

Annual Report 2020

DANDOT CEMENT COMPANY LIMITED

Contents

Company Information	2
Notice of Annual General Meeting	3
Vision & Mission	4
Chairman's Review Report	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, 2019	13
Independent Auditor's Review Report on Statement of Compliance with the listed Companies (Code of Corporate Governance) Regulations, 2019	15
Independent Auditor's Report	16
Financial Statements	20
Summary of Last Ten Years' Financial Results	59
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.

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
Bank Al-Habib Limited
Askari Bank Limited

Registered Office

5-Zafar Ali Road, Gulberg V, Lahore.

Postal Address

43-A/S Zafar Ali Road, Gulberg V, Lahore.
Telephone: +92-42-3578614-15

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

Notice of Annual General Meeting

NOTICE is hereby given that 40th Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2020 will be held on Tuesday, January 26, 2021 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, 2019.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2020 together with Auditors' and Directors' Reports thereon.
3. To appoint Statutory 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:
January 05, 2021

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from January 19, 2021 to January 26, 2021 (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- 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. Shareholders who wish to receive annual reports and notice of the Annual General Meeting through email are requested to provide the following particulars, through a letter duly signed by them,
1- Name, 2-Folio/CDC Account No, 3-email address, 4-Contact Number.
7. 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,

COVID-19 has affected our lives drastically and I sincerely hope you and everyone around is staying safe from the virus and using all precautionary measures to mitigate the risks. The year has presented unprecedented challenges and the board of directors of your company has performed admirably in such uncertainty.

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;

The Board used its vast nous of business knowledge and experience to navigate several challenges presented this year. The challenges were not only local but global, and had lasting affects which still have repercussions.

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, while maintaining COVID-19 protocols, 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 ensure the shareholders that your company is on right track towards a proper turnaround. Through the values and principles mentioned above we are persevering ahead, achieving interim goals to get to our final target of creating a successful and profitable company and realizing its true potential value.



MUHAMMAD FAROOQ NASEEM

Chairman

Lahore: January 05, 2021

CEO's Message

Asalam Alaikum Shareholders,

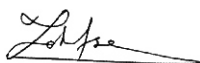
This year has been extremely challenging for us and throughout the world. The effects of corona virus have been devastating and the challenges created because of the virus are still present. Corporates must evolve and adapt in order to achieve their future goals in this new environment. While the vaccine gives us hope that soon we will back to pre-corona days, businesses have changed with irreversible effects and taken steps to ensure their long-term sustainability. Dandot Cement Company like many others has kept going forward in terms of realizing its goals on its way to completing a turnaround. The cement industry as a whole has also emerged stronger after a few disappointing years and seems to be on the verge of fast growth. The incentives offered by the government for construction and an increase in power and infrastructure projects have led to a revival of all construction related entities and also helped ease out the difficulties people were facing due to unemployment.

The year 2020 has been one of the most unique years of our lives. In the midst of such extreme uncertainty it was impossible to make decisions or anticipate future trends. Despite all these hurdles, your company has achieved several milestones in its journey to become a sustainable entity. A BMR is needed to revitalize the company and upgrade the old technology and in order to make the company competitive with the current landscape of Pakistan cement manufacturers. After considerable research and due diligence, your company has signed an MOU with a renowned Cement EPC contractor, Hefei Cement Research & Design Institute Corporation Ltd. (HCRDI). The BMR will consist of machinery upgrades, specifically to improve the pyro process, automation upgrades and equipment to make the plant environmentally compliant. Your company is in the process of raising financing for this project and Insha-Allah will complete in financial year 2021.

The cement industry has rebound well after a despondent first half of FY '20 and recorded strong dispatches towards the end of 2020. There were several new plants that added to the supply side, in both Northern and Southern zone, and the market responded well to absorb the new production. The industry is showing a positive outlook for the future with more construction activity to follow due to encouraging government policy and infrastructure projects on the horizon.

Covid presents a two-pronged challenge from the governance stand point, the economic challenge, and the health/safety challenge. The government did well to curtail and limit the spread of the virus. Moreover, effective business policies; tax exemptions on real estate activity, low interest rates, and TERF loans, spurred economic activity which softened the negative impact of Covid. Government support will be essential for the country's and cement industry's sustained growth.

Through sheer perseverance, long term planning, and careful execution we are achieving our goals of making this company profitable and a source prosperity for its surroundings.



TAHA MUHAMMAD NASEEM

Chief Executive Officer

Lahore: January 05, 2021

Directors' Report to the Shareholders

The Board of Directors presents the 40th annual report along with the audited financial statements of the company for the year ended June 30, 2020.

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:

		2020	2019
Clinker production	M.Ton	8,493	187,369
Capacity utilization	%age	11	39
Cement production	M.Ton	21,286	200,928
Capacity utilization	%age	17	40
Sales	M. Ton	26,151	205,184

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

Gross sales	389,999	2,231,887
Net sales	296,106	1,593,517
Gross loss	(193,487)	(343,681)
Operating loss	(230,551)	(411,284)
Net (loss)/profit	(695,056)	624,545
Profit/(loss) per share (Rs.)	(7.33)	6.59

During the year under review, cement production & related sales volume decreased and reason of decline is closure of plant operations in September 2019 which remained suspended rest of the year. Further, other major reasons of gross and operating loss are low retention of sales per bag with high energy input costs. Due to huge financial losses, dividend has not been recommended by the board of directors for the current year.

Future Prospects

Industry:

Due to pandemic COVID-19, the country is passing through the most difficult time of its history in economic terms and such economic distress has had a major impact on the cement industry. If corona virus spread beyond the control and stay for a longer period, there could be negative effect on the cement industry. However, this adverse factor can be mitigated to some extent due to the announcement of comprehensive package by the Federal Government to boost the construction activities which includes TERF loans, reduction in Federal Excise Duty on cement, amnesty scheme for investment in construction activities, downward revision of FBR's property valuation rates, incentives for builders and affordable housing schemes. Further, reduction in markup rates by SBP may also positively affect the profitability of the cement sector.

Principal Risks and Uncertainties

Increasing supply with stagnant demand.

Impact of pandemic of COVID-19.

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

Last year, company successfully concluded its share transfer transaction with Calicom Industries (Pvt.) Limited and a new board of directors constituted. As pessimistic short-term economic conditions and to make the company competitive in all respects, the

new management is envisioned for comprehensive Balancing, Modernization and Replacement (BMR) of its plant which consist of machinery upgrades, specifically to improve the pyro process, automation upgrades and equipment to make the plant environmentally compliant.

As a part of management plan and after due diligence, the company has signed a Memorandum of Understanding (MOU) with renowned Cement EPC contractor, Hefei Cement Research & Design Institute Corporation Ltd. (HCRDI) for BMR project due to its relevant expertise in the Pyro Process of Cement Plants in China and Asia. Accordingly, the company has currently approached financial institutions to raise fresh capital to finance BMR and Insha-Allah will complete in financial year 2021.

Auditors' Observations

The new management of the company, within such short period of time after acquisition, injected significant funds, restructured liabilities of ex-management and financial institutions and signed MOU 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 complying the order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP) related to dues of provident fund and trying to contribute in stipulated time defined by relevant laws.

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 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 system of internal control is sound in design and has been effectively implemented and monitored.

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, 2020.

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 42.

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

As per Articles of Association of the Company, the Board of directors is authorized to fix remuneration of Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for directors of the company. The details of the remuneration paid to the executive director (chief executive) of the Company is disclosed in Note 41 of these financial statements.

Meetings of the Board of Directors (BOD)

During the year ending June 30, 2020, following is the detail of meetings of the BOD:

Directors' Name	Position on Board	Meeting Attended
Taha Muhammad Naseem (CEO)	Executive Director	6
Muhammad Farooq Naseem	Non-Executive Director	6
Mrs. Roohi Farooq Naseem	Non-Executive Director	4
Zaka Muhammad Naseem	Non-Executive Director	5
Hamid Mehmood	Non-Executive Director	6
Shafqaat Ahmed	Independent Director	6
Murtaza Yousaf Mandviwala	Independent Director	6

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:

Directors' Name	Meeting Attended
Shafqaat Ahmed (Chairman)	6
Muhammad Farooq Naseem	4
Hamid Mehmood	4

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:

Directors' Name	Meeting Attended
Murtaza Yousaf Mandviwala (Chairman)	5
Muhammad Farooq Naseem	5
Taha Muhammad Naseem	5

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 under review, no trading in the shares of the company was carried out by any director, CFO, Company Secretary and their 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

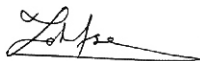
The pattern of shareholding and additional information required in this regard is enclosed.

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2020-21. 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: January 05, 2021



MUHAMMAD FAROOQ NASEEM
Director

Pattern of Shareholding

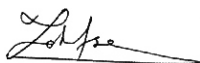
As at June 30, 2020

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
195	1	100	5,010
185	101	500	67,524
99	501	1,000	88,083
140	1,001	5,000	366,088
31	5,001	10,000	212,985
14	10,001	15,000	167,705
6	15,001	20,000	108,834
1	25,001	30,000	30,000
1	45,001	50,000	47,500
2	70,001	75,000	142,293
1	90,001	95,000	92,500
4	95,001	100,000	391,195
1	110,001	115,000	111,588
1	180,001	185,000	182,625
1	195,001	200,000	200,000
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	310,001	315,000	311,500
1	345,001	350,000	346,600
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	1,540,001	1,545,000	1,543,839
1	1,615,001	1,620,000	1,616,500
1	2,285,001	2,290,000	2,287,750
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	67,310,001	67,315,000	67,312,925
701			94,839,980

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)	67,312,925	70.9753%
2.3.3 NIT and ICP	1,100	0.0012%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	346,800	0.3657%
2.3.5 Insurance Companies	182,625	0.1926%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	67,312,925	70.9753%
2.3.8 General Public		
a. Local	19,453,646	20.5121%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	5,063,628	5.3391%
2- Foreign Companies	328,031	0.3459%
3- Others	2,147,725	2.2646%

Catagories of Shareholding required under Code of Coprorate Governance (CCG) As on June 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Calicom Industries (Private) Limited (CDC)	67,312,925	70.9753
Mutual Funds (Name Wise Detail)		-	0.0000
Directors and their Spouse and Minor Children (Name Wise Detail):			
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 Mandviwalla (CDC)	500	0.0005
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance		529,425	0.5582
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	Calicom Industries (Private) Limited (CDC)	67,312,925	70.9753
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:			Nil



TAHA MUHAMMAD NASEEM
Chief Executive
Lahore: January 05, 2021

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

The company has complied with the requirements of the Regulations 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:

Category	Names
- 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 6- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9- The Board had arranged Directors' Training Program for Mr. Taha Muhammad Naseem, and Mr. Shafqaat Ahmed. However, remaining directors will be enrolled for the Directors' Training Program.
- 10- The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 11- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

- 12- The board has formed committees comprising of members given below:
- a) Audit Committee 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 has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- 16- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the 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 requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with; Explanation as required under the regulations is mentioned below;
- Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations; therefore, the company did not made appointment of a third independent director.
- 19- We confirm that all other requirements of the Regulations have been complied with except for the requirements under Regulation 19 and 24. The Company has adopted explanation approach as the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") allowed the Companies to either comply or explain the reason otherwise. The management is of the view, that the employee holding the position of CFO and Company Secretary is suitably qualified and professionally capable with the relevant experience to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the Company. Further, due to pandemic COVID-19, directors' training was not possible. However, remaining directors will be enrolled soon for the Directors' Training Program.



