
Less: current portion				
Payable within next 12 month		1,751,530	6,000,000	6,000,000
Overdue		23,278,786	23,278,786	23,278,786
		<b>25,030,316</b>	<b>29,278,786</b>	<b>29,278,786</b>
		-	1,751,530	7,751,530

- 10.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order in 2009 that the company should provide mark-up on all outstanding principal amount to that date and will pay an installment of Rs. 0.5 million per month to clear these dues from October, 2009. Since that order, the company is providing markup in the books of accounts without any default.

## 11 OTHER LOANS AND LIABILITIES- Unsecured

### LOAN (Principal)

From Economic Affairs Division, Government of Pakistan (EAD)	11.1	35,232,000	35,232,000	35,232,000
<b>OTHER LIABILITIES</b>				
Peace agreement arrears	11.2	298,947	329,559	335,946
		<b>35,530,947</b>	<b>35,561,559</b>	<b>35,567,946</b>
Less: current portion				
Payable within next 12 months		-	-	-
Overdue		(35,530,947)	(35,561,559)	(35,567,946)
		<b>(35,530,947)</b>	<b>(35,561,559)</b>	<b>(35,567,946)</b>
		-	-	-

- 11.1 (a) This represents the balance of Pak rupee loan of Rs. 340.84 million originally advanced in 1984 in Japanese Yen to the State Cement Corporation of Pakistan (Private) Limited. After privatization in 1992, under sale agreement, loan was payable to EAD under the assurance of Privatization Commission Government of Pakistan. This was secured by bank guarantee.

The amount of the original loan was in Japanese Yen 5,199,457,960 carrying interest @ 8.5% p.a. In 1987 the yen loan was converted into Pak rupee loan at exchange rate of 1 Yen=0.122111 Pak Rupee carrying interest @ 11% and exchange risk fee @ 3% per annum payable to the EAD in 30 equal half yearly installments.

- (b) In 2004, management of Gharibwal Cement Limited (GCL) paid Rs. 134 million against outstanding principal and requested for restructuring of this loan. The competent authority has accorded its approval and waived off outstanding markup to date amounting to Rs. 87.78 million. After rescheduling, principal was outstanding of Rs. 132 million and future mark up @ 14% p.a. (11% mark up and 3% exchange risk fee) payable in ten equal half yearly installments. The rescheduled amount was to be secured by bank guarantee or creating second charge against fixed assets of the company in favor of EAD.

## Notes.....

11.2 This represents arrears payable to workers on account of increment on salaries for the financial years ended on June 30, 2007, June 30, 2008 and June 30, 2009. As per peace agreement with CBA dated May 09, 2009 these arrears were payable in 72 equal monthly installments of Rs. 0.53 million each. It is interest free and unsecured.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>12 DEFERRED LIABILITIES</b>				
Deferred taxation	12.1	<b>918,820,123</b>	953,512,405	750,383,613
		<b>918,820,123</b>	<u>953,512,405</u>	<u>750,383,613</u>
<b>12.1 Deferred taxation</b>				
<b>This is composed of the following:</b>				
<b>Deferred tax liability on taxable temporary differences arising in respect of:</b>				
Accelerated tax depreciation		<b>99,277,858</b>	93,020,928	94,645,493
Surplus on revaluation of assets		<b>918,820,123</b>	953,512,405	750,383,613
		<b>1,018,097,981</b>	1,046,533,333	845,029,106
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>				
Unused tax losses carried forward		<b>(973,193,017)</b>	(998,608,175)	(1,062,164,657)
Provision for doubtful balances		<b>(2,984,850)</b>	(13,142)	(13,595)
Deferred tax asset not recognized on unused losses and minimum tax		<b>876,900,009</b>	905,600,389	967,532,759
		<b>(99,277,858)</b>	(93,020,928)	(94,645,493)
Deferred tax liability	12.2	<b>918,820,123</b>	953,512,405	750,383,613
		<b>953,512,405</b>	750,383,613	750,383,613
<b>Balance as at July 01,</b>				
Add: Charge/(Reversal) for the year				
Statement of profit or loss account		<b>(34,692,283)</b>	(27,227,331)	-
Statement of comprehensive income		-	254,461,332	-
Deferred tax attributed to revaluation surplus of property, plant and equipment		-	(24,105,209)	-
		<b>(34,692,283)</b>	203,128,792	-
		<b>918,820,122</b>	<u>953,512,405</u>	<u>750,383,613</u>

12.2 During the year, net deferred tax assets for the carry forward of unused tax losses and minimum tax amounting Rs. 876.90 million (2018:Rs. 905.60 million) has not been recognized because there are remote chances that taxable profit would be available in foreseeable future against which the unused tax losses and unused tax credits can be utilized.

## 13 LONG TERM ADVANCES AND DEPOSITS

### Un-secured and Interest free

Security deposits	13.1	<b>3,563,334</b>	1,788,334	1,852,334
Retention money		-	-	29,979
		<b>3,563,334</b>	<u>1,788,334</u>	<u>1,882,313</u>

13.1 These represent securities from distributors and contractors. These are being utilized by the company as authorized by the agreement with parties or deposited with separate bank account in compliance with section 217 of the Companies Act, 2017.



## Notes.....

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
<b>14 TRADE AND OTHER PAYABLES</b>				
Trade creditors	14.1	684,978,784	1,871,454,681	1,467,559,614
Past dues payable	14.2	187,897,480	233,701,206	280,419,189
Past utility bills		19,460,417	19,460,417	19,460,417
Workers' profit participation fund payable	14.3	3,780,109	3,780,109	3,780,109
Others payable		9,849,248	15,447,935	26,545,996
		<b>905,966,038</b>	<b>2,143,844,348</b>	<b>1,797,765,325</b>
<b>14.1</b>	The company swapped its creditors as explained in note no. 8.5 to the financial statements.			
<b>14.2</b>	This represents the amounts payable for the closure period of the factory on account of accumulated salaries and benefits, one day deduction and legal expenses payable to the employees and CBA.			
<b>14.3 Workers' Profit Participation Fund</b>				
Balance as at July 01,		3,780,109	3,780,109	3,780,109
Less: payments during the year		-	-	-
		<b>3,780,109</b>	<b>3,780,109</b>	<b>3,780,109</b>
Interest on unpaid contribution		-	-	-
		<b>3,780,109</b>	<b>3,780,109</b>	<b>3,780,109</b>
<b>15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES</b>				
Advances from customers - unsecured	15.1	70,132,499	90,178,004	308,087,918
Accrued expenses		85,222,609	131,822,837	141,186,014
Excise duty payable		26,214,190	24,332,678	47,698,247
Royalty payable		6,667,550	15,826,685	15,258,244
Sales tax payable		-	-	7,124,237
Income tax withheld payable		3,518,517	3,694,011	2,819,627
		<b>191,755,365</b>	<b>265,854,215</b>	<b>522,174,287</b>
<b>15.1 Advances from customers</b>				
Gross advances from customers		70,201,909	90,230,523	308,318,194
Less: Balances written back during the year		69,410	52,519	230,276
		<b>70,132,499</b>	<b>90,178,004</b>	<b>308,087,918</b>
<b>16 PAYABLE TO PROVIDENT FUND</b>				
Overdue balance		68,754,784	61,800,285	53,013,436
Current portion of provident fund trust	10	25,030,316	29,278,786	29,278,786
		<b>93,785,100</b>	<b>91,079,071</b>	<b>82,292,222</b>
<b>17 PAYABLE AGAINST GRATUITY</b>				
Net liability as on July 01		4,643,494	5,960,256	11,427,501
Charge to statement of profit or loss account in respect of current service cost		443,482	55,008	55,008
Remeasurement chargeable in other comprehensive income		-	-	-
Payment to fund during the year		(5,086,976)	(1,371,770)	(5,522,253)
Net liability as on June 30,		-	4,643,494	5,960,256

## Notes.....

	Note	2019 Rupees	2018 Rupees (Re-stated)	2017 Rupees (Re-stated)
<b>18 MARK UP ACCRUED</b>				
Mark up accrued on:				
Secured loan	18.1	6,262,149	402,652,636	391,750,449
Unsecured loan	18.2	199,988,543	198,677,854	183,538,719
		<u>206,250,692</u>	<u>601,330,490</u>	<u>575,289,168</u>
<b>18.1</b>	This represents the mark up payable on loans obtained from Bank of Punjab Limited and Bank Islami Pakistan Limited (formerly: KASB Bank Ltd.) of amounting Rs. 6.26 million (2018: Rs. 10.90 million) and Rs. nil (2018:Rs. 391.75 million) respectively.			
<b>18.2</b>	This represents the mark up payable on loans or balances payable to Economic Affair Division (EAD), Three Stars Cement (Pvt) Limited and Provident Fund Trust of amounting Rs. 57.40 million (2018:Rs. 52.47 million), Rs. nil (2018:Rs. 22.56 million) and Rs. 142.59 million (2018: Rs.123.64 million) respectively.			
<b>19 LOAN FROM BANKING COMPANIES</b>				
<b>Running finances - secured</b>				
BankIslami Pakistan Limited (formerly: KASB Bank Ltd.)	9.3	-	290,000,000	290,000,000
<b>20 LOANS FROM EX-RELATED PARTIES</b>				
<b>Interest Free and Unsecured:</b>	20.1			
Ex-Holding Company - Three Stars Cement (Pvt) Limited		-	37,804,256	37,804,256
Ex-Director - Mr. Mansoor Rasheed		-	51,525,450	37,065,450
Others: (subsidiaries of ex-holding co.)				
- Three Star Hosiery (Pvt.) Limited		-	13,721,332	13,721,332
- Active Apparel International (Pvt.) Limited		-	11,795,043	11,795,043
		-	25,516,375	25,516,375
		-	114,846,081	100,386,081
<b>20.1</b>	As explained in note 1.2 to these financial statements, Calicom Industries (Pvt) Limited (CIPL) has acquired the company under the arrangement of purchase agreement. This loan liability of ex-related parties has been undertaken by CIPL through a tri-party agreement (Refer to note no. 7 to the financial statements).			
<b>21 LOAN AND ADVANCES - OTHERS</b>				
<b>Interest Free and Unsecured:</b>				
Loan of Ex-Sponsors' - Gharibwal Cement Limited		-	-	250,000,000
Others	21.1	-	1,315,411,045	787,523,247
		-	1,315,411,045	1,037,523,247
<b>21.1</b>	This represented amounts arranged by the ex-management from time to time to meet the working capital requirements and necessary repair and maintenance of the plant and machinery of the company. This loan liability has been taken over by Calicom Industries (Pvt.) Limited through a tri-party agreement (Refer to note no. 7 to the financial statements).			
<b>22 CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES</b>				
Long term financing from banking companies	8	115,977,690	57,019,000	40,023,000
Long term financing from related parties	9	33,784,000	-	-
Long term financing from others	11	35,530,947	35,561,559	35,567,946
		<u>185,292,637</u>	<u>92,580,559</u>	<u>75,590,946</u>

