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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Syed Muhammad Anwar	Chief Executive Officer
Mr. Haroon Iqbal	

Non-Executive Directors

Mr. Ishtiaq Ahmed	Chairman Board of Directors
Mr. Waseem-ul-Haque Ansari	
Mr. Ghazanfar Babar Siddiqui	
Mr. Muhammad Baqar Jafferi	

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Mr. Ishtiaq Ahmed	Member
Mr. Ghazanfar Baber Siddiqi	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque	Chairman
Syed Muhammad Anwar	Member
Mr. Ishtiaq Ahmed	Member

CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

COMPANY SECRETARY

Mr. Muhammad Hanif German

REGISTERED ADDRESS

Dewan Centre, 3-A, Lalazar, Beach Hotel Road,
Karachi, Pakistan.

CORPORATE OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

FACTORY

1. Deh Dhando, Dhabeji
   District, Malir, Karachi.
2. Kamilpur Near Hattar
   District, Haripur, Khyber Pakhtoonkhuwa.

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Anum Estate, Room No. 310 & 311, 3rd Floor,
49, Darul Aman Society, Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

WEBSITE

www.yousufdewan.com

The Vision Statement

"The vision of Dewan Cement Limited is to become leading market player in the cement sector".

The Mission Statement

To assume leadership role in the technological advancement of the industry and to achieve the highest level of qualitative and quantitative indigenization.

To be the finest organization in its industry, and to conduct its business responsibly and in a straight forward manner.

To seek long-term and good relations with our suppliers and Sales Agents with fair, honest and mutually profitable dealings.

To achieve the basic aim of benefiting its customers, employees and shareholders and to fulfill its commitments to the society.

To create a work environment highlighting team work, which motivates, recognizes and rewards achievements at all levels of the organization, because "In ALLAH we believe, and in people we trust".

To be honest, initiative and be able to respond effectively to changes in all aspects of life, including technology, culture and environment.

To be a contributing corporate citizen for the betterment of society and to exhibit a socially responsible behaviour.

To conduct with integrity and strive to be the best.

NOTICE OF THE FORTIETH FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty First Annual General Meeting of **Dewan Cement Limited ("DCL" or "the Company")** will be held on **Wednesday, October 28, 2020, at 12:45 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding General Meeting of the Company held on Monday, January 27, 2020;

2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2020, together with the Directors' and Auditors' Reports thereon;

3. To confirm the appointment of the Statutory Auditors' of the Company for the year ended June 30, 2021, and to fix their remuneration;

4. To consider any other business with the permission of the Chair.

By order of the Board

Muhammad Hanif Gaiman
Company Secretary

Karachi: October 05th, 2020

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2020 to October 28, 2020 (both days inclusive).

2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the aforesaid address, not less than 48 hours before the meeting.

4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

a) **For Attending Meeting:**

   i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by

showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

b) For Appointing Proxies:

i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.

ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.

iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.

iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's **http://www.yousufdewan.com/DCL/index.html**

CHAIRMAN'S REVIEW

The board of directors are responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

An annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

The Board of Directors of the Company received agenda as and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. All of the directors are equally involved in important decisions. the Board's overall performance and effectiveness has been assessed as Satisfactory.

Ishtiaq Ahmed
Chairman Board of Directors

October 05th, 2020
Place: Karachi

DIRECTORS' REPORT

The management of your company takes pleasure in presenting you the Forty First Annual Report of the company together with the audited accounts for the financial year ended June 30, 2020. This is the 17th annual report since the management and controlling shares of the company were taken over by Yousuf Dewan Companies.

OVERVIEW

Cement industry witnessed dull growth of 1.98% for the financial year 2019 - 2020. Total dispatches were 47.81 million tons which includes 39.96 million tons local and 7.85 million tons exports.

In previous financial year dispatches were 46.88 million tons including 40.34 million tons local and 6.54 million tons exports.

The local dispatches dropped by 0.94% and exceptional growth in exports of 19.98% were witnessed.