MUHAMMAD FAROOQ NASEEM
Chairman
Lahore: January 05, 2021

Independent Auditor's Review Report

To the members of Dandot Cement Company Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

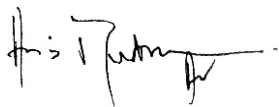
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Dandot Cement Company Limited** for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.



Amin Mudassar & Co.

CHARTERED ACCOUNTANTS

Engagement Partner: Ghulam Mudassar

Faisalabad: January 05, 2021

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, 2020, 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, 2020 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

As explained in note 20 to the financial statements, on the basis of legal opinion, the company has written back outstanding liability in respect of some 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 during the previous and current year amounting Rs.46.60 million and Rs.6.94 million respectively. The company has also filed a petition in Hon'ble Labour Court to seek permission for retrenchment of all workers at factory and has not accounted for related expense and liability of salary and provident fund contribution amounting Rs.70.87 million since September 01, 2019. However, basis of balances written back and non-provisioning of benefits remained un-substantiated 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, loss for the year would have been higher by Rs.77.81 million, current liabilities and accumulated loss as at June 30, 2020 would have been higher by Rs.441.53 million. Further, the company did not pay contributions amounting Rs.3.04 million to the provident fund trust in compliance with section 218 of the Companies Act, 2017.

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.

Material Uncertainty relating to Going Concern

We draw attention to note no. 1.2 to the financial statements, which indicates that the financial statements have been prepared on going concern basis. The company sustained gross loss and net loss amounting Rs. 193.49 million and Rs.695.06 million respectively during the year ended June 30, 2020 and as of that date its accumulated loss was Rs. 5,201.98 million. As of June 30, 2020, the company's current liabilities exceeded its current assets by Rs.590.62 million. During the year, the management of the company has decided to complete close down the Plant since October 30, 2019 with an intention of Balancing, Modernization and Replacement (BMR) of its plant. The management of the company has planned to execute the Balancing, Modernization and Replacement (BMR) activity in the near future. The company has managed to arrange substantial amount of facility limits from financial institutions which have been finalized/in process and received funds from the holding company subsequent to the year end as described in note no. 1.2. As stated in note no.1.2, these events or conditions, along with other matters as set forth in note no. 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to note 11.1 and note 17.1 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.62.33 million respectively. We did not receive 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 42 to the financial statements which describes that the company did not pay past dues of provident fund 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>Recoverable value of Property, plant and Equipment</p> <p><i>(Refer to note 21 to the financial statements)</i></p> <p>As at June 30, 2020, the carrying value of operating fixed assets is amounting Rs.4,306.96 million which includes Machinery and Heavy Vehicles amounting Rs.3,753.39 million and Rs.20.85 million.</p> <p>The company assesses at the end of each reporting period whether there is any indication of impairment of operating fixed assets. Close down of operations of the company due to BMR triggered for impairment indicator of operating fixed assets of the company. The management of the company had engaged independent external expert to evaluate the recoverable value of the Machinery and Heavy Vehicles.</p> <p>We considered this matter as key audit matter due to significant value of these assets at reporting date.</p>	<p>Our audit procedures in relation to management's impairment assessment, amongst others, included the following:</p> <p>Assessed the methodology used by management to assess the recoverable value of Machinery and Heavy Vehicles;</p> <p>Evaluating the nature, scope and objectives of the management's expert's work;</p> <p>The methodology used by the management's expert to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuations report by the management's expert</p> <p>Reviewing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards</p>
(ii)	<p>Valuation of Stores, spares and loose tools</p> <p><i>(Refer to note 24 to the financial statements)</i></p> <p>As at June 30, 2020, the carrying value of stores, spares and loose tools is amounting Rs.232.86 million which includes General Stores, Spare Parts and Loose Tools.</p> <p>The company assesses at the end of each reporting period whether there is any indication of impairment of stores, spares and loose tools. Close down of operations of the company due to BMR triggered for impairment indicator of stores, spares and loose tools. The management of the company had engaged independent external expert to determine the net realizable value of the stores, spares and loose tools.</p> <p>Due to the significance of the balances involved, this is considered as a key audit matter.</p>	<p>Our audit procedures in relation to management's impairment assessment, amongst others, included the following:</p> <p>Observation of inventory counts for stores, spares and loose tools;</p> <p>Physical inspection of stores, spares and loose tools</p> <p>Evaluating the adequacy of provision for slow moving and obsolete stores, spares and loose tools</p> <p>Evaluating the nature, scope and objectives of the management's expert's work;</p> <p>The methodology used by the management's expert to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuations report by the management's expert</p> <p>Reviewing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards</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 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.

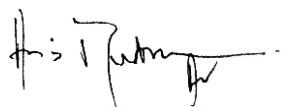
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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

Except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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 Ghulam Mudassar.

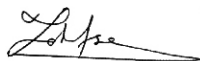


Amin Mudassar & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Faisalabad: January 05, 2021

Statement of Financial Position

	Note	2020 Rupees	2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (2019: 100,000,000) ordinary shares of Rs.10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up share capital	4	948,399,800	948,399,800
Share premium reserve	5	31,800,740	31,800,740
Accumulated loss		(5,201,976,599)	(4,587,511,104)
Revaluation surplus on property, plant and equipment	6	<u>2,419,633,353</u>	<u>2,500,224,322</u>
		(1,802,142,706)	(1,107,086,242)
Long term loan from holding company	7	<u>2,532,527,126</u>	<u>1,773,441,126</u>
		<u>730,384,420</u>	<u>666,354,884</u>
NON CURRENT LIABILITIES			
Long term financing from banking companies	8	<u>2,022,113,765</u>	1,892,941,955
Long term financing from related parties	9	-	203,459,588
Payable to provident fund trust	10	-	-
Other loans and liabilities	11	-	-
Deferred liabilities	12	<u>989,710,316</u>	918,820,123
Long term advances and deposits	13	<u>3,563,334</u>	<u>3,563,334</u>
		<u>3,015,387,415</u>	3,018,785,000
CURRENT LIABILITIES			
Trade and other payables	14	<u>699,141,931</u>	905,966,038
Deposits, accrued liabilities and advances	15	<u>62,543,995</u>	191,755,365
Unclaimed dividend		<u>1,081,940</u>	1,081,940
Payable to provident fund	16	<u>90,207,951</u>	93,785,100
Mark up accrued	17	<u>215,319,584</u>	206,250,692
Current portion of non current liabilities	18	<u>92,081,512</u>	185,292,637
Provision for taxation	19	-	-
		<u>1,160,376,913</u>	1,584,131,772
CONTINGENCIES AND COMMITMENTS			
	20	-	-
		<u>4,906,148,748</u>	<u>5,269,271,656</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

As at June 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	21	4,306,965,277	4,383,558,222
Un-allocated capital expenditure - BMR	22	19,095,481	-
LONG TERM DEPOSITS AND PREPAYMENTS			
	23	10,328,905	10,320,545
		4,336,389,663	4,393,878,767
CURRENT ASSETS			
Stores, spares and loose tools	24	232,860,397	286,622,020
Stock in trade	25	119,153,645	220,018,479
Trade debts	26	11,441,977	105,295,812
Loans and advances	27	11,372,801	32,677,676
Trade deposits, short term prepayments and current account balances with statutory authorities	28	188,166,437	181,868,751
Cash and bank balances	29	6,763,828	48,910,151
		569,759,085	875,392,889
		4,906,148,748	5,269,271,656


HAMID MAHMOOD
 Director

Statement of Profit or Loss

For the Year Ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales			
Local sales		389,999,371	2,231,887,463
Less: Excise duty		52,302,620	307,775,730
Sales tax		40,677,050	327,595,284
Commission / discount		914,101	2,999,834
		93,893,771	638,370,848
Net sales		296,105,600	1,593,516,615
Cost of sales	30	(489,593,137)	(1,937,197,269)
Gross loss		(193,487,537)	(343,680,654)
Distribution cost	31	(2,401,669)	(8,929,419)
Administrative expenses	32	(34,661,819)	(58,673,674)
		(37,063,488)	(67,603,093)
Operating loss		(230,551,025)	(411,283,747)
Other income	33	567,538	425,125,343
Other operating expenses	34	(18,438,942)	(12,606,642)
		(248,422,429)	1,234,954
Finance cost	35	(371,291,194)	608,545,565
(Loss)/profit before taxation		(619,713,623)	609,780,519
Taxation	36	(75,342,841)	14,764,160
(Loss)/profit after taxation		(695,056,464)	624,544,679
Earnings per share - Basic and Diluted	37	(7.33)	6.59

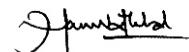
The annexed notes from 1 to 48 form an integral part of these financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



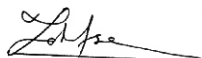
HAMID MAHMOOD
Director

Statement of Comprehensive Income

For the Year Ended June 30, 2020

	2020 Rupees	2019 Rupees
(Loss)/profit after taxation	(695,056,464)	624,544,679
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	-	-
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(695,056,464)	624,544,679

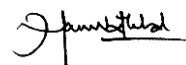
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TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director