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>23 PROVISION FOR TAXATION</b>				
Balance as at 1st July,		-	-	-
Less: Adjusted during the year		-	-	-
		-	-	-
Add: Provision for the taxation-current		<b>19,928,123</b>	16,333,542	18,068,355
		<b>19,928,123</b>	16,333,542	18,068,355
Less: Tax deducted at source / advance tax		<b>(19,928,123)</b>	(16,333,542)	(18,068,355)
		-	-	-

**23.1** Provision for the current year represents tax on income chargeable under minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001.

## 24 CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

- a) Mr. Amin Ullah Khan and Mr. Nasrullah Khan filed a case on June 30, 1983 in Civil Court, Lahore regarding principal and compounded interest thereon. Case was referred to Mr. Justice Tariq Shamim on May 24, 2016. The award of Umpire is awaited. The claim was not permissible, however, in case matter is decided against the company, the maximum exposure would be Rs.17.50 million on account of principal and compound interest claimed. Further, the appointed Umpire has been hearing the case and the matter is pending adjudication.
- b) Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs. 37.90 million in 2006. On complaint lodged with the Oil & Gas Regulatory Authority (OGRA) against excessive billing by SNGPL, the matter was decided in favour of the company. SNGPL has filed an appeal against the said decision of OGRA. The appeal has also been adjudicated by OGRA in favour of the company. However, the SNGPL has recovered the aforesaid amount as stated below.

SNGPL has charged mark up on late payment of the gas bills in the past at the rate which was in excess of the rate agreed in the Gas Sale Agreement (GSA). The company filed a complaint with the OGRA, who decided the matter and directed SNGPL to recomputed mark up on late payment as per original GSA. SNGPL recomputed mark up amounting to Rs. 10.31 million, as against Rs. 2.73 million computed by the company. The matter has again been referred to OGRA for their decision. However, company has charged amounting Rs. 2.73 million in the financial statements. However, the SNGPL has recovered the aforesaid amount as stated below.

In June 2008 Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting Rs. 18.54 million. The company has lodged complaint with the review committee of Sui Northern Gas Pipelines Ltd., (SNGPL) which gave its decision that the disputed bill is correct.

On January 23, 2009 the SNGPL encashed bank guarantee amounting Rs. 88 million against arrears of gas bills including as mentioned in previous paragraphs. Till June 30, 2009, after adjustment of bank guarantee total arrears amounting Rs. 35.38 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. Application was filed on September 10, 2011 by SNGPL in Civil Court and the same has been dismissed due to non prosecution of case. SNGPL filed an application for restoration of case which is pending adjudication.

- c) The Competition Commission of Pakistan (the Commission), vide order dated August 27, 2009, has imposed penalty on 20 cement factories of Pakistan at the rate of 7.5% of the turnover value as disclosed in the last annual financial statements. The Commission has imposed penalty amounting Rs. 41.71 million on the company for alleged violation of section 4(1) of the Competition Commission Ordinance, 2007. The cement manufacturers including company challenged the commission order in the court in year 2010 bearing Writ Petition No.2654/2010 and Honorable High Court granted stay to the companies against adverse action by the commission. Further, the Company has filed an appeal on April 24, 2008 before the Competition Appellate Tribunal. Based on legal advice the company has not accounted for the liability of aforesaid amount.

## Notes.....

- d) BankIslami Pakistan Limited (formerly: KASB Bank Limited) has instituted a suit against the company for recovery of Rs. 351.73 million along with markup / cost of funds in the Honorable Lahore High Court, Lahore on May 12, 2009. PLA on behalf of the company has been filed a suit in 2009 bearing No. COS-88/2009 in the honorable Lahore High Court against the same. During the year under review on May 20, 2019, BankIslami Pakistan Pakistan Limited has withdrawn the case.

The company has not accounted for Rs. nil (2018:Rs. 477.68 million) additional profit / liquidated damages on the loan payable to BankIslami Pakistan Limited (formerly: KASB Bank Ltd.) as the matter is dismissed by the honorable Lahore High Court referred to note 9.3 in the financial statements.

- e) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs. 2.46 million (2018: Rs 2.46 million) on account of inadmissible input tax and non payment of output sales tax along with surcharge and penalty. The company had filed appeal in 2009 bearing No.STA-2065/2009 against the order of Deputy Commissioner Inland Revenue Appeals. The Commissioner (Appeals) had decided the case against the company. The company has filed appeal against the decision of the Commissioner (Appeals) with Appellate Tribunal Inland Revenue. Consequently, the company has not accounted for liability of aforesaid amount. The same has been accepted in the favour of the company. The Company has good arguable case and there is very likelihood that the same be decided in its favour.
- f) A complain was moved by Aftab Ahmad Khan (MPA) on 29.03.2005 in Punjab Provisional Assembly regarding spreading pollution /smoke and noise in factory area. Environment Tribunal passed an order against company after inspection by Environment Protection Department. The Company had filed an appeal in 2010 bearing No.73/2010 in honorable Lahore High Court. The matter is pending adjudication. The Company has good arguable case and there is very likelihood that the same be decided in its favour.
- g) Writ petition has been filed by Collector Sale Tax in High Court, Islamabad in April 2001 regarding wrong adjustment on electricity, sui gas, purchase of store and machinery by company of amounting Rs. 14.38 million. The company is hopeful that decision will be given in favour of the company. As per opinion of the legal advisor, the liability in this regard may not be arisen. Consequently, the Company has not accounted for aforesaid liability.
- h) The DCCL filed the titled appeal in Mines and Mineral Department, Lahore against a Demand Notice dated November 27, 2013 for a sum of Rs. 67.12 million which mainly includes penalty @ 1% per day issued by Director General, Mines and Mineral Punjab. However, the appeal is pending and there is no next date of hearing. As per opinion of the legal advisor, the liability in this regard may not be arisen. Consequently, the Company has not accounted for aforesaid liability.
- i) As referred to note no 4 to the financial statements, the company has reversed the contractual liabilities of the workers amounting Rs. 317.12 million and ceased to account for the aforesaid benefits on the basis of opinion of its Legal Advisor. As per opinion of the Legal Advisor, these liabilities are not valid and based on unjustified agreements. Workers' compensation benefits in excess of statutory benefits will be subject to final determination and verification by the Competent Authority and the company undertakes to comply with the consequential implications of such determination.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	24.2.1	1,500,000	1,500,000	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab	24.2.2	139,165	139,165	139,165

**24.2.1** This guarantee is secured by lien in favour of Summit Bank Ltd on PLS TDR amounting Rs. 1.50 million (2018: Rs. 1.50 million).

**24.2.2** This guarantee is secured by lien in favour of United Bank Ltd on PLS TDR amounting Rs. 0.14 million (2018: Rs. 0.14 million).

## Notes.....

### 25 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION					Book Value	
	As at	Additions	Deletions	Adjustment	As at	Rate	For the	On	Adjustment	As at	as at	
	July 01, 2018				July 01, 2018	%	Year	disposals		June 30, 2019	June 30, 2019	
Free hold land	303,291,000	-	-	-	-	-	-	-	-	-	-	303,291,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	-	-	-	-	1,330,978	-
Factory building on free hold land	423,411,450	-	-	-	271,309,450	10	15,210,200	-	-	-	286,519,650	136,891,800
Office building	34,179,118	-	-	-	22,770,118	5	570,450	-	-	-	23,340,568	10,838,550
Residential building	143,271,170	-	-	-	80,547,170	10	6,272,400	-	-	-	86,819,570	56,451,600
Machinery	5,948,755,550	47,117,253	-	-	2,060,755,550	3	117,247,242	-	-	-	2,178,002,792	3,817,870,011
Office Equipment	12,576,499	307,400	-	-	8,468,097	10	430,028	-	-	-	8,898,125	3,965,774
Furniture and fixture	7,487,864	-	-	-	6,830,864	10	66,758	-	-	-	6,897,622	590,242
Heavy vehicles	166,822,363	550,000	-	-	134,815,363	20	6,493,068	-	-	-	141,308,431	26,063,932
Light vehicles	53,889,678	-	630,000	-	36,243,678	20	3,451,138	389,940	-	-	39,305,876	13,753,802
Railway sidings	1,726,574	-	-	-	1,440,460	5	14,306	-	-	-	1,454,766	271,808
Electric installation	45,231,976	6,763,108	-	-	37,481,244	10	1,028,585	-	-	-	38,509,829	13,465,255
Weighting scales	151,958	-	-	-	83,273	10	6,869	-	-	-	90,142	61,816
Library books	72,403	-	-	-	69,478	10	293	-	-	-	69,771	2,632
<b>Rupees</b>	<b>7,141,999,581</b>	<b>54,737,761</b>	<b>630,000</b>	<b>-</b>	<b>2,662,145,723</b>		<b>150,791,337</b>	<b>389,940</b>	<b>-</b>	<b>-</b>	<b>2,812,548,120</b>	<b>4,363,558,222</b>

Vehicles include a Shalvzor Mazda of amounting Rs. 0.65 million is in the name of PICIC Commercial Bank and not in the name of the company due to that bank is unable to trace the relevant record of aforesaid vehicle. Consequently bank did not issue no objection certificate (N.O.C) for transfer of vehicle in the name of company.