COMPANY'S PERFORMANCE:

The highlights of the financial results are tabulated below:

	2020	2019
	(Rupees in '000')	
Sales		
- Local - net	**5,642,315**	11,400,141
- Export - net	**190,636**	653,884
	5,832,951	12,054,025
Gross(Loss)/profit	**(516,409)**	1,227,298
Net (Loss)/ Profit before tax	**(1,478.590)**	278,464
Net Loss after tax	**(1,324,465)**	(275,304)
Basic Loss per share	**Rs. (2.74)**	Rs. (0.57)
Diluted Loss per share	**Rs. (2.74)**	Rs. (0.57)

Dispatches	**Qty in Tons 2020**	**Qty in Tons 2019**	**% Increase/ (Decrease)**
Local Dispatches - Cement	**991,049**	1,804,546	(45.08)
Local Dispatches - GBFS	**1,436**	5,500	(73.89)
Export Dispatches	**42,489**	137,857	(69.18)

Decline in local and export sales volume by 45.08% and 69.18% respectively was mainly due to slowdown in construction activities in the country and financial difficulties of our company.

FUTURE OUTLOOK

GDP dropped negative 0.38% as compared to 1.9% in 2018-19. It is expected that GDP will increase to 2% in 2020-21. Covid-19 cases have reduced tremendously but the factor of its resurgence cannot be ignored.

CPEC (China Pakistan Economic Corridor) and PSDP (Public Sector Development Program) have picked up pace. Dams and one million homes/year low-cost project is expected to provide nominal growth in the local market along with economic relief measures for the construction industry by the Government.

Apart from coal and interest rate, higher inflation, currency devaluation and taxes will put a burden on input costs.

It is expected that Local dispatches will grow due to increase in demand post Covid-19 and industry may see a double digit growth.

Healthy growth in exports is encouraging. Cement and clinker exports will continue to increase as the demand is expected to rise post Covid-19 and USD PKR parity.

ONGOING LITIGATIONS

As far as creditors mentioned in the financial statements are concerned, a number of recovery suits have been instituted by Banks / Financial Institutions. These suits are being successfully defended by our Counsels. The counsels have submitted their observations / opinion in respect of litigation being handled by them and all of them are of the view that these suits can be successfully defended.

OBSERVATIONS IN THE AUDITORS' REPORT

The auditors have qualified their report on the following basis, which are duly explained:

Advance for Pre-IPO Investment:

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 3,110 million as long-term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

Provision for markup:

The Company has not made provision of markup amounting to Rs. 713.063 million on its markup bearing liability.

The management has approached its bankers / financial institutions for restructuring of its long-term obligations. The management is confident that the Company's restructuring proposals given by the management will be accepted by the financial institutions / bankers. Therefore the Company has not made any provision for markup as the markup will not be paid.

Going Concern Assumption:

The auditors have added an emphasis of matter paragraph on the company's ability to continue as a going concern. However, the management is of the view that the Company's restructuring proposals will be accepted by the financial institutions / bankers and preparation of the financial statement on going concern assumption is justified.

Sales tax and Federal Excise duty payments

The Auditors have added an emphasis of matter paragraph for non payment of sales tax and excise duty. The managment view on that is during the year the company was unable to pay sales tax and Federal Excise duty. However, due to decrease in sale price and increase in cost, it is expected that the outstanding payments will be eased out by the department and we will be able to meet the timeline with the expected growth in increase in price.

STATEMENT OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The directors are pleased to state that the company is compliant with the provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Frame work:

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

b) Proper books of accounts of the company have been maintained;

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

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements except for the departures disclosed in financial statements;

e) The system of internal control is sound in design and is effectively implemented and monitored. The process of review will continue and any weaknesses in control will be removed;

f) The doubts about the company's ability to continue as a going concern and its mitigating factors are disclosed in note 2 to the financial statements;

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

h) There are no outstanding taxes and levies other than those disclosed in the annexed financial statements;

i) The value of investment of provident fund based on their respective latest accounts is Rs. 226.060 million.

j) The pattern of shareholding of the Company as at June 30, 2020 is annexed;

k) Statement of shares held by associated undertakings and related persons (has been given separately).

l) Statement of the Board meetings held during the year and attendance by each director.

m) Key operating and financial statistics for the last six years (have been given separately).