Statement of Cash Flows

For the Year Ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(619,713,623)	609,780,519
Adjustments of items not involving movement of cash:			
Depreciation	21	145,905,933	150,791,337
Gratuity		-	443,482
Profit on deposit and PLS accounts	33	(537,538)	(213,224)
Loss/(gain) on disposal of fixed assets	34	209,067	(278,940)
Reversal of provision for doubtful balances	33	(30,000)	-
Balances written back	33	-	(10,318,046)
Interest payable - Written back	33	-	(414,315,133)
Provision for obsolescence of stores, spares and loose tools	34	7,944,845	7,088,943
Provision for doubtful debts	34	5,259,944	5,182,106
Balances written off	34	3,381,252	335,593
Finance expense/(income) on long term loan	35	137,540,770	(768,747,582)
Unwinding of long term finances	8	143,312,940	81,724,972
Short term lease payment	32	3,831,265	-
Finance cost	35	90,063,191	76,319,421
		536,881,669	(871,987,072)
Net cash used before working capital changes		(82,831,954)	(262,206,553)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		45,816,777	(94,540,339)
Stock in trade		100,864,834	(5,610,620)
Trade debts		88,593,891	28,780,153
Loans and advances		21,334,875	1,999,690
Sales tax		(1,662,301)	(3,219,608)
Other receivables		-	24,401
Increase / (decrease) in current liabilities:			
Trade and other payables		(210,205,359)	180,197,736
Deposits, accrued liabilities and advances		(129,211,370)	(74,098,850)
Payable to Provident fund trust		(3,577,149)	954,499
		(88,045,801)	34,487,062
Cash used in operations		(170,877,755)	(227,719,491)
Long term deposits and prepayments		-	1,775,000
Gratuity paid		-	(5,086,976)
Finance cost paid		(44,234,309)	(57,084,086)
Interest received		537,538	213,224
Short term lease payment		(3,831,265)	-
Income tax paid		(9,088,032)	(39,133,772)
Net cash used in operating activities		(227,493,823)	(327,036,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(69,722,054)	(54,737,761)
Sale proceeds of fixed assets		200,000	520,000
Long term security deposits		(8,360)	(33,830)
Un-allocated capital expenditure		(19,095,481)	-
Net cash used in investing activities		(88,625,895)	(54,251,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received from holding company		343,916,000	343,184,000
Long term loan repaid to banking companies		(61,491,503)	(60,061,632)
Long term loan repaid to related party		(8,446,000)	-
Long term loan from related party- net		-	133,616,034
Other loans and liabilities repaid- net		(5,102)	(30,612)
Net cash inflows from financing activities		273,973,395	416,707,791
Net (decrease)/increase in cash and cash equivalents		(42,146,323)	35,420,098
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		48,910,151	13,490,053
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	29	6,763,828	48,910,151

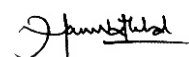
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TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

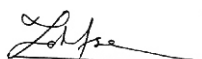


HAMID MAHMOOD
Director

Statement of Changes in Equity For the Year Ended June 30, 2020

	Capital Reserve	Revenue Reserves	Capital Reserve	Sub Total	Long Term Loan From Holding Company	Total	
	Share premium	Accumulated loss	Revaluation surplus on property, plant and equipment				
----- R U P E E S -----							
Balance as at July 1, 2018	948,399,800	31,800,740	(5,296,992,062)	2,585,160,601	(1,731,630,921)	-	(1,731,630,921)
Profit after taxation for the year	-	-	624,544,679	-	624,544,679	-	624,544,679
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	624,544,679	-	624,544,679	-	624,544,679
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)	-	-	-
Balance as at July 1, 2019	948,399,800	31,800,740	(4,587,511,104)	2,500,224,322	(1,107,086,242)	1,773,441,126	666,354,884
Loss after taxation for the year	-	-	(695,056,464)	-	(695,056,464)	-	(695,056,464)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(695,056,464)	-	(695,056,464)	-	(695,056,464)
Loan received / transferred during the year	-	-	-	-	-	759,086,000	759,086,000
Revaluation surplus on disposal of revalued asset	-	-	301,271	(301,271)	-	-	-
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 6	-	-	80,289,698	(80,289,698)	-	-	-
Balance as at June 30, 2020	948,399,800	31,800,740	(5,201,976,599)	2,419,633,353	(1,802,142,706)	2,532,527,126	730,384,420

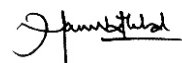
The annexed notes from 1 to 48 form an integral part of these financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director

Notes to the Financial Statements

For the Year Ended June 30, 2020

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. The company is a subsidiary of Calicom Industries (Pvt.) Limited. The 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 having total area of 467.83 acres.
- 1.2 In October 2018, the company received a firm intention from Calicom Industries (Pvt.) Limited (CIPL) to acquire the company and on May 2019, CIPL formally acquired the company under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

After acquisition and upto reporting date, CIPL managed to arrange funds of Rs. 836 million to address the deficits of cash flows. Majority of these funds were used to reschedule the financial institutions' liabilities by paying Rs. 246 million. Further, Rs. 125 million incurred for annual maintenance and Rs. 465 million paid to regularize the supply chain and to support the operations of the company. Despite of comprehensive annual maintenance, the company could not obtain the desired environmental standards and was unable to get feasible production levels with non-controllable financial losses resulting the shutdown of production on September 01, 2019. The Provincial Cabinet of the Government of Punjab also directed the company to must upgrade the plant to economically viable scale on the modern technology to mitigate environmental risks. These unavoidable circumstances compel the management to formerly close down the factory to upgrade the plant through Balancing, Modernization and Replacement (BMR). For the purpose, the Board of Directors of the company unanimously decided through its resolution dated October 30, 2019 to "Close Down" the factory while complying all relevant laws in this respect.

After due diligence for BMR and considering the relevant expertise in the Pyro Process of Cement Plants in China and Asia, the company has signed a Memorandum of Understanding (MOU) with renowned cement EPC contractor, Hefei Cement Research & Design Institute Corporation Ltd. (HCRDI). Initially a cost of approximately PKR 3.6 billion has been estimated including USD 15 million for import of new machinery & equipment. The BMR will mainly consist of machinery upgrades, specifically to improve the pyro process, automation upgrades and equipment to make the plant environmentally compliant. Further, the terms & conditions of substantial amount of loan facility have been finalized or at final stage of approval with the financial institutions as referred to note no. 22 to the financial statements and hopefully will be completed during the financial year 2021.

The management of the company is fully confident that the company will continue its operations as a going concern on the basis of facts stated above despite the company sustained gross loss and net loss amounting Rs. 193.49 million and Rs.695.06 million respectively during the year ended June 30, 2020 and as of that date its accumulated loss was Rs. 5,201.98 million. As of June 30, 2020, the company's current liabilities exceeded its current assets by Rs.590.62 million. These matters indicate a material uncertainty that may cast a significant doubt on the company's ability to continue as a going concern, and therefore, the company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on a going concern basis for reasons disclosed above and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as a going concern.

Notes.....

1.3 EFFECT OF COVID-19

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has affected the affairs of the company. The management had analyzed the events as these are indicative of conditions for a review of recoverable amounts of assets and viability of operations of the Company. Consequently, the management of the company concluded that there is no change in recoverable amounts of Company's assets at the reporting date. Further, the management evaluates appropriateness of going concern assumption used for the preparation of financial statements. However, as per the management assessment, there is no significant impact on the above. The management is fully confident that the Company's operations would remain viable for foreseeable future. It is practically not possible to segregate the affect due to Covid-19.

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.

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 'Leases' have been applied. Changes to significant accounting policies are described in Note 2.5 to the financial statements.

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

Notes.....

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 property, plant and equipment
- ii Contingencies
- iii Estimated useful life of operating assets
- iv Deferred taxation
- v Provision for taxation
- vi Provision for doubtful debts

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, 2019. 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 one new standard has become applicable to the Company effective July 1, 2019:

- **IFRS 16, 'Leases'**: this standard has been notified by the Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the previous guidance in IAS 17, 'Leases' and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, there is no impact in these financial statements.

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, 2020

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, 2020. 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.

Notes.....

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 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 prior year, the company has ceased funded gratuity scheme as referred to note 20 to the financial statements.
- b) The Company operates a funded contributory provident fund scheme for all eligible employees and contribution is made by both employer and employee @ 10% of basic salary plus dearness allowance and the liability is recognized in financial statements 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.

Notes.....

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. 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 21. 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 value. 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

Notes.....

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 average cost covering direct material, labour and manufacturing overheads.

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 statement of cash flows, 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.

Notes.....

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

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

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.

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.

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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.

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.

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- (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.

3.20 Related Party Transactions

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

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.

	2020 Rupees	2019 Rupees
4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
86,089,980 (2019: 86,089,980) ordinary shares of Rs.10 each fully paid in cash	860,899,800	860,899,800
8,750,000 (2019: 8,750,000) ordinary shares of Rs.10 each issued as fully paid bonus shares	87,500,000	87,500,000
	<u>948,399,800</u>	<u>948,399,800</u>

Notes.....

5 SHARE PREMIUM RESERVE

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

	2020 Rupees	2019 Rupees
Balance as at July 01,	3,419,044,444	3,538,673,006
Disposal during the year	(424,326)	-
Revaluation surplus during the year	-	-
	3,418,620,118	3,538,673,006
Less: transfer to accumulated loss in respect of		
Incremental depreciation	80,289,698	84,936,279
Related deferred tax liability	32,794,384	34,692,283
	113,084,082	119,628,562
Balance as at June 30,	3,305,536,036	3,419,044,444
Less: Related deferred tax liabilities on		
Revaluation at the beginning of the year	918,820,122	953,512,405
Disposal during the year	(123,055)	-
Effect of change in rate	-	-
Incremental depreciation on revalued assets	(32,794,384)	(34,692,283)
Deferred tax liability related surplus for the year	-	-
	885,902,683	918,820,122
	2,419,633,353	2,500,224,322

6.1 Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007, 2016 and 2018, as referred in note 21.5 to these financial statements resulting a surplus of Rs. 1,843.8 million, Rs. 685.61 million, Rs. 1,666.20 million 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

Un-Secured and interest free

	Aggregate % of shareholding	Note		
Loan from Calicom Industries (Pvt.) Ltd	71%			
Balance as at July 01,			1,773,441,126	-
Add: Addition during the year			343,916,000	1,773,441,126
Loan taken over by holding company				
BankIslami loan-1		9.6	286,375,000	-
BankIslami loan-2		9.6	128,795,000	-
			2,532,527,126	1,773,441,126
Less: Payment made during the year			-	-
		7.1	2,532,527,126	1,773,441,126

7.1 This includes loan of Bank Islami Pakistan Limited (BIPL) transferred to Calicom Industries (Pvt) Limited (CIPL). However, the loan is secured against 1st pari passu charge of Rs. 400 million on Plant and Machinery of the company, pledge of 11,413,500 company shares and personal guarantees of all the directors of CIPL. The loan is interest free and repayable on the discretion of DCCL.