25.1 The company has free hold land of 606.58125 acres area situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Distt. Jhelum.

The building on free hold land having covered area of approximate 284263 Sq. ft. situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Distt. Jhelum.

Notes.....

25.2 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION					Book Value	
	As at	Additions	Deletions	Adjustment	As at	Rate	As at	For the	On	Adjustment	As at	as at
	July 01, 2017				June 30, 2018	%	July 01, 2017	Year	disposals	June 30, 2018	June 30, 2018	June 30, 2018
<b>OWNED</b>												
Free hold land	84,077,000	-	-	219,214,000	303,291,000	-	-	-	-	-	-	303,291,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,330,978	-	-	-	1,330,978	-
Factory building on free hold land	378,739,310	13,077,581	-	31,594,559	423,411,450	10	259,251,710	12,057,740	-	-	271,309,450	152,102,000
Office building	31,731,942	-	-	2,447,176	34,179,118	5	22,298,443	471,675	-	-	22,770,118	11,409,000
Residential building	124,787,749	-	-	18,483,421	143,271,170	10	75,631,551	4,915,620	-	-	80,547,170	62,724,000
Machinery	5,108,725,575	37,358,490	-	802,671,485	5,948,755,550	3	1,965,925,575	94,829,974	-	-	2,060,755,550	3,888,000,000
Office Equipment	12,632,449	144,050	-	-	12,576,499	10	8,020,664	447,433	-	-	8,468,097	4,108,402
Furniture and fixture	7,487,864	-	-	-	7,487,864	10	6,757,864	73,000	-	-	6,830,864	657,000
Heavy vehicles	152,174,723	-	-	14,647,640	166,822,363	20	130,475,523	4,339,940	-	-	134,815,363	32,007,000
Light vehicles	46,081,089	-	-	7,608,589	53,689,678	20	33,784,325	2,459,353	-	-	36,243,678	17,446,000
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,425,401	15,059	-	-	1,440,460	286,114
Electric installation	38,676,612	6,555,364	-	-	45,231,976	10	37,006,343	474,901	-	-	37,481,244	7,750,732
Weighing scales	80,958	71,000	-	-	151,958	10	77,461	5,812	-	-	83,273	68,685
Library books	72,403	-	-	-	72,403	10	69,153	325	-	-	69,478	2,925
<b>Rupees</b>	<b>5,998,125,226</b>	<b>57,206,485</b>	<b>-</b>	<b>1,096,686,870</b>	<b>7,141,998,581</b>		<b>2,542,054,991</b>	<b>120,090,732</b>	<b>-</b>	<b>-</b>	<b>2,662,145,723</b>	<b>4,479,852,856</b>

# Notes.....

## 25.3 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION					Book Value as at June 30, 2017	
	As at July 01, 2016	Additions	Deletions	Adjustment	As at June 30, 2017	Rate %	For the Year	On disposals	Adjustment	As at June 30, 2017		
<b>OWNED</b>												
Free hold land	84,077,000	-	-	-	84,077,000	-	-	-	-	-	-	84,077,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	30,320	-	-	-	1,330,978	-
Factory building on free hold land	378,739,310	-	-	-	378,739,310	10	13,276,400	-	-	-	259,251,710	119,487,600
Office building	31,731,942	-	-	-	31,731,942	5	496,500	-	-	-	22,298,443	9,433,499
Residential building	124,787,749	-	-	-	124,787,749	10	5,461,800	-	-	-	75,631,551	49,156,198
Machinery	5,108,725,575	-	-	-	5,108,725,575	3	97,200,000	-	-	-	1,965,925,575	3,142,800,000
Office equipment	12,095,559	336,890	-	-	12,432,449	10	477,285	-	-	-	8,020,664	4,411,785
Furniture and fixture	7,394,634	93,230	-	-	7,487,864	10	75,932	-	-	-	6,757,864	730,000
Heavy vehicles	152,174,723	-	-	-	152,174,723	20	5,424,800	-	-	-	130,475,523	21,699,200
Light vehicles	44,259,281	2,297,008	475,200	-	46,081,089	20	2,924,903	458,660	-	-	33,784,325	12,296,764
Railway sidings	1,726,574	-	-	-	1,726,574	5	15,851	-	-	-	1,425,401	301,173
Electric installation	38,676,612	-	-	-	38,676,612	10	185,565	-	-	-	37,006,343	1,670,269
Weighting scales	80,958	-	-	-	80,958	10	389	-	-	-	77,461	3,497
Library books	72,403	-	-	-	72,403	10	361	-	-	-	69,153	3,250
Weighting scales	80,958	71,000	-	-	151,958	10	5,812	-	-	-	83,273	68,685
Library books	72,403	-	-	-	72,403	10	325	-	-	-	69,478	2,925
<b>Rupees</b>	<b>5,985,873,298</b>	<b>2,727,128</b>	<b>475,200</b>	<b>-</b>	<b>5,988,125,226</b>		<b>125,570,126</b>	<b>458,660</b>	<b>-</b>	<b>-</b>	<b>2,542,054,991</b>	<b>3,446,070,235</b>

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>25.4 Depreciation for the year has been allocated as under:</b>				
Cost of sales	35	<b>142,844,366</b>	113,891,899	118,747,793
Distribution cost	36	<b>113,663</b>	119,145	126,495
Administrative expenses	37	<b>7,833,308</b>	6,079,686	6,695,838
		<b>150,791,337</b>	120,090,730	125,570,126
<b>25.5</b>	Land, Buildings, Plant & Machinery, and Vehicles of the Company were first revalued on April 01, 2002, resulting in surplus of Rs. 1,843.80 million. Thereafter, the company again revalued its Land, Buildings, Plant & Machinery, and Vehicles on June 30, 2007, June 30, 2016 and June 30, 2018 resulting a surplus of Rs. 685.61 million, Rs. 1,666.20 million and Rs. 1,096.67 million respectively. The revaluation exercises have been carried out by an independent value M/s Serval, recognized valuation consultant, based on Depreciated Replacement Value.			
<b>25.6</b>	Had there been no revaluation, the book value of Buildings, Plant & Machinery and Vehicles at June 30, 2019 would have been Rs. 28.78 million (2018: Rs. 31.81 million), Rs. 401.36 million (2018: Rs. 365.83 million), and Rs. 3.10 million (2018: Rs. 3.55 million) respectively.			
<b>25.7 CAPITAL WORK IN PROGRESS - CIVIL WORK</b>				
Balance as at July 01,		-	2,741,999	-
Add: Additions during the year		-	10,335,582	2,741,999
		-	13,077,581	2,741,999
Less: Transferred to fixed assets		-	(13,077,581)	-
Balance as at June 30,		-	-	2,741,999
<b>26 LONG TERM DEPOSITS AND PREPAYMENTS</b>				
Islamabad Electric Supply Company		<b>9,486,000</b>	9,486,000	9,486,000
Others		<b>834,545</b>	800,715	1,180,715
		<b>10,320,545</b>	10,286,715	10,666,715
<b>27 STORES, SPARES AND LOOSE TOOLS</b>				
General stores		<b>194,612,636</b>	128,048,595	100,246,544
Spare parts		<b>91,206,190</b>	70,563,092	99,420,568
Loose tools		<b>803,194</b>	558,937	1,137,131
		<b>286,622,020</b>	199,170,624	200,804,243
<b>28 STOCK IN TRADE</b>				
Raw material		<b>78,626,529</b>	35,033,167	13,621,477
Work in process		<b>99,407,959</b>	115,847,237	105,918,700
Finished goods		<b>41,983,991</b>	63,527,455	42,864,316
		<b>220,018,479</b>	214,407,859	162,404,493
<b>29 TRADE DEBTS</b>				
These are unsecured but considered good by the management.				
Gross trade debts		<b>115,543,081</b>	144,330,391	167,912,001
Less: Balances written off during the year		-	7,157	365,599
Less: Provision for doubtful debts	29.1	<b>10,247,269</b>	-	-
		<b>105,295,812</b>	144,323,234	167,546,402



## Notes.....

	Total	Past due but not impaired		
		1-90 days	90-180 days	More than 180 days
2019 Rupees	<b>105,295,812</b>	<b>99,369,393</b>	<b>2,970,963</b>	<b>2,955,456</b>
2018 Rupees	144,323,234	32,090,812	73,220,275	39,012,147

	2019 Rupees	2018 Rupees	2017 Rupees
<b>29.1 Movement in doubtful debts</b>			
Balance at the beginning of the year under IAS 39	-	-	-
Effect of change in accounting policy due to adoption of IFRS 9 - note 2.5.1	<b>5,065,163</b>	-	-
Balance as at beginning of the year under IAS 9	<b>5,065,163</b>	-	-
Provision for the year	<b>5,182,106</b>	-	-
Balance as at end of the year	<b>10,247,269</b>	-	-