DIVIDEND

The Board is not in a position to recommend dividend for the period under review.

TRADING IN COMPANY SHARES

None of the Directors, CFO, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year other than that has already been disclosed in the pattern of shareholding.

BOARD MEETING

During the year five meetings of the Board of Directors were held, Directors' attendance in these meeting is as under:

Name of Directors	No. of meetings Attended
Mr. Ishtiaq Ahmed	5
Mr. Haroon Iqbal	5
Syed Muhammad Anwar	5
Mr. Aziz-ul-Haque	5
Mr. Ghazanfar Baber Siddiqui	5
Mr. Waseem-ul-Haque Ansari	4
Muhammad Naeemuddin Malik	2
Mr.Muhammad Baqar Jafferi	2

AUDIT COMMITTEE MEETING

During the year three meetings of the audit committee were held, members' attendance in these meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	3
Mr. Ishtiaq Ahmed	3
Mr. Ghazanfar Baber Siddiqui	3

HUMAN RESOURCES & REMUNERATION COMMITTEE MEETING

During the year one meeting of the HR Committee was held, Members' attendance in this meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	1
Syed Muhammad Anwar	1
Mr. Ishtiaq Ahmed	1

During current financial year, company was unable to conduct 3rd Quarter Board of Directors meeting due to Covid-19 and pandemic situation, subsequently which was conducted on 5 October, 2020.

AUDITORS APPOINTMENT

The present auditors M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, have offered their services for re-appointment as auditors for the ensuing year ending June 30, 2021.

The audit committee and the Board of Directors have recommended appointment of M/s. Faruq Ali & Co., Chartered Accountants as auditors of the company for the coming year.

VOTE OF THANKS

The Board would like to place on record its gratitude to its valuable shareholders, Federal and Provincial government functionaries, banks, development financial institutions, and customers for their cooperation, continued support and patronage.

The Board also expresses its thanks to the executives, staff members and workers of the company and wishes to place on record its appreciation for the efforts they are making in turning around the company.

CONCLUSION

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved prophet, Muhammad, Peace be upon him for continued showering of His Blessings, Guidance, Strength, Health and Prosperity to us, our company, Country and Nation; and pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true islamic spirit to whole of Muslim Ummah, amen, Summa-Ameen.