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	Note	2020 Rupees	2019 Rupees
8 LONG TERM FINANCING FROM BANKING COMPANIES			
Secured - From Bank of Punjab Limited (BOP)			
Demand finance facility - DF 1	8.1	1,549,333,646	1,557,617,550
Demand finance facility - DF 2	8.2	505,716,951	451,302,095
Demand finance facility - DF 3		23,618,835	-
	8.3	2,078,669,432	2,008,919,645
Less: current portion			
Payable within next 12 months		(56,555,667)	(107,224,000)
Overdue		-	(8,753,690)
		(56,555,667)	(115,977,690)
		2,022,113,765	1,892,941,955
8.1 Demand finance facility - 1			
Balance as at July 01,		1,557,617,550	820,379,451
Addition during the year		-	853,045,000
		1,557,617,550	1,673,424,451
Add: Unwinding for the year		46,207,600	39,166,216
		1,603,825,150	1,712,590,667
Less: Payments made during the year		(54,491,503)	(34,138,597)
Less: Finance income		-	(120,834,520)
		1,549,333,647	1,557,617,550
8.2 Demand finance facility - 2			
Balance as at July 01,		451,302,095	341,493,991
Addition during the year		-	549,190,000
		451,302,095	890,683,991
Add: Unwinding for the year		61,414,856	42,558,756
		512,716,951	933,242,747
Less: Payments made during the year		(7,000,000)	(20,400,000)
Less: Finance income		-	(461,540,652)
		505,716,951	451,302,095

8.3 These loans are 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. Subsequent to the reporting date, the company renegotiated and managed to reschedule the outstanding liabilities as under:

DF-1 This represents the outstanding principal of Rs. 1,774.78 million which shall be paid in first 50 equal monthly installments amounting Rs. 14.09 million each including markup @ 4.15% p.a fixed commencing from January 31, 2021 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.

DF-2 This represents the outstanding past markup of Rs. 1,217.67 million which shall be paid in 98 installments commencing from January 31, 2021. The finance has been presented at amortized cost by using effective rate of markup.

DF-3 This represents the outstanding mark-up on DF-1 of Rs. 36.760 million till June 30, 2020 which was originally payable from January 31, 2020. This is presented at amortised cost by using effective rate of interest and it is payable in 90 equal installments of amounting Rs. 408,444 each commencing from January, 2021.

Notes.....

	Note	2020 Rupees	2019 Rupees
9 LONG TERM FINANCING FROM RELATED PARTIES			
Secured - From Calicom Industries Pvt. Limited (Holding Company)			
Loan - 1	9.1	-	155,033,494
Loan - 2	9.2	-	82,210,094
		-	237,243,588
Less: current portion			
Payable within next 12 months		-	(33,784,000)
Overdue		-	-
		-	(33,784,000)
	9.5	-	203,459,588
9.1 Loan from Calicom Industries (Pvt.) Ltd - Loan 1 (Holding Company)			
Balance as at July 01,		155,033,494	-
Loan taking over- BankIslami Pakistan Ltd. during the year		-	290,000,000
Less: Loan classified in equity	9.6	(286,375,000)	-
	9.3	(131,341,506)	290,000,000
Add: Unwinding for the year		23,759,921	-
		(107,581,585)	290,000,000
Less: Payments made during the year		(3,625,000)	-
Less: Finance expense / (income)		111,206,585	(134,966,506)
		-	155,033,494
9.2 Loan from Calicom Industries (Pvt.) Ltd - Loan 2 (Holding Company)			
Balance as at July 01,		82,210,094	-
Loan obtained during the year		-	148,616,000
Less: Loan classified in equity	9.6	(128,795,000)	-
	9.4	(46,584,906)	148,616,000
Add: Unwinding for the year		11,930,563	-
		(34,654,343)	148,616,000
Less: Payments made during the year		(4,821,000)	(15,000,000)
Less: Finance expense / (income)		39,475,343	(51,405,906)
		-	82,210,094
9.3 This represents loan from Calicom Industries (Pvt) Limited (CIPL) which it had 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 had been booked in the books of account of the company.			
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, the liability is recorded by crediting long term loan with equivalent amount.			

Notes.....

9.5 These loans are secured against 1st pari passu charge of Rs. 400 million on Plant and Machinery of the company, pledge of 11,413,500 company shares and personal guarantees of all the directors of CIPL.

9.6 During the year, the loan agreement with the Calicom Industries Private Limited (CIPL) has been revised. As per revised loan agreement, the loan is interest free and repayable at discretion of the company. (Refer note 7 to these financial statements).

	Note	2020 Rupees	2019 Rupees
10 PAYABLE TO PROVIDENT FUND TRUST			
Principal	10.1	18,416,337	25,030,316
Less: current portion			
Payable within next 12 month		-	1,751,530
Overdue		18,416,337	23,278,786
		<u>18,416,337</u>	<u>25,030,316</u>
		-	-

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 account without any default.

11 OTHER LOANS AND LIABILITIES- Unsecured LOANS

From Economic Affairs Division, Government of Pakistan (EAD)

-Principal

11.1	35,232,000	35,232,000
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OTHER LIABILITIES

Peace agreement arrears

11.2	293,845	298,947
	<u>35,525,845</u>	<u>35,530,947</u>

Less: current portion

Payable within next 12 months	-	-
Overdue	(35,525,845)	(35,530,947)
	<u>(35,525,845)</u>	<u>(35,530,947)</u>
	-	-

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.

Notes.....

- (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.

- 11.2 This represent increment arrears on current worker's 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	2020 Rupees	2019 Rupees
12 DEFERRED LIABILITIES			
Deferred taxation	12.1	989,710,316	918,820,123
		989,710,316	918,820,123
12.1 Deferred taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		103,807,633	99,277,858
Surplus on revaluation of assets		885,902,683	918,820,123
		989,710,316	1,018,097,981
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(718,769,505)	(895,384,511)
Minimum taxes paid		(82,261,153)	(77,808,506)
Provision for doubtful balances		(4,497,092)	(2,984,850)
Deferred tax asset not recognized		805,527,750	876,900,009
		-	(99,277,858)
Deferred tax liability	12.2	989,710,316	918,820,123
12.2 Movement of deferred taxation:			
Balance as at July 01,		918,820,122	953,512,405
Add: Charge/(Reversal) for the year			
Statement of profit or loss		70,890,194	(34,692,283)
Statement of comprehensive income		-	-
		70,890,194	(34,692,283)
		989,710,316	918,820,122

- 12.3 During the year, net deferred tax assets for the deductible temporary differences, carry forward of unused tax losses and minimum tax amounting Rs. 805.53 million (2019: Rs. 876.90 million) has not been recognized because there are remote chances that taxable profit would be available in foreseeable future against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2021.

Notes.....

12.4 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2016	23,478,486	2021
2017	18,068,355	2022
2018	16,333,542	2023
2019	19,928,123	2024
2020	4,452,647	2025

12.5 Business losses would expire as follows :

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business losses will expire
2015	431,800,527	2021
2016	194,103,878	2022
2017	407,209,509	2023
2018	633,579,313	2024
2020	330,192,375	2026

12.6 Depreciation losses pertaining to tax years 1996 to 2020 amounting Rs.481.63 million have no expiry limits.

	Note	2020 Rupees	2019 Rupees
13 LONG TERM ADVANCES AND DEPOSITS			
Un-secured and Interest free			
Security deposits	13.1	<u>3,563,334</u>	<u>3,563,334</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.			
14 TRADE AND OTHER PAYABLES			
Trade creditors		501,399,528	684,978,784
Past dues payable	14.1	166,683,759	187,897,480
Past utility bills		19,460,417	19,460,417
Workers' profit participation fund payable	14.2	3,780,109	3,780,109
Others payable		7,818,118	9,849,248
		<u>699,141,931</u>	<u>905,966,038</u>

14.1 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.

Notes.....

	Note	2020 Rupees	2019 Rupees
14.2 Workers' Profit Participation Fund			
Balance as at July 01,		3,780,109	3,780,109
Less: payments during the year		-	-
		3,780,109	3,780,109
15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Advances from customers - unsecured	15.1	3,905,432	70,132,499
Accrued expenses		52,708,651	85,222,609
Excise duty payable		163,295	26,214,190
Royalty payable		3,683,400	6,667,550
Income tax withheld payable		2,083,217	3,518,517
		62,543,995	191,755,365
15.1 Advances from customers			
Gross advances from customers		3,905,432	70,201,909
Less: Balances written back during the year		-	69,410
		3,905,432	70,132,499
16 PAYABLE TO PROVIDENT FUND			
Overdue balance		71,791,614	68,754,784
Current portion of provident fund trust	10	18,416,337	25,030,316
		90,207,951	93,785,100
17 MARK UP ACCRUED			
Mark up accrued on:			
Secured loan		-	6,262,149
Unsecured loan	17.1	215,319,584	199,988,543
		215,319,584	206,250,692
17.1 This represents the mark up payable on loans or balances payable to Economic Affairs Division (EAD) and Provident Fund Trust of amounting Rs. 62.33 million (2019:Rs. 57.40 million) and Rs. 152.99 million (2019: Rs.142.59 million) respectively.			
18 CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES			
Long term financing from banking companies	8	56,555,667	115,977,690
Long term financing from related parties	9	-	33,784,000
Long term financing from others	11	35,525,845	35,530,947
		92,081,512	185,292,637
19 PROVISION FOR TAXATION			
Balance as at 1st July,		-	-
Less: Adjusted during the year		-	-
		-	-
Add: Provision for the taxation-current		4,452,647	19,928,123
		4,452,647	19,928,123
Less: Tax deducted at source / advance tax		(4,452,647)	(19,928,123)
		-	-

Notes.....

- 19.1 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.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

- a) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs.2.460 million (2019: Rs 2.460 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.
- b) 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.
- c) 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 has been fixed. 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.
- d) 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.
- e) 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.....

- 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) 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.

- h) In order to initiate process of rehabilitation of the company, it has been decided by the Board of Directors in its meeting held on October 30, 2019 that service of 49.5 percent workers no longer required and being terminated on account of retrenchment. After that, in November 11, 2019, the company filed a petition in Honorable Labour court under standing order 11-A of the Industrial and Commercial Employment Ordinance, 1968 to "Close Down" the factory for the purpose of comprehensive Balancing, Modernization and Replacement (BMR) and to seek permission for retrenchment of workers at factory. However, the matter is pending adjudication. Therefore, the company has not accounted for provision of salary and employee benefits amounting Rs. 67.683 million and Rs. 3.19 million respectively. There is no likelihood of any financial impact on the company except stated above.