## 30 LOANS AND ADVANCES

### Loans

#### Considered good:

To past associated company

- Gharibwal Cement Limited (GCL)

Loan to employees

-	-	250,000,000
<b>19,978,257</b>	25,302,289	31,414,685
<b>19,978,257</b>	25,302,289	281,414,685

#### Considered doubtful:

Loan to employees

<b>15,316</b>	15,316	15,316
<b>19,993,573</b>	25,317,605	281,430,001

### Advances

#### Considered good:

To employees

To suppliers / contractors

<b>3,022,544</b>	831,166	1,764,376
<b>9,676,875</b>	8,543,911	42,894,412
<b>12,699,419</b>	9,375,077	44,658,788

#### Considered doubtful:

To employees

<b>30,000</b>	30,000	30,000
<b>12,729,419</b>	9,405,077	44,688,788

Less: Provision for doubtful loans and advances 30.1

<b>45,316</b>	45,316	45,316
<b>32,677,676</b>	34,677,366	326,073,473

### 30.1 Provision for doubtful loans and advances

Balance as at July 01,

Provision for the year

<b>45,316</b>	45,316	1,093,396
-	-	-

Reversal of provision for doubtful balances

<b>45,316</b>	45,316	1,093,396
-	-	(1,048,080)
<b>45,316</b>	45,316	45,316

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>31 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES</b>				
Advance income tax		172,561,017	153,355,367	128,385,779
Sales tax receivable		9,307,734	6,088,126	-
		<b>181,868,751</b>	<b>159,443,493</b>	<b>128,385,779</b>
<b>32 INTEREST ACCRUED</b>				
Interest accrued on loan to Gharibwal Cement Limited		-	-	9,388,556
<b>33 OTHER RECEIVABLES</b>				
Other receivables:				
Considered good		335,593	359,994	359,995
Less: Balances written off during the year		335,593	-	-
		<b>-</b>	<b>359,994</b>	<b>359,995</b>
<b>34 CASH AND BANK BALANCES</b>				
Cash in hand		41,881	339	1,960
Cash at banks in:				
Current accounts		45,480,829	10,194,371	17,599,265
Saving accounts		735,109	738,489	447,465
Deposit accounts	34.1	2,652,332	2,556,854	2,503,777
		<b>48,868,270</b>	<b>13,489,714</b>	<b>20,550,507</b>
		<b>48,910,151</b>	<b>13,490,053</b>	<b>20,552,467</b>
<b>34.1</b>				
It includes amounting Rs. 1.64 million (2018: Rs. 1.64 million) deposited against guarantees as referred to note 24.2.				
<b>34.2</b>				
Profit and loss sharing accounts bear mark up at the rates ranging from 4.06% to 4.15% (2018: 1.91% to 3.78%) per annum.				
<b>35 COST OF SALES</b>				
Raw materials consumed	35.1	147,291,940	124,512,287	173,139,377
Salaries, wages and benefits		223,681,564	204,973,814	218,459,908
Fuel, gas and electricity		1,155,325,395	1,152,229,922	1,373,546,126
Stores and spares		81,502,513	64,359,535	107,587,433
Rent, rates and taxes		184,309	252,395	124,268
Vehicle running and maintenance		7,766,806	9,982,173	9,329,757
Packing material		102,951,806	70,400,448	112,948,725
Depreciation	25.4	142,844,366	113,891,899	118,747,793
Others		33,657,178	45,549,466	62,471,066
		<b>1,895,205,877</b>	<b>1,786,151,939</b>	<b>2,176,354,453</b>
Work in process				
Opening		115,847,237	105,918,700	13,948,284
Closing		(99,407,959)	(115,847,237)	(105,918,700)
		<b>16,439,278</b>	<b>(9,928,537)</b>	<b>(91,970,416)</b>
Cost of goods manufactured		<b>1,911,645,155</b>	<b>1,776,223,402</b>	<b>2,084,384,037</b>
Finished goods				
Opening		63,527,455	42,864,316	11,778,427
Purchases		4,008,650	-	-
Closing		(41,983,991)	(63,527,455)	(42,864,316)
		<b>25,552,114</b>	<b>(20,663,139)</b>	<b>(31,085,889)</b>
		<b>1,937,197,269</b>	<b>1,755,560,263</b>	<b>2,053,298,148</b>

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>35.1 RAW MATERIALS CONSUMED</b>				
Opening balance		35,033,167	13,621,477	1,489,326
Purchase of raw material		104,992,547	65,856,059	89,977,002
Salaries, wages and benefits		36,654,917	30,984,554	32,005,903
Gypsum		-	345,054	4,746,576
Electricity		15,095,804	12,588,004	12,970,395
Royalty and excise duty		19,454,830	21,469,103	28,705,550
Stores and spares		14,687,204	14,378,342	16,180,861
Breaking of Gypsum		-	302,861	685,241
		<b>225,918,469</b>	<b>159,545,454</b>	<b>186,760,854</b>
Closing balance	2.8	<b>(78,626,529)</b>	<b>(35,033,167)</b>	<b>(13,621,477)</b>
		<b>147,291,940</b>	<b>124,512,287</b>	<b>173,139,377</b>
<b>36 DISTRIBUTION COST</b>				
Salaries, wages and benefits		8,551,305	3,958,000	3,336,000
Travelling and daily allowances		-	-	393,367
Vehicles running and maintenance		-	-	83,817
Depreciation	25.4	113,663	119,145	126,495
Freight		-	336,000	20,217,094
Others		264,451	704,455	-
		<b>8,929,419</b>	<b>5,117,600</b>	<b>24,156,773</b>
<b>37 ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and benefits		21,844,429	18,572,810	19,030,303
Rent, rates and taxes		7,345,160	3,599,886	3,489,668
Travelling and daily allowances		1,276,066	2,278,550	2,255,239
Repairs and maintenance		427,147	1,250,640	909,995
Vehicle running and maintenance		45,500	94,535	211,720
Auditors' remuneration	37.1	1,952,500	1,445,850	1,269,250
Legal and professional		6,091,553	7,711,090	8,123,481
Postage, telephone and telegrams		756,169	817,945	1,175,575
Printing and stationery		234,722	422,947	417,940
Entertainment		1,350,649	1,895,916	1,805,370
Fee and subscriptions		1,704,177	125,234	1,924,545
Donation		-	48,750	1,361,798
Depreciation	25.4	7,833,308	6,079,686	6,695,838
Others	37.2	7,812,294	15,769,090	7,147,024
		<b>58,673,674</b>	<b>60,112,929</b>	<b>55,817,746</b>
<b>37.1 Auditors' remuneration</b>				
<b>Amin, Mudassar &amp; Co.</b>				
<b>Chartered Accountants</b>				
Audit fee		1,508,000	1,050,000	939,500
Certification services		57,750	54,600	20,000
Half year review fee		183,750	173,250	157,500
Code of Corporate Governance review report fee		203,000	168,000	152,250
		<b>1,952,500</b>	<b>1,445,850</b>	<b>1,269,250</b>
<b>37.2</b>	This includes income tax penalties/surcharge and inadmissible input sales tax imposed by FBR on account of various offences amounting Rs. nil and Rs. 5.12 million (2018: Rs. 0.76 million and Rs. 6.31 million).			

## Notes.....

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>38 OTHER INCOME</b>				
<b>Income from financial assets</b>				
Profit on deposit and PLS accounts		213,224	154,114	173,570
Reversal of provision for doubtful balances		-	671,576	1,048,080
<b>Income from non financial assets</b>				
Balances written back	38.1	10,318,046	1,197,850	230,276
Gain on disposal of fixed assets		278,940	-	393,660
Interest payable - Written back		414,315,133	-	-
		<u>425,125,343</u>	<u>2,023,540</u>	<u>1,845,586</u>
<b>38.1</b>	This represents old balances written back in respect payable to creditors and advance from customers amounting Rs. 10.25 million and Rs. 0.07 million respectively.			
<b>39 OTHER OPERATING EXPENSES</b>				
Interest receivable from Gharibwal Cement Company - Written off		-	9,388,556	-
Balances written off		335,593	-	365,599
Provision for obsolescence of stores, spares and loose tools		7,088,943	22,066,944	-
Exchange loss		-	-	1,854,864
Provision for doubtful debts		5,182,106	-	-
		<u>12,606,642</u>	<u>31,455,500</u>	<u>2,220,463</u>
<b>40 FINANCE COST</b>				
<b>Interest / mark up on:</b>				
Loans from financial institutions		134,169,018	168,496,930	159,841,089
Other loans - long term		4,932,479	4,932,480	4,932,480
Provident fund		18,942,895	10,206,656	19,360,008
Workers Profit Participation Fund (WPPF)		-	-	-
Bank charges		2,157,625	1,473,162	303,932
		<u>160,202,017</u>	<u>185,109,228</u>	<u>184,437,509</u>
Less: Finance income on long term loan		(768,747,582)	-	-
		<u>(608,545,565)</u>	<u>185,109,228</u>	<u>184,437,509</u>
<b>41 TAXATION</b>				
<b>Income tax</b>				
- Current	23	(19,928,123)	(16,333,542)	(18,068,355)
- Deferred	6	34,692,283	27,227,331	29,783,892
		<u>14,764,160</u>	<u>10,893,789</u>	<u>11,715,538</u>

**41.1** Income tax assessments of the company have been finalized up to the Tax Year 2018 on the basis of income tax return filed as the company did not receive any corresponding from Income Tax Department.

**41.2** No numeric tax rate reconciliation is presented in these financial statements as the company is either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance 2001.