Note: *Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.*

On behalf of the Board of Directors

Ishtiaq Ahmed
Chairman Board of Directors

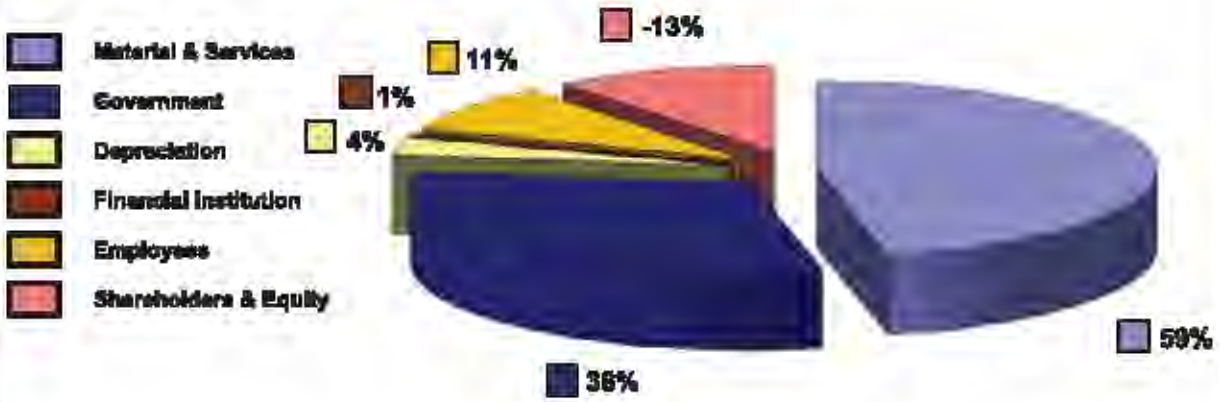
Haroon Iqbal
Director

Dated: October 5, 2020
Place: Karachi

KEY OPERATING AND FINANCIAL STATISTICS FOR LAST SIX YEARS

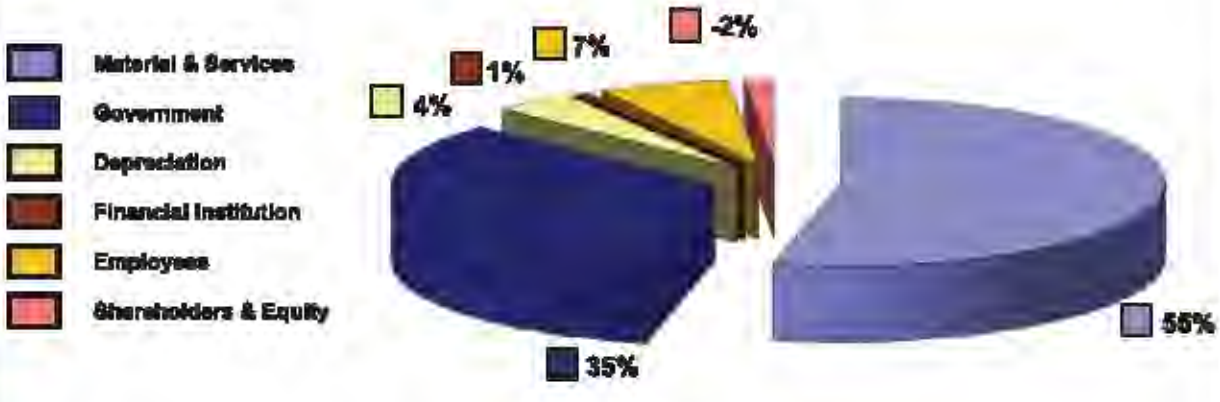
Particulars	2020	2019	2018	2017	2016	2015
	----------(Tons. in thousands)----------					
QUANTITATIVE DATA						
Clinker Production	**945**	1,769	2,097	1,913	1,854	1,561
Cement Production	**990**	1,873	2,215	2,035	2,000	1,713
Cement Despatches	**1,008**	1,873	2,214	2,037	2,001	1,710
Clinker Despatches	**25**	69	-	-	5	-
GGBS Despatches	**1**	5	19	48	1	-
ASSETS EMPLOYED	----------(Rs. in million)----------					
Fixed Assets	**34,740**	26,865	26,791	27,017	22,121	21,292
Long term advances & deffered costs	**137**	141	145	124	120	110
Current Assets	**2,456**	2,889	3,311	3,126	3,194	3,237
Total Assets Employed	**37,333**	29,895	30,247	30,267	25,435	24,639
FINANCED BY						
Shareholder equity	**21,602**	17,017	17,266	16,380	13,126	11,644
Redeemable Capital	**3,110**	3,110	3,110	3,110	3,160	3,460
Long term loan & long term liabilities/Deposits	**851**	1,069	1,465	2,446	2,308	2,492
Deffered liabilities	**5,568**	3,571	3,110	2,969	2,070	1,702
Current liabilities	**6,202**	5,128	5,296	5,362	4,771	5,341
TOTAL FUNDS INVESTED	**37,333**	29,895	30,247	30,267	25,435	24,639
TURNOVER & PROFIT						
Turnover (Net)	**5,833**	12,054	13,243	12,856	12,879	11,245
Operating Profit / (Loss)	**(1,469)**	296	1,069	1,467	1,636	756
Profit / (Loss) Before Taxation	**(1,479)**	278	1,248	1,570	1,912	732
Profit / (Loss) After Taxation	**(1,324)**	(275)	902	1,306	1,500	710
Accumulated Profit / (Loss)	**4,244**	5,414	5,493	4,371	2,958	1,338