Notes.....

- i) During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting Rs.317.12 million in respect of provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against Gratuity and ceased to account for the aforesaid benefits on the basis of opinion of its Legal Advisor. Accordingly, the company has not accounted for provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against Gratuity amounting Rs. Nil (2019: Rs.9.32 million), Rs.0.38 million (2019: Rs. 0.47 million) and Rs.6.56 million (2019: Rs. 36.81 million) respectively. 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	2020 Rupees	2019 Rupees
20.2 Commitments			
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	20.2.1	<u>1,500,000</u>	<u>1,500,000</u>
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab	20.2.2	<u>139,165</u>	<u>139,165</u>

20.2.1 This guarantee is secured by lien in favour of Summit Bank Limited on PLS TDR amounting Rs. 1.50 million (2019: Rs. 1.50 million).

20.2.2 This guarantee is secured by lien in favour of United Bank Limited on PLS TDR amounting Rs. 0.14 million (2019: Rs. 0.14 million).

Notes.....

21 OPERATING FIXED ASSETS

PARTICULARS	COST/REVALUATION				DEPRECIATION				Book Value as at June 30, 2020			
	As at July 01, 2019	Additions	Deletions	Adjustment	As at June 30, 2020	Rate %	As at July 01, 2019	For the Year		On disposals	Adjustment	As at June 30, 2020
..... R U P E E S												
OWNED												
Free hold land	303,291,000	15,778,625	-	-	319,069,625	-	-	-	-	-	-	319,069,625
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	423,411,450	-	-	-	423,411,450	10	286,519,650	13,689,180	-	-	300,208,830	123,202,620
Office building	34,179,118	-	-	-	34,179,118	5	23,340,568	541,928	-	-	23,882,496	10,296,622
Residential building	143,271,170	-	-	-	143,271,170	10	86,819,570	5,645,160	-	-	92,464,730	50,806,440
Machinery	5,985,872,803	51,566,987	-	-	6,047,439,800	3	2,178,002,792	116,050,280	-	-	2,294,053,072	3,753,386,728
Office Equipment	12,883,899	980,087	-	-	13,863,986	10	8,898,125	488,418	-	-	9,386,543	4,477,443
Furniture and fixture	7,487,864	999,765	-	-	8,487,629	10	6,897,622	150,689	-	-	7,048,291	1,439,338
Heavy vehicles	167,372,363	-	-	-	167,372,363	20	141,308,431	5,212,786	-	-	146,521,217	20,851,146
Light vehicles	53,059,678	-	1,231,886	-	51,827,792	20	39,305,876	2,719,293	822,820	-	41,202,349	10,625,443
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,454,766	13,590	-	-	1,468,356	258,218
Electric installation	51,995,084	396,580	-	-	52,391,664	10	38,509,829	1,388,184	-	-	39,898,013	12,493,651
Weighting scales	151,958	-	-	-	151,958	10	90,142	6,182	-	-	96,324	55,634
Library books	72,403	-	-	-	72,403	10	69,771	263	-	-	70,034	2,369
	7,196,106,342	69,722,054	1,231,886	-	7,264,996,510		2,812,548,120	145,905,933	822,820	-	2,957,631,233	4,306,965,277

21.1 Vehicles include a Shehroz Mezzia having cost 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.

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

Notes.....

21.3 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION				DEPRECIATION					Book Value as at June 30, 2019		
	As at July 01, 2018	Additions	Deletions	Adjustment	As at June 30, 2019	Rate %	As at July 01, 2018	For the year	On disposals		Adjustment	As at June 30, 2019
----- R U P E E S -----												
OWNED												
Free hold land	303,291,000	-	-	-	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	423,411,450	-	-	-	423,411,450	10	271,309,450	15,210,200	-	-	286,519,650	136,891,800
Office building	34,179,118	-	-	-	34,179,118	5	22,770,118	570,450	-	-	23,340,568	10,838,550
Residential building	143,271,170	-	-	-	143,271,170	10	80,547,170	6,272,400	-	-	86,819,570	56,451,600
Machinery	5,948,755,550	41,117,253	-	-	5,995,872,803	3	2,080,755,550	117,247,242	-	-	2,178,002,792	3,817,870,011
Office Equipment	12,576,499	307,400	-	-	12,883,899	10	8,468,097	430,028	-	-	8,898,125	3,985,774
Furniture and fixture	7,487,864	-	-	-	7,487,864	10	6,830,864	66,756	-	-	6,897,622	590,242
Heavy vehicles	166,822,363	550,000	-	-	167,372,363	20	134,815,363	6,465,066	-	-	141,308,431	26,063,932
Light vehicles	53,689,678	-	630,000	-	53,059,678	20	36,243,678	3,451,138	388,940	-	39,305,876	13,753,802
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,440,460	14,306	-	-	1,454,766	271,808
Electric installation	45,231,976	6,763,108	-	-	51,995,084	10	37,481,244	1,028,585	-	-	38,509,829	13,485,255
Weighting scales	151,956	-	-	-	151,956	10	83,273	6,869	-	-	90,142	61,816
Library books	72,403	-	-	-	72,403	10	69,478	293	-	-	69,771	2,632
	7,141,998,581	54,737,761	630,000	-	7,196,106,342		2,682,145,723	150,791,337	388,940	-	2,812,548,120	4,383,558,222

Notes.....

	Note	2020 Rupees	2019 Rupees
21.4 Depreciation for the year has been allocated as under:			
Cost of sales	30	142,336,739	142,844,366
Distribution cost	31	141,407	113,663
Administrative expenses	32	3,427,787	7,833,308
		<u>145,905,933</u>	<u>150,791,337</u>
21.5 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 Surval, recognized valuation consultant, based on Depreciated Replacement Value.			
21.6 Had there been no revaluation, the book value of Land, Buildings, Plant & Machinery and Vehicles at June 30, 2020 would have been Rs. 68.37 million (2019: Rs. 52.59 million), Rs. 26.04 million (2019: Rs. 28.78 million), Rs. 439.37 million (2019: Rs. 401.36 million), and Rs. 2.44 million (2019: Rs. 3.10 million) respectively.			
22 UN-ALLOCATED CAPITAL EXPENDITURE-BMR			
Salaries, wages and benefits		14,819,534	-
Travelling and daily allowances		88,657	-
Vehicle running and maintenance		1,186,823	-
Printing and stationery		24,675	-
Entertainment		2,581,638	-
Others		394,154	-
		<u>19,095,481</u>	<u>-</u>
22.1 To execute BMR, the company has received funds from the holding company amounting Rs.43 million subsequent to the year end and the terms & conditions of loan facilities have been finalized or at final stage of approval with the financial institutions amounting Rs.1.4 billion.			
23 LONG TERM DEPOSITS AND PREPAYMENTS			
Islamabad Electric Supply Company		9,486,000	9,486,000
Others		842,905	834,545
		<u>10,328,905</u>	<u>10,320,545</u>
24 STORES, SPARES AND LOOSE TOOLS			
General stores		163,069,980	194,612,636
Spare parts		69,102,899	91,206,190
Loose tools		687,518	803,194
		<u>232,860,397</u>	<u>286,622,020</u>
25 STOCK IN TRADE			
Raw material		89,992,553	78,626,529
Work in process		29,161,092	99,407,959
Finished goods		1,643,834	41,983,991
		<u>120,797,479</u>	<u>220,018,479</u>
Provision for obsolete stock		(1,643,834)	-
		<u>119,153,645</u>	<u>220,018,479</u>
26 TRADE DEBTS			
These are unsecured but considered good by the management except provision provided as follows:			
Gross trade debts		26,949,190	115,543,081
Less: Balances written off during the year		-	-
Less: Provision for doubtful debts	26.1	15,507,213	10,247,269
		<u>11,441,977</u>	<u>105,295,812</u>

Notes.....

	Total	Past due but not impaired		
		1-90 days	90-180 days	More than 180 days
2020 Rupees	11,441,977	-	-	11,441,977
2019 Rupees	105,295,812	99,369,393	2,970,963	2,955,456

	Note	2020 Rupees	2019 Rupees
26.1 Movement in doubtful debts			
Balance at the beginning of the year		10,247,269	-
Effect of change in accounting policy due to adoption of IFRS 9		-	5,065,163
Balance as at beginning of the year		10,247,269	5,065,163
Provision for the year		5,259,944	5,182,106
Balance as at end of the year		15,507,213	10,247,269
27 LOANS AND ADVANCES			
Loans:			
Considered good:			
Loan to employees		8,004,182	19,978,257
Considered doubtful:			
Loan to employees		-	15,316
		8,004,182	19,993,573
Advances:			
Considered good:			
To employees		1,723,073	3,022,544
To suppliers / contractors		1,645,546	9,676,875
		3,368,619	12,699,419
Considered doubtful:			
To employees		-	30,000
		3,368,619	12,729,419
		11,372,801	32,722,992
Less: Provision for doubtful loans and advances	27.1	-	45,316
		11,372,801	32,677,676
27.1 Provision for doubtful loans and advances			
Balance as at July 01,		45,316	45,316
Provision for the year		-	-
		45,316	45,316
Provision reversed during the year		(30,000)	-
		15,316	45,316
Balance written off during the year		(15,316)	-
		-	45,316
28 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES			
Advance income tax		177,196,402	172,561,017
Sales tax receivable		10,970,035	9,307,734
		188,166,437	181,868,751

Notes.....