## Notes.....

	2019 Rupees	2018 Rupees	2017 Rupees
<b>42 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit/(Loss) for the year - Rupees	<b>624,544,679</b>	(717,908,934)	(500,117,621)
Weighted average number of ordinary shares outstanding during the year - Number	<b>94,839,980</b>	94,839,980	94,839,980
Earnings per share - Rupees	<b>6.59</b>	(7.57)	(5.27)

### 43 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements.

### 44 FINANCIAL INSTRUMENTS BY CATEGORY

#### Financial assets and financial liabilities

##### Financial assets

##### Loans and receivables

Long term security deposits	<b>10,320,545</b>	10,286,715	10,666,715
Trade debts	<b>105,295,812</b>	144,323,234	167,546,402
Loans and advances	<b>22,985,485</b>	26,118,139	283,179,061
Other receivables	-	359,994	359,995
Accrued interest	-	-	9,388,556
Cash and bank balances	<b>48,910,151</b>	13,490,053	20,552,467
	<b>187,511,993</b>	194,578,135	491,693,196

##### Financial liabilities

##### Financial liabilities at amortized cost

Long term loans and liabilities	<b>2,078,234,592</b>	1,197,435,001	1,177,471,946
Long term financing from related parties	<b>203,459,588</b>	-	-
Long term advances and deposits	<b>3,563,334</b>	1,788,334	1,882,313
Trade and other payables	<b>905,966,038</b>	2,143,844,348	1,797,765,325
Deposits, accrued liabilities and advances	<b>121,622,866</b>	175,676,211	214,086,369
Unclaimed dividend	<b>1,081,940</b>	1,081,940	1,081,940
Payable to provident fund	<b>93,785,100</b>	92,830,601	90,043,752
Staff retirement fund payable	-	236,837,159	221,148,526
Mark up accrued	<b>206,250,692</b>	601,330,490	575,289,168
Loan from banking companies	-	290,000,000	290,000,000
Loans from related parties	-	114,846,081	350,386,081
Loans and advances - others	-	1,315,411,045	787,523,247
	<b>3,613,964,150</b>	6,171,081,211	5,506,678,667

## Notes.....

### 45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management.

Here are presented the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in the market conditions and the Company's activities.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

#### 45.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2019 Rupees	2018 Rupees	2017 Rupees
Long term security deposits	10,320,545	10,286,715	10,666,715
Trade debts	105,295,812	144,323,234	167,546,402
Loans and advances	22,985,485	26,118,139	283,179,061
Interest accrued	-	-	9,388,556
Other receivables	-	359,994	359,995
Bank balances	48,868,270	13,489,714	20,550,507
	<b>187,470,112</b>	<b>194,577,796</b>	<b>491,691,236</b>

Geographically there is no concentration of credit risk.

#### Credit Quality of Financial Assets

The company has placed funds in financial institutions keeping in view credit ratings. The company assesses the credit quality of the counter parties as satisfactory. The company does not hold any collateral as security against any of its financial assets.

Cash at banks	Rating		Rating Agency	2019 Rupees	2018 Rupees	2017 Rupees
	Short Term	Long Term				
Habib Bank Limited	A-1+	AAA	JCR-VIS	11,855,371	1,722,971	3,743,314
National Bank of Pakistan	A1+	AAA	PACRA	1,125,603	2,510,399	1,868,550
Bank Al Habib Limited	A1+	AA+	PACRA	20,026	22,452	63,815
Askari Bank Limited	A1+	AA+	PACRA	3,023,480	546,797	3,254,905
The Bank Of Punjab	A1+	AA	PACRA	114,250	38,065	655,812
Bank Alfah Limited	A1+	AA+	PACRA	8,927,423	1,757,826	298,228
Summit Bank Limited	Suspended	Suspended	JCR-VIS	4,313,380	2,417,902	2,369,394
United Bank Limited	A-1+	AAA	JCR-VIS	19,488,737	4,473,302	8,296,489
				<b>48,868,270</b>	<b>13,489,714</b>	<b>20,550,507</b>

## Notes.....

### Credit Risk Management

Due to the company long standing business relationship with counter parties and after giving due consideration to their strong financial standings, management does not expect non-performance by the counter parties on their obligation to the company. Accordingly, the credit risk is minimal.

#### 45.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

#### Contractual maturities of financial liabilities as at June 30, 2019

	2019			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
----- R u p e e s -----				
Long term financing from banking companies	2,008,919,645	3,045,196,000	115,977,690	1,892,941,955
Long term financing from related parties	237,243,588	438,616,000	33,784,000	203,459,588
Other loans and liabilities	-	-	-	-
Long term advances and deposits	3,563,334	3,563,334	-	3,563,334
Trade and other payables	905,966,038	905,966,038	905,966,038	-
Deposits, accrued liabilities and advances	121,622,866	121,622,866	121,622,866	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	93,785,100	93,785,100	93,785,100	-
Staff retirement fund payable	-	-	-	-
Mark up accrued	206,250,692	206,250,692	206,250,692	-
	<b>3,578,433,203</b>	<b>4,816,081,970</b>	<b>1,478,468,326</b>	<b>2,099,964,877</b>

#### Contractual maturities of financial liabilities as at June 30, 2018

	2018			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
----- R u p e e s -----				
Loan from banking companies	1,161,873,442	1,706,254,000	57,019,000	1,104,854,442
Other loans and liabilities	35,561,559	35,561,559	35,561,559	-
Long term advances and deposits	1,788,334	1,788,334	-	1,788,334
Trade and other payables	2,272,628,593	2,272,628,593	2,272,628,593	-
Deposits, accrued liabilities and advances	131,822,837	131,822,837	131,822,837	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	92,830,601	92,830,601	91,079,071	1,751,530
Payable to gratuity fund	236,837,159	236,837,159	236,837,159	-
Mark up accrued	601,330,490	601,330,490	601,330,490	-
Loan from banking companies	290,000,000	290,000,000	290,000,000	-
Loan from related parties	114,846,081	114,846,081	114,846,081	-
Loans and advances - others	1,315,411,045	1,315,411,045	1,315,411,045	-
	<b>6,256,012,081</b>	<b>6,800,392,639</b>	<b>5,147,617,775</b>	<b>1,108,394,306</b>

The contractual cash flows relating to above financial have been determined on the basis of mark-up rates effective as at 30 June 2019.

## Notes.....

### Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

### 45.3 Market Risk

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

### 45.4 Currency Risk

The company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The company's exposure to currency risk as at the reporting date is as follows:

	2019		2018		2017	
	Rupees	Euro	Rupees	Euro	Rupees	Euro
Trade creditors	-	-	-	-	30,154,719	250,997

The following significant exchange rates have been applied:

	Reporting Date Rate		
	2019	2018	2017
Euro to Rupee	-	-	120.14

### Sensitivity analysis

At June 30, 2019, if Rupee had strengthened / weakened by 10% against Euro with all other variables held constant, profit before taxation for the year would have been higher / (lower) by the amount shown below mainly as a result of foreign exchange gain / (loss) on translation of denominated financial liabilities and financial assets.

### Effect on profit before taxation for the year:

	2019 Rupees	2018 Rupees	2017 Rupees
Euro to Rupee	-	-	3,015,472

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets and liabilities of the Company.



## Notes.....

### 45.4.1 Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. In appropriate cases, the management takes out forward contracts to mitigate risk where it is necessary.

### 45.4.2 Interest Rate Risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

### 45.4.3 Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs. 21.36 million (2018: decreased profit by Rs. 14.87 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

### 45.4.4 Price Risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

## 45.5 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention 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 (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and.
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

## Notes.....

45.5.1 Certain categories of property, plant and equipment (freehold land, buildings on freehold land, plant and machinery and vehicles) are carried at revalued amounts (level 2 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 5 to these financial statements.

### 46 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term and short term financing from financial institutions and others. Total capital employed includes total equity as shown in the statement of financial position plus borrowings.

	2019 Rupees	2018 Rupees	2017 Rupees
Borrowings	2,137,936,745	2,917,362,568	2,605,045,328
Total equity	666,354,885	(1,726,565,758)	(2,165,227,233)
Total capital employed	2,804,291,630	1,190,796,810	439,818,095
Gearing ratio	76%	245%	592%

### 47 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2019			Executives
	Chief Executive	Directors		
		Executive	Non-Executive	
----- R u p e e s -----				
Managerial remuneration	-	-	-	19,025,650
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	-	-	-	19,025,650
Number of persons	-	-	-	12

	2018			Executives
	Chief Executive	Directors		
		Executive	Non-Executive	
----- R u p e e s -----				
Managerial remuneration	2,500,000	-	-	18,077,056
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	2,500,000	-	-	18,077,056
Number of persons	1	-	-	10

## Notes.....

47.1 The Chief Executive, Directors and executive are entitled to free use of cars according to company's policy.

47.2 No remuneration was paid to any executive and non executive directors of the company.

### 48 EMPLOYEES' PROVIDENT FUND

The company has maintained an employees' provident fund trust (Trust). The company has to contribute the amount of provident fund (Fund) to the Trust. Due to severe financial crunch, the company was unable to pay complete outstanding amount. However, mark-up, as return of investment, has been accrued in the books of accounts of the company.

The following information is based on the audited financial statement of 2019 of the provident fund trust.

	2019 Rupees	2018 Rupees
Size of the fund - total assets	495,353,898	473,845,616
Cost of investment made	93,968,840	95,428,172
Percentage of the fund made	19.0%	20.1%
Fair value of investment made	93,968,840	95,428,172

#### Fair value of investment

The break-up of fair value

	2019		2018	
	Rupees	Percentage	Rupees	Percentage
Unpaid contribution by the company	89,578,970	95%	92,924,471	97%
Bank balances with scheduled bank	4,389,870	5%	2,503,701	3%

The management has the intention to contribute the outstanding amount of provident fund with related mark-up on attaining the profitable operations of the company. All the amount will be invested by the Trust as per the requirements of the section 218 of the Companies Act, 2017, once received from the company.