	Note	2020 Rupees	2019 Rupees
29 CASH AND BANK BALANCES			
Cash in hand		48,222	41,881
Cash at banks in:			
Current accounts		3,378,076	45,480,829
Saving accounts		471,017	735,109
Deposit accounts	29.1	2,866,513	2,652,332
		6,715,606	48,868,270
		6,763,828	48,910,151
29.1			
It includes amounting Rs. 1.64 million (2019: Rs. 1.64 million) deposited against guarantees as referred to note 20.2.			
29.2			
Profit and loss sharing accounts bear mark up at the rates ranging from 4.05% to 10.25% (2019: 4.06% to 4.15%) per annum.			
30 COST OF SALES			
Raw materials consumed	30.1	6,248,945	147,291,940
Salaries, wages and benefits		35,971,214	223,681,564
Fuel, gas and electricity		164,662,576	1,155,325,395
Stores and spares		14,209,592	81,502,513
Rent, rates and taxes		-	184,309
Vehicle running and maintenance		1,209,646	7,766,806
Packing material		10,785,826	102,951,806
Depreciation	21.4	142,336,739	142,844,366
Others		3,581,575	33,657,178
		379,006,113	1,895,205,877
Work in process			
Opening		99,407,959	115,847,237
Closing		(29,161,092)	(99,407,959)
		70,246,867	16,439,278
Cost of goods manufactured		449,252,980	1,911,645,155
Finished goods			
Opening		41,983,991	63,527,455
Purchases		-	4,008,650
Closing	25	(1,643,834)	(41,983,991)
		40,340,157	25,552,114
		489,593,137	1,937,197,269
30.1 RAW MATERIALS CONSUMED			
Opening balance		78,626,529	35,033,167
Purchase of raw material		5,315,012	104,992,547
Salaries, wages and benefits		2,791,484	36,654,917
Electricity		2,315,012	15,095,804
Royalty and excise duty		3,905,615	19,454,830
Stores and spares		3,287,846	14,687,204
		96,241,498	225,918,469
Closing balance	25	(89,992,553)	(78,626,529)
		6,248,945	147,291,940
31 DISTRIBUTION COST			
Salaries, wages and benefits		2,150,000	8,551,305
Depreciation	21.4	141,407	113,663
Others		110,262	264,451
		2,401,669	8,929,419

Notes.....

	Note	2020 Rupees	2019 Rupees
32 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		12,953,753	21,844,429
Rent, rates and taxes	32.1	3,831,265	7,345,160
Travelling and daily allowances		214,799	1,276,066
Repairs and maintenance		140,160	427,147
Vehicle running and maintenance		-	45,500
Auditors' remuneration	32.2	1,994,100	1,952,500
Legal and professional		4,186,509	6,091,553
Postage, telephone and telegrams		340,827	756,169
Printing and stationery		6,391	234,722
Entertainment		422,380	1,350,649
Fee and subscriptions		1,129,992	1,704,177
Depreciation	21.4	3,427,787	7,833,308
Others	32.3	6,013,856	7,812,294
		34,661,819	58,673,674

32.1 This represents the short term lease payments during the year.

32.2 Auditors' remuneration

Amin, Mudassar & Co.

Chartered Accountants

Audit fee	1,508,000	1,508,000
Certification services	62,700	57,750
Half year review fee	220,400	183,750
Code of Corporate Governance review report fee	203,000	203,000
	1,994,100	1,952,500

32.3 This includes income tax penalties/surcharge amounting Rs. 0.528 million (2019: Rs. 5.12 million).

33 OTHER INCOME

Income from financial assets

Profit on deposit and PLS accounts	537,538	213,224
------------------------------------	----------------	---------

Income from non financial assets

Reversal of provision for doubtful balances	30,000	-
Trade payable written back	-	10,318,046
Gain on disposal of fixed assets	-	278,940
Mark up / interest payable - Written back	-	414,315,133
	567,538	425,125,343

34 OTHER OPERATING EXPENSES

Balances written off	3,381,252	335,593
Loss on disposal	209,067	-
Provision for obsolescence of stock in trade	1,643,834	-
Provision for obsolescence of stores, spares and loose tools	7,944,845	7,088,943
Provision for doubtful debts	5,259,944	5,182,106
	18,438,942	12,606,642

Notes.....

	Note	2020 Rupees	2019 Rupees
35 FINANCE COST			
Interest / mark up on:			
Loans from financial institutions		182,354,296	134,169,018
Loans from related parties		35,690,484	-
Other loans - long term		4,932,479	4,932,479
Provident fund		10,398,872	18,942,895
Bank charges		374,293	2,157,625
		<u>233,750,424</u>	<u>160,202,017</u>
Less: Finance expense / (income) on long term loan	35.1	<u>137,540,770</u>	<u>(768,747,582)</u>
		<u>371,291,194</u>	<u>(608,545,565)</u>

35.1 Finance income relating to prior year amounting Rs. 768.75 million represented the difference between present value of all future cash flows and loan recognised in the financial statements. Further, such recognition was in compliance of IFRS 9.

35.2 FINANCE INCOME AND BALANCES WRITTEN BACK

Trade payables written back	33	-	10,318,046
Mark up / interest payable - written back	33	-	414,315,133
Finance (expense) / income on long term loan	35	<u>(137,540,770)</u>	<u>768,747,582</u>
		<u>(137,540,770)</u>	<u>1,193,380,761</u>

35.2.1 These balances did not impact the operational profit or loss and regular cash inflows of the company. Had the company not accounted for provision against these balances, the loss after taxation would have been amounting Rs.557.52 million (2019: Rs. 568.84 million) and earnings per share would have been negative amounting Rs. 5.88 (2019: Rs.6.00).

36 TAXATION

Income tax

- Current	19	<u>(4,452,647)</u>	<u>(19,928,123)</u>
- Deferred	6	<u>(70,890,194)</u>	<u>34,692,283</u>
		<u>(75,342,841)</u>	<u>14,764,160</u>

36.1 Income tax assessments of the company have been finalized up to the Tax Year 2019 on the basis of income tax return filed as the company did not receive any corresponding from Income Tax Department.

36.2 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.

37 EARNINGS PER SHARE - BASIC AND DILUTED

(Loss)/profit for the year - Rupees	<u>(695,056,464)</u>	<u>624,544,679</u>
Weighted average number of ordinary shares outstanding during the year - Number	<u>94,839,980</u>	<u>94,839,980</u>
Earnings per share - Rupees	<u>(7.33)</u>	<u>6.59</u>

Notes.....

	2020 Rupees	2019 Rupees
38 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets and financial liabilities		
Financial assets		
At amortized cost		
Long term security deposits	10,328,905	10,320,545
Trade debts	11,441,977	105,295,812
Loans and advances	8,004,182	19,993,573
Cash and bank balances	6,763,828	48,910,151
	36,538,892	184,520,081
Financial liabilities		
At amortized cost		
Long term loans and liabilities	2,114,195,277	2,044,450,592
Long term financing from related parties	-	237,243,588
Long term advances and deposits	3,563,334	3,563,334
Trade and other payables	695,361,822	902,185,929
Deposits, accrued liabilities and advances	52,708,651	85,222,609
Unclaimed dividend	1,081,940	1,081,940
Payable to provident fund	90,207,951	93,785,100
Mark up accrued	215,319,584	206,250,692
	3,172,438,559	3,573,783,784

39 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:

39.1 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:

Long term security deposits	10,328,905	10,320,545
Trade debts	11,441,977	105,295,812
Loans and advances	8,004,182	19,993,573
Bank balances	6,715,606	48,868,270
	36,490,670	184,478,200

Notes.....

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	2020 Rupees	2019 Rupees
	Short Term	Long Term			
Habib Bank Limited	A-1+	AAA	JCR-VIS	271,549	11,855,371
National Bank of Pakistan	A1+	AAA	PACRA	671,629	1,125,603
Bank Al Habib Limited	A1+	AA+	PACRA	117,979	20,026
Askari Bank Limited	A1+	AA+	PACRA	98,196	3,023,480
The Bank Of Punjab	A1+	AA	PACRA	83,950	114,250
Bank Alfah Limited	A1+	AA+	PACRA	50,432	8,927,423
Summit Bank Limited	Suspended	Suspended	JCR-VIS	4,527,561	4,313,380
United Bank Limited	A-1+	AAA	JCR-VIS	894,310	19,488,737
				6,715,606	48,868,270

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. Further, the credit risk on bank balances is limited because the banks are under strict regulatory framework of State Bank Of Pakistan (SBP) and have statutory reserves with SBP.

39.2 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, 2020:

Carrying Amount	2020		
	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	----- R u p e e s -----		
Long term loans and liabilities	2,114,195,277	3,064,739,961	92,081,512
Long term advances and deposits	3,563,334	3,563,334	-
Trade and other payables	695,361,822	695,361,822	695,361,822
Deposits, accrued liabilities and advances	52,708,651	52,708,651	52,708,651
Unclaimed dividend	1,081,940	1,081,940	1,081,940
Payable to provident fund	90,207,951	90,207,951	90,207,951
Mark up accrued	215,319,584	215,319,584	215,319,584
	3,172,438,559	4,122,983,243	1,146,761,460
			2,025,677,099

Notes.....

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 -----			
Loan from banking companies	2,044,450,592	3,080,726,947	151,508,637	1,892,941,955
Long term financing from related parties	237,243,588	438,616,000	33,784,000	203,459,588
Long term advances and deposits	3,563,334	3,563,334	-	3,563,334
Trade and other payables	902,185,929	902,185,929	902,185,929	-
Deposits, accrued liabilities and advances	85,222,609	85,222,609	85,222,609	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	93,785,100	93,785,100	93,785,100	-
Mark up accrued	206,250,692	206,250,692	206,250,692	-
	3,573,783,784	4,811,432,551	1,473,818,907	2,099,964,877

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 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.

39.3 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.

39.4 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 is not exposed to currency risk as at the reporting date.

39.5 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.

Notes.....

39.6 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.

39.7 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 increased loss by Rs. 22.02 million (2019: decreased profit by Rs. 21.36 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on loss. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

39.8 Price Risk

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

39.9 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.

The assets and liabilities that are measured at fair value on recurring and non-recurring basis have been disclosed in the relevant notes to the financial statements, if any.

- 39.10** 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 on non recurring basis) determined by a professional valuer based on their assessment of the market values as disclosed in note 6 to these financial statements.

Notes.....

40 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.

	Note	2020 Rupees	2019 Rupees
Borrowings		2,204,109,383	2,137,936,745
Total equity		730,384,420	666,354,884
Total capital employed		2,934,493,803	2,804,291,629
Gearing ratio		75%	76%

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2020			
	Chief Executive	Directors		Executives
		Executive	Non-Executive	
	----- R u p e e s -----			
Managerial remuneration	3,000,000	-	-	11,529,000
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	3,000,000	-	-	11,529,000
Number of persons	1	-	-	7

	2019			
	Chief Executive	Directors		Executives
		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

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

Notes.....

42 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 outstanding amount fully. 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 latest un-audited financial statement of the provident fund trust.

	2020 Rupees	2019 Rupees
Size of the fund - total assets	497,335,602	495,353,898
Cost of investment made	86,122,211	93,968,840
Percentage of the fund made	17.3%	19.0%
Fair value of investment made	86,122,211	93,968,840

Fair value of investment

The break-up of fair value

	2020		2019	
	Rupees	Percentage	Rupees	Percentage
Unpaid contribution by the company	86,001,821	99.86%	89,578,970	95.33%
Bank balances with scheduled bank	120,390	0.14%	4,389,870	4.67%

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.

2020 2019
(----- N u m b e r -----)

43 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Average number of employees during the year		
Factory employees	314	562
Other employees	12	34
	326	596
Number of employees as at June 30,		
Factory employees	298	540
Other employees	13	27
	311	567

43.1 Number of employees for the year are exclusive of 277 (i.e. 49.5%) retrenched workers.

Notes.....

	2020 M. Tones	2019 M. Tones
44 PLANT CAPACITY AND ACTUAL PRODUCTION		
Plant Capacity (Ordinary Portland cement)	504,000	504,000
Plant capacity (Clinker)	480,000	480,000
Actual production (Ordinary Portland cement)	21,286	200,928
%age of capacity utilized	17	40
Actual production (Clinker)	8,493	187,369
%age of capacity utilized	11	39

44.1 Shortfall in production is attributable to shutdown of operations due to BMR activity.

45 OPERATING SEGMENT

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

45.2 All non-current assets of the company as at June 30, 2020 are located in Pakistan.

46 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on January 05, 2021 by the Board of Directors of the company.

47 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.

48 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

HAMID MAHMOOD
Director

Notes.....

Summary of Last Ten Year's Financial Results

Description	Rupees in Thousands									
	2020	2019	2018 (Re-stated)	2017 (Re-stated)	2016	2015	2014	2013	2012	2011
Trading Results:										
Net Sales	296,106	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
Gross Loss	(193,488)	(343,681)	(449,031)	(247,046)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)	(351,839)
Operating Loss	(230,551)	(411,284)	(514,262)	(327,396)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)	(384,520)
(Loss)/Profit Before Taxation	(619,714)	609,781	(728,803)	(511,833)	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)	(392,030)
(Loss)/Profit After Taxation	(695,056)	624,545	(717,909)	(500,118)	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)	(339,163)
Balance Sheet:										
Shareholder's Equity	730,384	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)
Operating Fixed Assets	4,306,965	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
Net Current Liabilities	(590,618)	(708,739)	(4,154,798)	(3,472,548)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)	(1,545,673)
Long term Liabilities	3,015,387	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
Significant Ratios										
Gross Profit Ratio %	(65.34)	(21.57)	(34.37)	(13.68)	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)	(45.50)
Net Profit Ratio %	(234.73)	39.19	(54.95)	(27.69)	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)	(43.87)
Fixed Assets Turnover Ratio	0.07	0.36	0.29	0.52	0.66	1.09	0.53	0.07	0.53	0.36
Current Ratio	0.49	0.55	0.16	0.23	0.21	0.19	0.22	0.19	0.25	0.32

بیرونی آڈیٹرز

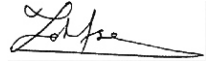
حالیہ آڈیٹرز میسرز امین، مدثر اینڈ کوچا رٹڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہلیت کی بنا پر سال 2020-21 کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے مینجرز، ملازمین، سپلائرز، ڈسٹری بیوٹرز، ریگولیٹرز اور حصص داران کی مسلسل حمایت، تعاون، بھروسہ اور رواں سال بحرانی کیفیت میں خصوصی ساتھ پران کا تہہ دل سے شکریہ ادا کرتے ہیں۔



محمد فاروق نسیم
ڈائریکٹر



طاہر محمد نسیم
چیف ایگزیکٹو

لاہور: 05 جنوری 2021ء

نوٹ:

کمیٹی کے جوارا کین اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق غیر حاضری کی 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 اینڈ ریمونریشن کمیٹی تشکیل دی ہے۔

نام ڈائریکٹر	اجلاس میں حاضری
- مرتضیٰ یوسف مانڈوی والا (چیئرمین)	5
- محمد فاروق نسیم	5
- طلحہ محمد نسیم	5

نوٹ:

کمیٹی کے جوارا کین اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق غیر حاضری کی رخصت عنایت کی گئی۔

کمپنی کے حصص میں تجارت

زیر جائزہ سال کے دوران کسی ڈائریکٹر، CFO، کمپنی سیکریٹری اور ان کی اہلیہ اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی ہے۔

مابعد واقعات

تمام مابعد واقعات کی تفصیلات کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں بیان کی گئی ہیں۔

کاروبار کی نوعیت میں تبدیلی

مالیاتی سال کے دوران کمپنی کی کاروباری نوعیت میں کوئی تبدیلی واقع نہیں ہوئی ہے۔

ماحولیاتی و سماجی ذمہ داری

آپ کی کمپنی ذمہ دار کاروباری شہری ہے جو نہ صرف اپنے ملازمین بلکہ ملحقہ آبادیوں کو محفوظ اور صحت مند ماحول فراہم کرنے کے لئے ہر ممکن کوشش کرتی ہے۔ اس وقت مطلوب ماحولیاتی معیارات کے مطابق پلانٹ نہیں چل سکتا لہذا کمپنی BMR پر کام کر رہی ہے۔ مزید برآں، بحیثیت ذمہ دار کاروباری شہری اپنی معتبر افرادی قوت کے لئے اپنے فرائض کی انجام دہی کے ہمہ تن گوش ہے۔

شیئر ہولڈنگ کی وضع

شیئر ہولڈنگ کی وضع اور اس تناظر میں مطلوب اضافی معلومات منسلک ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

ڈائریکٹرز کی کل تعداد بشمول خاتون ڈائریکٹر 7 ہے۔ تاحال بورڈ کی تشکیل حسب ذیل ہے۔

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

ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق بورڈ آف ڈائریکٹرز ہمہ وقت ڈائریکٹرز کا معاوضہ طے کرنے کے مجاز ہیں۔ اس تناظر میں بورڈ آف ڈائریکٹرز نے کمپنی کے ڈائریکٹرز کے لئے ریہوزیشن پالیسی متعین کی ہے۔ کمپنی کے ایگزیکٹو ڈائریکٹر (چیف ایگزیکٹو) کو ادا شدہ معاوضہ کی تفصیلات ان مالیاتی اسٹیٹمنٹس کے نوٹ 41 میں بیان کی گئی ہیں۔

بورڈ آف ڈائریکٹرز کے اجلاس

30 جون 2020ء کو اختتام پذیر سال کے دوران بورڈ آف ڈائریکٹرز کے اجلاس کی تفصیلات حسب ذیل ہیں:

نام ڈائریکٹر	بورڈ میں عہدہ	اجلاس میں حاضری
- طلحہ نسیم (CEO)	ایگزیکٹو ڈائریکٹر	6
- محمد فاروق نسیم	نان۔ ایگزیکٹو ڈائریکٹر	6
- مسز روجی فاروق نسیم	نان۔ ایگزیکٹو ڈائریکٹر	4
- ذکا محمد نسیم	نان۔ ایگزیکٹو ڈائریکٹر	5
- حامد محمود	نان۔ ایگزیکٹو ڈائریکٹر	6
- شفقات احمد	آزاد ڈائریکٹر	6
- مرتضیٰ یوسف مانڈوی والا	آزاد ڈائریکٹر	6

نوٹ:

جوڈائریکٹرز اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق بورڈ سے غیر حاضری کی رخصت عنایت کی گئی۔

آڈٹ کمیٹی

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

نام ڈائریکٹر	اجلاس میں حاضری
- شفقات احمد (چیرمین)	6
- محمد فاروق نسیم	4
- حامد محمود	4

ایکپیج کمیشن آف پاکستان (SECP) کے 2009ء کے جاری کردہ مراسلہ پر عمل کر رہی ہے اور رائج قوانین کے تحت مقررہ مدت میں اپنا حصہ ڈال رہی ہے۔

اندرونی نظم و ضبط کی موافقت

بورڈ آف ڈائریکٹرز اندرونی نظم و ضبط کا موافق ماحول برقرار رکھنے کی ذمہ داری سے مکمل طور پر آگاہ ہے اور اسی تناظر میں کمپنی نے مؤثر مالیاتی نظم و ضبط کا سسٹم قائم کیا ہے۔ تاکہ آپریشنز، کمپنی اثاثہ جات کے تحفظ، رائج قوانین و ضوابط پر عمل داری اور معتبر مالیاتی رپورٹنگ کو یقینی بنایا جاسکے۔ کمپنی کا اندرونی آڈٹ فنکشن مالیاتی نظم و ضبط پر عمل درآمد کی تلقین اور نگرانی کرتا ہے۔ جب کہ آڈٹ کمیٹی اندرونی نظم و ضبط کے فریم ورک اور مالیاتی اسٹیٹمنٹس کے اطلاق پر سہ ماہی بنیادیوں پر نظر ثانی کرتی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

انتظامیہ کوڈ آف کارپوریٹ گورننس کی تعمیل سے مکمل طور پر آگاہ ہے اور اس کے آغاز سے ہی اس کے مؤثر اطلاق کے لئے اقدامات کئے گئے ہیں۔

- کوڈ آف کارپوریٹ گورننس کے تحت لازمی اقدامات حسب ذیل ہیں:
- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی اسٹیٹمنٹس، کمپنی کے امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو مؤثر انداز میں پیش کرتی ہیں۔
- کمپنی نے کھاتوں کی مناسب کتابیں مرتب کی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا متواتر اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات میں باوثوق اور جائز فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی اکاؤنٹنگ معیارات کی مؤثر پیروی کی گئی ہے۔
- انٹرنل کنٹرول کا ایک مربوط نظام موجود ہے اور اس کا مؤثر نفاذ اور نگرانی کی جارہی ہے۔
- کمپنی کے کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہیں ہے۔
- 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی میں رائج لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی رکاوٹ نہیں ہے۔
- گذشتہ 10 برس کی آپرینٹنگ اور مالی اعداد و شمار کو منسلک کیا گیا ہے۔
- ٹیکس، ڈیوٹی، لیوی اور جرمانوں کی مد میں واجبات کی تفصیلات مالیاتی رپورٹ کے ساتھ منسلک ہیں۔
- کمپنی نے اپنے اہل ملازمین کے لئے پراویڈنٹ فنڈ قائم کیا ہے۔ پراویڈنٹ فنڈ کے سرمایہ اور اثاثہ جات کی اندازاً قیمت نوٹ 42 میں بیان کی گئی ہے۔