2019                      2018                      2017  
----- Number -----

### 49 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Average number of employees during the year			
Factory employees	562	662	676
Other employees	34	40	42
	596	702	718
Number of employees as at June 30,			
Factory employees	540	655	661
Other employees	27	34	45
	567	689	706

## Notes.....

	2019 M. Tones	2018 M. Tones	2017 M. Tones
<b>50 PLANT CAPACITY AND ACTUAL PRODUCTION</b>			
Plant Capacity (Ordinary Portland cement)	504,000	504,000	504,000
Plant capacity (Clinker)	480,000	480,000	480,000
Actual production (Ordinary Portland cement)	200,928	219,017	270,305
%age of capacity utilized	40	43	54
Actual production (Clinker)	187,369	210,579	273,492
%age of capacity utilized	39	44	57

50.1 The shortfall is mainly due to extra ordinary interruptions in the production process. The disruption in production process was attributable to outdated equipment not performing at their desired ratings and causing unplanned shutdowns.

### 51 OPERATING SEGMENT

51.1 These financial statements have been prepared on the basis of a single reportable segment.

51.2 All non-current assets of the company as at June 30, 2019 are located in Pakistan.

### 52 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 05, 2019 by the Board of Directors of the company.

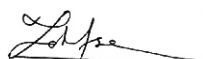
### 53 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these financial statements during the year except as mentioned below:

Reclassification from Statement of Financial Position	Reclassification to Statement of Financial Position	2019 Rupees	2018 Rupees
Trade and other payables	Deposits, accrued liabilities and advances	26,214,190	24,332,678
Trade and other payables	Deposits, accrued liabilities and advances	6,667,550	15,826,685
Trade and other payables	Deposits, accrued liabilities and advances	3,518,517	3,694,011

### 54 GENERAL


Figures in these financial statements have been rounded off to the nearest of rupee.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director

**Trading Results:**

**Summary of Last Ten Year's Financial Result**

Description	Rupees in Thousands									
	2019	2018 (Re-stated)	2017 (Re-stated)	2016	2015	2014	2013	2012	2011	2010
<b>Trading Results:</b>										
Net Sales	1,593,517	1,306,529	1,806,252	2,346,937	2,138,895	1,068,198	145,272	1,103,744	773,176	233,286
Gross Loss	(343,681)	(449,031)	(247,046)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)	(351,839)	(263,754)
Operating Loss	(411,284)	(514,262)	(327,021)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)	(384,520)	(295,450)
Profit/(Loss) Before Taxation	609,781	(728,803)	(511,833)	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)	(392,030)	(556,982)
Profit/(Loss) After Taxation	624,545	(717,909)	(500,118)	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)	(339,163)	(436,126)
<b>Balance Sheet:</b>										
Shareholder's Equity	666,355	(1,726,566)	(1,874,968)	(1,375,801)	(3,257,739)	(3,254,924)	(2,768,590)	(2,366,059)	(1,896,526)	(1,596,274)
Operating Fixed Assets	4,383,558	4,479,853	3,446,070	3,568,929	1,958,251	2,022,858	2,016,895	2,085,626	2,155,354	2,230,649
Net Current Liabilities	(1,584,132)	(4,920,671)	(4,488,063)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)	(1,545,673)	(1,384,555)
Long term Liabilities	3,018,785	2,061,907	1,861,898	1,556,014	963,195	1,371,016	1,059,527	1,321,674	1,387,978	1,405,724
<b>Significant Ratios</b>										
Gross Profit Ratio %	(21.57)	(34.37)	(13.68)	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)	(45.50)	(113.06)
Net Profit Ratio %	39.19	(54.95)	(27.69)	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)	(43.87)	(186.95)
Fixed Assets Turnover Ratio	0.36	0.29	0.52	0.66	1.09	0.53	0.07	0.53	0.36	0.10
Current Ratio	0.55	0.16	0.23	0.21	0.19	0.22	0.19	0.25	0.32	0.30

## کمپنی کے حصص میں تجارت

زیر جائزہ سال کے دوران ہر نئے ڈائریکٹر نے کمپنی کے 500 کوآلیفیکیشن حصص حاصل کئے ہیں۔ جب کہ CFO / کمپنی سیکریٹری اور ان کے جیون ساتھی اور کم سن بچوں کی جانب سے کمپنی کے حصص میں کوئی تجارت نہ کی گئی ہے۔

## مابعد واقعات

کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں تمام مابعد واقعات کا باقاعدگی سے ذکر سے کیا گیا ہے۔

## کاروباری نوعیت میں تبدیلی

مالیاتی سال کے دوران کمپنی کی کاروباری نوعیت میں کوئی تبدیلی نہ کی گئی ہے۔

## ماحولیاتی اور سماجی ذمہ داری

ذمہ دار کاروباری شہری کی حیثیت سے آپ کی کمپنی نہ صرف اپنے ملازمین بلکہ ملحقہ علاقوں کے رہائشیوں کے لئے صحت بخش ماحول کے قیام اور تحفظ کے لئے ہر ممکن کوشش کر رہی ہے۔ فی الحال پلانٹ مطلوبہ ماحولیاتی معیارات کے مطابق کام نہیں کر رہا ہے لہذا کمپنی BMR پر بھرپور توجہ دے رہی ہے۔ مزید برآں، ذمہ دار کاروباری شہری کی حیثیت سے آپ کی کمپنی انسانیت کی جانب اپنے فرائض کی انجام دہی سے متعلق ہمیشہ فکر مند ہے۔

## شیئر ہولڈنگ کی وضع

شیئر ہولڈنگ کی وضع اور مطلوب اضافی معلومات لف ہذا ہیں۔

## بیرونی آڈیٹرز

حالیہ آڈیٹرز میسرز امین، مدثر اینڈ کوچا رٹڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہلیت کی بنا پر سال 2019-20ء کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔

## اعتراف

بورڈ آف ڈائریکٹرز اپنے تمام سٹیک ہولڈرز بشمول لیکن محدود نہیں بینکرز، ملازمین، سپلائرز، ڈسٹری بیوٹرز اور ریگولیٹرز اور حصص داران کی مسلسل حمایت خصوصاً بحرانی صورت حال میں بھرپور تعاون اور بھرپور سہہ صدق دل سے شکریہ ادا کرتے ہیں۔



محمد فاروق نسیم  
ڈائریکٹر



طاہر محمد نسیم  
چیف ایگزیکٹو

لاہور: 05 نومبر، 2019ء

## ڈائریکٹرز کا مشاہیرہ

نئے بورڈ آف ڈائریکٹرز نے فی الحال ڈائریکٹرز کی مشاہیرہ پالیسی کو حتمی شکل نہیں دی۔

## بورڈ آف ڈائریکٹرز کے اجلاس

30 جون 2019ء کو اختتام پذیر سال کے دوران بورڈ آف ڈائریکٹرز کے اجلاسوں کی تفصیلات حسب ذیل ہے:

سابقہ بورڈ آف ڈائریکٹرز (ماقبل 09 مئی 2019ء)	حالیہ بورڈ آف ڈائریکٹرز (مابعد 09 مئی 2019ء)
5 - محترم محمد آصف خان (CEO)	2 - محترم طلحہ محمد نسیم (CEO)
5 - محترم محمد امجد عزیز	2 - محترم محمد فاروق نسیم
5 - محترم محمد عمران اقبال	1 - محترمہ روجی فاروق نسیم
5 - محترم شاہد علی شیخ	2 - محترم ذکاء محمد نسیم
- - محترم گل حسین	2 - محترم حامد محمود
5 - محترم سید انصر رضا شاہ	1 - محترمہ شفقات احمد
5 - محترم عمران بشیر	1 - محترم مرتضیٰ یوسف مانڈوی والا

**نوٹ:**

جوڈائریکٹرز اجلاس میں شرکت نہ کر پائے انہیں قانون کے مطابق بورڈ کی جانب سے باقاعدہ رخصت عنایت کی گئی۔

## آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل اراکین پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے:

سابقہ کمیٹی (ماقبل 09 مئی 2019ء)	حالیہ کمیٹی (مابعد 09 مئی 2019ء)
4 - محترم عمران بشیر (چیئر مین)	3 - محترمہ شفقات احمد (چیئر مین)
4 - محترم شاہد علی شیخ	2 - محترم محمد فاروق نسیم
- - محترم گل حسین	2 - محترم حامد محمود

**نوٹ:**

کمیٹی کے جو اراکین اجلاس میں شرکت نہ کر پائے انہیں قانون کے مطابق بورڈ کی جانب سے باقاعدہ رخصت عنایت کی گئی۔

## ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل اراکین پر مشتمل ہیومن ریسورس کمیٹی تشکیل دی ہے:

سابقہ کمیٹی (ماقبل 09 مئی 2019ء)	حالیہ کمیٹی (مابعد 09 مئی 2019ء)
- - محترم گل حسین (چیئر مین)	1 - محترم مرتضیٰ یوسف مانڈوی والا (چیئر مین)
4 - محترم محمد آصف خان	1 - محترم محمد فاروق نسیم
4 - محترم سید انصر رضا شاہ	1 - محترم طلحہ محمد نسیم

**نوٹ:**

کمیٹی کے جو اراکین اجلاس میں شرکت نہ کر پائے انہیں قانون کے مطابق بورڈ کی جانب سے باقاعدہ رخصت عنایت کی گئی۔