اثرات مرتب ہو سکتے ہیں۔ تاہم، TERF قرضہ جات، سیمنٹ پرفیڈرل ایکسٹرنڈیوٹی میں کمی، تعمیراتی سرگرمیوں پر سرمایہ داری کے لئے اینٹنٹی سکیم، FBR کی جانب سے پراپرٹی کی قیمت میں نظر ثانی شدہ کمی، بلڈرز کے لئے مراعات اور موافق ہاؤسنگ سکیموں جیسے وفاقی حکومت کے اقدامات کی وجہ سے تعمیراتی سرگرمیوں پر منفی اثرات کو کچھ حد تک کم کیا جاسکتا ہے۔ مزید برآں، SBP کی جانب سے مارک اپ کی شرح میں کمی سے سیمنٹ کا شعبہ مزید منافع بخش ہو سکتا ہے۔

اہم خدشات اور بے یقینی

- جامد طلب کے ساتھ رسد میں اضافہ کرنا
- Covid-19 وباء کے اثرات

کمپنی

توانائی، افرادی قوت اور پیداوار میں بہتری، مربوط مالیاتی اقدامات اور پلانٹ آپریشنز میں روانی کسی بھی سیمنٹ پلانٹ کی کامیابی کے بنیادی عوامل ہیں۔ انتظامیہ سرمایہ داران، قرض خواہان، ملازمین اور حصص داران کو طویل مدتی فوائد کی متوازن فراہمی کے لئے پرعزم ہے۔

کمپنی کا منصوبہ

گذشتہ برس کمپنی نے کیلی کوم انڈسٹریز (پرائیویٹ) لمیٹڈ سے شیئر ٹرانسفر کا کامیاب معاہدہ کیا اور نیا بورڈ آف ڈائریکٹرز تشکیل دیا۔ معیشت پر قلیل مدتی ناامیدی کے دوران تمام شعبوں میں کمپنی کو متقابل بنانے کے لئے انتظامیہ اپنے پلانٹ میں جامع، توازن، جدت اور تبدیلی (BMR) فارمولا کے اطلاق کے لئے پرعزم ہے اس میں پلانٹ کو ماحول کے موافق بنانے کے لئے پائروپروسیس کی بہتری کی غرض سے مشینری کی تجدید، ایکوپمنٹ اور اپ گریڈز کی آٹومیشن جیسے عوامل شامل ہیں۔

انتظامی منصوبہ کے طور پر اور انتہائی دلچسپی سے BMR پروجیکٹ کے لئے کمپنی نے چین اور ایشیا میں سیمنٹ پلانٹ کے پائروپروسیس میں متعلقہ مہارت کے حامل معروف سیمنٹ EPC کنٹریکٹر، ہینی سیمنٹ ریسرچ اینڈ ڈیزائن انسٹیٹیوٹ کارپوریشن لمیٹڈ (HCRDI) ایک سمجھوتہ کی یادداشت پر دستخط کئے ہیں۔ اسی طرح سے، کمپنی نے BMR کی فنڈنگ کے خاطر سرمایہ حاصل کرنے کے لئے کچھ مالیاتی اداروں کے ساتھ رابطہ کیا ہے۔ انشاء اللہ مالیاتی سال 2021 میں یہ عمل مکمل ہو جائے گا۔

آڈیٹرز کے مشاہدات

انتظام سنبھالنے کے بعد کمپنی کی موجودہ انتظامیہ نے اس قلیل مدت میں نمایاں سرمایہ لگایا، سابقہ انتظامیہ اور مالیاتی اداروں کے واجبات کو منظم کیا اور اپنے پلانٹ کے توازن، جدت اور تبدیلی (BMR) کے لئے سمجھوتہ کی یادداشت پر دستخط کئے۔ درست سمت متعین کرنے کے لئے نئی انتظامیہ کی کاوشوں کی بدولت کمپنی پر اعتماد ہے کہ کمپنی کاروبار جاری رکھنے کی اپنی صلاحیت برقرار رکھے گی۔ لازمی/قانونی معیارات سے زائد مزدوروں کی مراعات مجاز اتھارٹی کے حتمی تعین اور تصدیق سے مشروط ہیں۔ اکنامک افیئرز ڈویژن (EAD) کو بقیہ جات کے دستاویزات فراہم کر دیئے گئے ہیں اور ابھی تک کوئی جواب موصول نہ ہوا ہے۔ تاہم، آڈیٹرز رپورٹ کے مطابق متبادل آڈٹ پروسیجر کے ذریعے بیرونی آڈیٹرز نے بقایا رقم کی تصدیق کر دی ہے۔ مزید برآں، 2014ء سے کمپنی پراویڈنٹ فنڈ کے واجبات سے متعلق سیکورٹیز اینڈ

حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کی 40 ویں سالانہ رپورٹ اور پڑتال شدہ مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

بنیادی سرگرمیاں اور آپریشنل کارکردگی

ڈنڈوٹ سیمنٹ لمیٹڈ (کمپنی) ایک سپیکل لٹڈ کمپنی ہے۔ کمپنی کی کاروباری نوعیت سیمنٹ کی پیداوار و فروخت ہے۔ گذشتہ برس کے مقابلہ میں زیر جائزہ سال کے دوران کمپنی کی آپریشنل کارکردگی حسب ذیل ہے:

2019	2020		
187,369	8,493	میٹرک ٹن	- کلنکر پیداوار
39	11	فی صد	- صلاحیت کا استعمال
200,928	21,286	میٹرک ٹن	- سیمنٹ کی پیداوار
40	17	فی صد	- صلاحیت کا استعمال
205,184	26,151	میٹرک ٹن	- فروخت
کمپنی کے تقابلی مالیاتی نتائج کا خلاصہ حسب ذیل ہے: ('000' روپوں میں)			
2,231,887	389,999		- مجموعی فروخت
1,593,517	296,106		- خالص فروخت
(343,681)	(193,487)		- مجموعی خسارہ
(411,284)	(230,551)		- آپریٹنگ خسارہ
624,545	(695,056)		- خالص (نقصان) / نفع
6.59	(7.33)		- نفع / (نقصان) فی حصص (روپے)

زیر جائزہ سال کے دوران سیمنٹ کی پیداوار اور فروخت میں کمی واقع ہوئی اور اس کی بنیادی وجہ ستمبر 2019ء سے پلانٹ آپریشن کی بندش ہے اور باقی سال بھی بند رہا۔ مزید برآں، مجموعی اور آپریٹنگ خسارہ تو انائی کی دوسری وجوہات اضافی لاگت کے ساتھ فی بیگ فروخت میں کمی سے سامنے آئے۔ بھاری مالیاتی خسارہ کی وجہ سے رواں سال کے لئے بورڈ آف ڈائریکٹرز نے منافع منقسمہ تجویز نہ کیا ہے۔

مستقبل کے امکانات

صنعت:

Covid-19 وباء کے پھیلاؤ کے باعث ملکی معیشت تاریخ کے مشکل ترین بحران سے گزر رہی ہے اور اس معاشی دباؤ نے سیمنٹ کی صنعت کو زیادہ متاثر کیا ہے۔ اگر کرونا وائرس کا پھیلاؤ بے قابو ہو جاتا ہے اور زیادہ عرصے تک قائم رہتا ہے تو سیمنٹ کی صنعت پر منفی اثرات

- 5- مادی شیئرز سٹیکہولڈنگ کے حامل حصص داران سے التماس ہے کہ اپنے پتہ میں تبدیلی، اگر کوئی ہو، کمپنی کے شیئرز رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگ آف ریکارڈنگ-1 کمرشل ماڈل ٹاؤن لاہور کو فی الفور مطلع فرمائیں۔
- 6- حصص داران جو سالانہ رپورٹس اور نوٹس سالانہ اجلاس عام بذریعہ ای میل وصول کرنا چاہتے ہیں سے درخواست ہے کہ درج ذیل کوائف باقاعدہ اپنے دستخط شدہ لیٹر کے ذریعے فراہم کریں۔

1- نام

2- فولیو/سی ڈی سی اکاؤنٹ نمبر

3- ای میل ایڈریس

4- رابطہ نمبر

7- وڈیو کانفرنس سہولت کی رضامندی

کمپنیز ایکٹ، 2017 کی دفعہ (b)(1) 134 کی تعمیل میں، اگر کمپنی جغرافیائی محل وقوع میں سکونتی مجموعی %10 یا زیادہ شیئرز ہولڈنگ کے مالک ارکان سے وڈیو لنک 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 وڈیو لنک 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 وڈیو کانفرنس 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 بمطابق رجسٹرڈ فولیو نمبر بذریعہ ہذا میں وڈیو کانفرنس سہولت اختیار
 کرنا چاہتا ہوں۔

دستخط کارکن


ڈنڈوت سیمینٹ کمپنی لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ڈنڈوت سیمینٹ کمپنی لمیٹڈ کے حصص داران کا 40 واں سالانہ اجلاس عام برائے 30 جون 2020ء مختتمہ مالی سال 43-A/S ظفر علی روڈ، گلبرگ V، لاہور میں بروز منگل 26 جنوری 2021ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 27 نومبر 2019ء کو منعقد ہونے والے گذشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2020ء مختتمہ سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعہ ان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور و خوض، وصولی اور منظوری دینا۔
- 3- قانونی آڈیٹران کا تقرر اور ان کے صلہء خدمت کا تعین کرنا۔ موجودہ آڈیٹرز میسرز امین مدرٹھ 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 جنوری 2021ء

نوٹ:.....

- 1- رجسٹر ممبران اور کمپنی کی حصص منتقلی کتابیں 19 جنوری 2021ء تا 26 جنوری 2021ء (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 V، 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۔

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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 رجسٹر فوئیو نمبر یہاں پر مسٹر

آف کو بحوالہ فوئیو 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 40 ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز منگل مورخہ 26 جنوری 2021 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 جنوری 2021 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
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The Company Secretary,

Dandot Cement Company Limited,
5-Zafar Ali Road, Gulberg V,
Lahore - Pakistan.
Ph: +92-42-3578614-15

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Fold Here

Fold Here

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 40th Annual General Meeting of the Company to be held on **Tuesday, January 26, 2021 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) _____ day of January 2021.

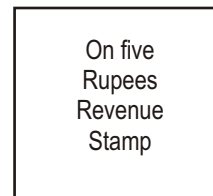
Witness:

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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The Company Secretary,

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