تاہم، آڈیٹرز رپورٹ کے مطابق متبادل آڈٹ طریقہ کار کے ذریعے بیرونی آڈیٹرز نے بیلنس کی تصدیق کر دی ہے۔ علاوہ ازیں، کمپنی سال 2014ء سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے سپر اوڈیٹڈ فنڈ ٹرسٹ کے سابقہ اور موجودہ واجبات سے متعلق 2009ء میں جاری کردہ حکم کی باقاعدہ تعمیل کر رہی ہے۔

## داخلی نظم و ضبط کی موزونیت

بورڈ آف ڈائریکٹرز داخلی نظم و ضبط کی ذمہ داری سے کلی طور پر آگاہ ہے لہذا انہوں نے داخلی مالیاتی ضبط کا مربوط نظام تشکیل دیا ہے تاکہ کمپنی کے اثاثہ جات کے تحفظ، لاگو قوانین و ضوابط کی تعمیل اور آپریشنز کے مؤثر اور عمدہ عمل اور با اعتبار مالیاتی رپورٹنگ کو یقینی بنایا جاسکے۔ کمپنی کا با اختیار داخلی آڈٹ فنکشن مالیاتی نظم و ضبط کے اطلاق کی باقاعدگی سے نگرانی کرتا ہے۔ جب کہ آڈٹ کمیٹی سے ماہی بنیادوں پر انٹرنل کنٹرول فریم ورک اور مالیاتی اسٹیٹمنٹس کی افادیت پر نظر ثانی کرتا ہے۔

## کوڈ آف کارپوریٹ گورننس کی تعمیل

انتظامیہ کوڈ آف کارپوریٹ گورننس کی تعمیل سے کلی طور پر آگاہ ہے اور اس کے مؤثر اطلاق کے لئے اقدامات اٹھا رہی ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت یہاںات حسب ذیل ہیں:

- انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور کی صورت حال، آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتی ہیں۔
- کھاتوں کے باقاعدہ رجسٹر تیار کئے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب اور جائز فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کا اطلاق کیا گیا ہے۔
- بورڈ نے انٹرنل آڈٹ ڈیپارٹمنٹ پارکر ریٹائل - اے جے ایس چارٹرڈ اکاؤنٹنٹس کے حوالے کیا ہے۔ جو اس مقصد کے لئے قابل اور تجربہ کار ہیں اور کمپنی کی پالیسیوں اور طریقہ ہائے کار سے بخوبی واقف ہیں۔
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہ ہے۔
- 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی میں حسب ضرورت لاگو لیسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی ٹھوس رکاوٹ نہ ہے۔
- گذشتہ دس (10) برسوں کا بنیادی فعالی اور مالیاتی ڈیٹا لف ہذا ہے۔
- ٹیکس، ڈیوٹی، لیوی اور جرمانوں کی مد میں قانونی واجبات کی تفصیلات مالیاتی اسٹیٹمنٹس کے ساتھ منسلک نوٹس میں بیان کی گئی ہیں۔
- کمپنی نے اپنے اہل ملازمین کے لئے پراویڈنٹ فنڈ سکیم متعارف کرائی ہے۔ پراویڈنٹ فنڈ کے سرمایہ اور اثاثہ جات کی اندازاً رقم نوٹ 48 میں بیان کی گئی ہے۔

## بورڈ آف ڈائریکٹرز کی ترکیب

بشمول ایک خاتون ڈائریکٹر کل ڈائریکٹرز کی تعداد سات (7) ہے۔ اس وقت بورڈ کی ترکیب حسب ذیل ہے:

- ایگزیکٹو ڈائریکٹرز 1
- نان ایگزیکٹو ڈائریکٹرز 4
- آزاد ڈائریکٹرز 2



بجلی اور کوئلہ کی دہلیز میں زیادہ پیداواری لاگت کے ساتھ کمپنی کو درپیش مجموعی اور فعالی خسارہ فی بیگ فروخت میں کمی کی وجہ سے ہے۔ کوئلہ کی قیمتوں میں اضافہ اور امریکی ڈالر کے مقابلہ میں روپے کی قدر میں کمی کے علاوہ نیپرا کی جانب سے بجلی کے نرخوں میں اضافہ فعالی خسارہ میں تیزی سے اضافہ ہوا۔ لہذا، بورڈ آف ڈائریکٹرز نے رواں برس منافع منقسمہ کی سفارش نہ کی ہے۔

## مستقبل کے امکانات

### صنعت:

پاکستان کی موجودہ اقتصادی صورت حال نے سیمنٹ کی صنعت کو بہت زیادہ متاثر کیا۔ گورنمنٹ کی معاونت سے چلنے والے منصوبوں میں رکاوٹ کی وجہ سے تعمیراتی سرگرمی سست روی کا شکار ہے اور معیشت میں غیر یقینی صورت حال کی وجہ سے مقامی صارفین کی ڈیولپمنٹ متاثر ہوئی ہے۔ خصوصاً شمالی علاقوں میں صلاحیت میں اضافہ کی وجہ سے گزشتہ برس صنعت دباؤ کا شکار رہی۔ پیداواری لاگت میں اچانک اضافہ کے ساتھ ساتھ طلب میں کمی کی وجہ سے قیمتوں میں اتار چڑھاؤ سامنے آیا اور منافع میں بھی کمی واقع ہوئی۔

قلیل عرصہ کے لئے، کم رسد کا یہ رجحان برقرار رہے گا تاہم مستقبل میں صنعت مثبت پیش رفت کی توقع رکھتی ہے۔ پاکستان بنیادی ڈھانچہ کے متعدد منصوبوں (ڈیم، سستی ہاؤسنگ سکیموں) سے لیس ابھرتی ہوئی منڈی ہے۔ لہذا سیمنٹ انڈسٹری مستقبل میں مسلسل بہتری کے لئے پرامید ہے۔

### بنیادی خطرات اور خدشات

- جامد طلب کے ساتھ رسد میں اضافہ
- ڈالر کے مقابلہ میں پاکستانی روپے کی قدر میں مزید کمی
- قرضوں پر زیادہ لاگت
- بنیادی ڈھانچہ کے منصوبوں پر حکومت اخراجات میں واضح کمی

### کمپنی

توانائی و لیبر کی بہترین کارکردگی اور پیداوار اور درست مالیاتی ماڈلنگ اور پلانٹ کی روانی کسی بھی سیمنٹ پلانٹ کی کامیاب آپریشنز کی بنیاد ہیں۔ انتظامیہ تمام سٹیک ہولڈرز بشمول سرمایہ داری، قرض خواہان، ملازمین اور حصص داران کو طویل مدتی منافع فراہم کرنے کے لئے پرعزم ہے۔

### کمپنی کی منصوبہ بندی

مئی 2019ء میں آپ کی کمپنی نے کالیکم انڈسٹریز (پرائیویٹ) لمیٹڈ کے ساتھ شیئر ٹرانسفر کی کامیاب منتقلی کی ہے اور نیا بورڈ آف ڈائریکٹرز تشکیل دیا ہے۔ نئی انتظامیہ تمام بنیادی مسائل کے تدارک اور حل کے لئے بھرپور کوشش کرے گی اور کمپنی کی ترقی کے لئے ٹھوس بنیادی استوار کرے گی۔ دو بنیادی مسائل میں سے ایک حالیہ پلانٹ کی ماحولیاتی معیارات سے عدم مطابقت اور دوسرا مسئلہ توانائی کے استعمال میں بے قاعدگی ہے۔ ان مسائل کے حل کے لئے جامع متوازن، جدید اور متبادل (BMR) طریقہ کار کی ضرورت ہے۔

مشکلات کی شکار منڈی اور ابتر معاشی صورت حال کے پیش نظر اس BMR پروجیکٹ پر عمل درآمد وقت کی اہم ضرورت ہے تاکہ تمام سطحوں میں کمپنی کے حریفوں کے ساتھ مقابلہ کے فرق کو کم کیا جاسکے۔ آپ کی کمپنی BMR پروجیکٹ کی تیاری کے آخری مراحل میں ہے اور اس مخصوص پراجیکٹ کی مدد میں رقم حاصل کرے گی۔

### آڈیٹرز کے مشاہدات

ایکویزیشن کے بعد اس قلیل مدت میں کمپنی کی نئی انتظامیہ نے خاطر خواہ سرمایہ داری کی ہے اور مالیاتی اداروں کو سابقہ انتظامیہ کے واجبات کو ری سٹرکچر کیا ہے اور اپنے پلانٹ کو متوازن، جدید اور تبدیل (BMR) کے ارادہ کا اعلان کیا ہے۔ درست سمت میں نئی انتظامیہ کی کاوشوں کی بنیاد پر کمپنی مکمل طور پر پرامید ہے کہ کمپنی کاروبار جاری رکھنے کی صلاحیت رکھتی ہے۔ دیگر قانونی ضروریات سے زائد وکرز معروضہ مراعات مجاز تھارٹی کے حتمی تعین اور تصدیق سے مشروط ہے۔ اقتصادی امور ڈیویژن (EAD) کو بقیہ تصدیق کا خط قبل ازیں بھیج دیا گیا ہے اور ابھی تک کوئی جواب موصول نہ ہوا ہے۔

## حصص داران کو ڈائریکٹرز کی رپورٹ

30 جون 2019ء کو اختتام پذیر سال کے لئے بورڈ آف ڈائریکٹرز کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ انتالیسویں (39 ویں)

سالانہ رپورٹ پیش کرتے ہیں۔

### بنیادی سرگرمیاں اور آپریشنل کارکردگی

ڈنڈوت سیمنٹ کمپنی لمیٹڈ (کمپنی) پبلک لسٹڈ کمپنی ہے۔ کمپنی کے بنیادی کاروباری امور میں سیمنٹ کی تیاری اور فروخت شامل ہیں۔ گذشتہ برس کے مقابلہ میں زیر جائزہ سال کے دوران کمپنی کی آپریشنل کارکردگی حسب ذیل ہے:

2018	2019		
210,579	187,369	ملین ٹن	- کلنکر پیداوار
44	39	فی صد	- صلاحیت کا استعمال
219,017	200,928	ملین ٹن	- سیمنٹ کی پیداوار
43	40	فی صد	- صلاحیت کا استعمال
216,245	205,184	ملین ٹن	- فروخت
کمپنی کے متقابل مالیاتی نتائج کا خلاصہ حسب ذیل ہے: (000 روپوں میں)			
1,908,323	2,231,887		- مجموعی فروخت
1,306,529	1,593,417		- خالص فروخت
(449,031)	(343,681)		- مجموعی خسارہ
(514,262)	(411,284)		- فعالی خسارہ
(717,909)	624,545		- خالص نفع/ (نقصان)
(7.57)	6.59		- نفع/ (نقصان) فی حصص (روپے)

زیر جائزہ سال کے دوران، سیمنٹ کی پیداوار اور متعلقہ فروخت کا حجم کم ہوا ہے۔ پیداواری عمل میں غیر معمولی مداخلت اس خسارہ کی وجہ بنی اور مصنوعات کی رسد میں مزاحمت پیدا ہوئی۔ پرانے آلات کی ناقص کارکردگی اور غیر ممکنہ بندش کی وجہ سے مطلوبہ پیداوار میں خلل پیدا ہوا۔ علاوہ ازیں، ٹیلیٹی کمپنی (واپڈا) کی جانب سے ووٹج میں اتار چڑھاؤ کی وجہ سے بھی مسلسل مزاحمت پیدا ہوئی۔ ووٹج سپلائی میں بے قاعدگی کی وجہ سے پلانٹ ایکوپمنٹ کو نقصان پہنچا جس کے نتیجے میں پلانٹ کی صلاحیت کم ہو گئی اور یہ فوری بند ہو گیا۔ کمپنی کے پلانٹ سے کئی مادے خارج ہوتے ہیں اور یہ اخراج آلودگی میں کمی اور پلانٹ کے خارج مادوں کے نقصانات سے بچنے کے لئے پاکستانی ایمیشن سٹینڈرڈ کے عین مطابق نہ ہے لہذا پلانٹ اپنی بھرپور صلاحیت کے مطابق کام کرنے سے قاصر ہے۔ اس مسئلہ کے حل کے لئے ایک متوازن، جدید اور متبادل (BMR) طریقہ کار اپنانا ہوگا۔

6- وڈیوکانفرنس سہولت کی رضامندی کمپنیز ایکٹ، 2017 کی دفعہ (b)(1)134 کی تعمیل میں، اگر کمپنی جغرافیائی محل وقوع میں سکونت مجموعی 10% یا زیادہ شیئر ہولڈنگ کے مالک ارکان سے وڈیولنک سہولت کے ذریعے اجلاس میں شرکت کیلئے رضامندی اجلاس عام کی تاریخ سے کم از کم 10 یوم قبل وصول کرتی ہے تو کمپنی اس شہر میں وڈیولنک سہولت کا انتظام کرے گی۔ اس سہولت سے مستفید ہونے کے لئے، براہ مہربانی درج ذیل معلومات کمپنی کے رجسٹرڈ دفتر کو مہیا اور جمع کرائیں۔

کمپنی وڈیوکانفرنس سہولت کے مقام مع اس سہولت تک رسائی کے قابل بنانے کیلئے مکمل ضروری معلومات کی بابت اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

میں رہم..... ساکن..... بحیثیت رکن ڈنڈوت سیمنٹ کمپنی لمیٹڈ، مالک.....  
عام حصص برطابق رجسٹر فوئیونمبر..... بذریعہ ہذا..... میں ویڈیوکانفرنس سہولت اختیار کرنا چاہتا ہوں۔


دستخط کارکن

## ڈنڈوٹ سیمینٹ کمپنی لمیٹڈ

### اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ڈنڈوٹ سیمینٹ کمپنی لمیٹڈ کے حصص داران کا 39 واں سالانہ اجلاس عام برائے 30 جون 2019ء مختتمہ مالی سال بمقام 43-A/S ظفر علی روڈ گلبرگ 7 لاہور میں بروز بدھ 27 نومبر 2019ء صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1- 27 نومبر 2018ء کو منعقد ہونے والے گذشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2019ء مختتمہ سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعہ ان پریڈائریکٹران اور آڈیٹران کی رپورٹس پر غور و خوض، وصولی اور منظوری دینا۔
- 3- آڈیٹران کا تقرر اور ان کے صلہء خدمت کا تعین کرنا۔ موجودہ آڈیٹرز میسرز امین، مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سبکدوش ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔
- 4- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی، جو اجلاس کے روبرو رکھی جاسکتی ہیں

  
حسب الحکم بورڈ  
(محمد کامران) کمپنی سیکرٹری

لاہور  
مورخہ 5 نومبر 2019ء

### نوٹ:.....

- 1- رجسٹر ممبران اور کمپنی کی حصص منقولی کتابیں 20 نومبر 2019ء تا 27 نومبر 2019ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے استحقاق کے تعین کے لئے بندر ہیں گی۔
- 2- اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے پراکسیاں تا نکلہ مؤثر ہو سکیں کمپنی کے رجسٹرڈ دفتر بواقع 5 ظفر علی روڈ گلبرگ 7 لاہور میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل تک لازماً وصول ہو جانی چاہئیں۔
- 3- سی ڈی سی حصص یافتگان سے التماس ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC)، یا پاسپورٹ شناخت کے مقصد کے لئے اجلاس میں شرکت کے وقت ہمراہ لائیں۔
- 4- بصورت کارپوریٹ اینٹٹی، بورڈ کی قرارداد یا مختار نامہ مع نامزدہ کے نمونہ دستخط اجلاس کے وقت فراہم کرنا ہونگے۔
- 5- مادی شیئرز سٹیکہولڈرز کے حامل حصص داران سے التماس ہے کہ اپنے پتہ میں تبدیلی، اگر کوئی ہو، کمپنی کے شیئرز رجسٹرار میسرز کارپوریشن پرائیویٹ لمیٹڈ، ونگر آرکیڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو فی الفور مطلع فرمائیں۔

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












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# پراکسی فارم

دی کمپنی سیکرٹری

ڈنڈوٹ سینٹ کمپنی لمیٹڈ

لاہور۔

میں / ہم

آف

بحیثیت ممبر ڈنڈوٹ سینٹ کمپنی لمیٹڈ اور ہماری جانب سے عارضی حصص کو برقرار

رکھا جیسا کہ فی حصص رجسٹرڈ فیلو نمبر یہاں پرمسٹر

آف کو بحوالہ فیلو نمبر

کو بطور نمائندہ مقرر کیا جاتا ہے۔ نیز موصوف ڈنڈوٹ سینٹ کمپنی لمیٹڈ کے ایک ممبر بھی ہیں جو کہ موصوف میری یا ہماری جانب سے پراکسی میں شرکت

کرے اور اپنے رائے کو میری یا ہمارے ایما پر 39 ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز بدھ مورخہ 27 نومبر 2019 کو بوقت

صبح 11:30 بجے منعقد یا التوا ہو میں اپنی رائے (ووٹ) کو استعمال کرے۔

میری / ہماری جانب سے بطور گواہ اس پر آج مورخہ 2019 دستخط کیے گئے ہیں۔

دستخط

پانچ روپے کی ٹکٹ چسپاں کریں

گواہ شدہ:

دستخط

نام

ایڈریس

نوٹ:-

1- پراکسی فارم کی معیاد کو برقرار رکھنے کے لیے ضروری ہے کہ اس پر دستخط اور پانچ روپے کی ریونیوسٹیپ کے ساتھ کمپنی کے رجسٹرڈ شدہ آفس

میں جمع کروایا جائے اور اس فارم کو میٹنگ منعقد ہونے سے تقریباً 48 گھنٹے قبل جمع کروایا جانا ضروری ہے۔

2- کسی بھی فرد کے لیے پراکسی فارم کے استعمال کے فعل کا تحرک نہیں ہو سکتا تا آنکہ کہ وہ فرد کمپنی کا ممبر نہ ہو۔

3- پراکسی فارم پر وہی دستخط کرنا ہو گئے جن کا نمونہ دستخط کمپنی میں رجسٹرڈ ہے۔

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AFFIX  
CORRECT  
POSTAGE

The Company Secretary,

**Dandot Cement Company Limited,**  
5-Zafar Ali Road, Gulberg V,  
Lahore - Pakistan.  
Ph: +92-42-3578614-16

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# Form of Proxy

The Company Secretary  
Dandot Cement Company Limited  
LAHORE.

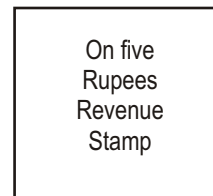
I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **Dandot Cement Company Limited** and holder of \_\_\_\_\_ Ordinary Shares as per Shares Register Folio No. \_\_\_\_\_ hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ Folio No. \_\_\_\_\_ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend and vote for and on my / our behalf at the 39<sup>th</sup> Annual General Meeting of the Company to be held on **Wednesday, November 27, 2019 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) \_\_\_\_\_ day of November 2019.

**Witness:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Signature



**Note:**

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
2. No person shall be act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.



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CORRECT  
POSTAGE

The Company Secretary,

**Dandot Cement Company Limited,**  
5-Zafar Ali Road, Gulberg V,  
Lahore - Pakistan.  
Ph: +92-42-3578614-16

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