WEALTH GENERATED AND DISTRIBUTED DURING 2019-2020



Total Revenue Rs.7,843.007 million

WEALTH GENERATED AND DISTRIBUTED DURING 2018-2019



Total Revenue Rs.18,091.114 million

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2020

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

1. The total number of directors are seven as per the following:

   a) Male: 7

   b) Female: The requirement to have female representation in the Company's board will be complied upon reconstitution of the Board.

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Aziz-ul-Haque
Other Non-executive Directors	Mr. Waseem-ul-Haque Ansari Mr. Ghazanfar Baber Siddiqi Mr. Ishtiaq Ahmed Mr. Muhammad Baqar Jafferi
Executive Directors	Syed Muhammad Anwar Mr. Haroon Iqbal

3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.

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

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

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

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

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

9. Five Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a)	Audit Committee :	Mr. Aziz-ul-Haque	Chairman
		Mr. Ishtiaq Ahmed	Member
		Mr. Ghazanfar Baber Siddiqi	Member
b)	HR and Remuneration Committee :	Mr. Aziz-ul-Haque	Chairman
		Syed Muhammad Anwar	Member
		Mr. Ishtiaq Ahmed	Member

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a)	Audit Committee :	3 quarterly meetings during the financial year ended June 30, 2020
b)	HR and Remuneration Committee:	1 annual meeting held during the financial year ended June 30, 2020

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the 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 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 regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Note: Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.

Ishtiaq Ahmed
Chairman Board of Directors

Haroon Iqbal
Director

Dated: October 05th, 2020
Place: Karachi

HARUNALI & CO

C-69 (Ground Floor, Block-6, Main Clifton Road, Opp. Dolmen Mall, Karachi-75600
Email: info@harunali.com

Telephone:
Fax:

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

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

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

a) The composition of board includes Mr. Aziz ul Haque, as independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in associated companies;

b) The chairman of the Audit Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason referred in paragraph (a) above; and

c) The chairman of the HR and Remuneration Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason referred in paragraph (a) above;

d) No female director has been appointed on the Board of Directors upon reconstitution of the same as required by regulation 7 of the Regulations.

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

Further, we highlight the following instances where:

a) One of the directors of the Company is serving as a director in more than five listed companies as disclosed in the note 3 in the Statement of Compliance,

b) Five directors are qualified under the directors training program, being less than 75% of the directors on the Board, as disclosed in note 7 in the Statement of Compliance, and

c) The audit committee of the Company held three quarterly meetings, instead of four, as disclosed in note 14 in the Statement of Compliance.

Dated: October 05th, 2020
Place: Karachi

Engagement partner: Muhammad Faisal Nini

CHARTERED ACCOUNTANTS

HAROON ALI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Qualified Opinion

We have audited the annexed financial statements of Dewan Cement Limited ('the Company'), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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

a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs. 3,110 million (refer note 19 to the financial statements) as long term liability for the reason mentioned in said note. We do not concur with the management's assertion regarding its classification as long-term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.

b) The Company has not made provision of markup for the year amounting to Rs.713.063 million (up to 30 June 2020: Rs.6,195.475 million) due to the reasons mentioned in note 33.1 to the financial statements. We do not concur with managements view of non-provisioning of markup, therefore the provision of markup should have been made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation would have been higher by Rs.713.063 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.6,195.475 million.

Material Uncertainty Relating to Going Concern

We draw attention of the members to note 2 in the financial statements which indicates loss after taxation of Rs.1,324.465 million, and as of that date its current liabilities exceeded its current assets by Rs.3,746.177 million, a consent decree was obtained by majority of the lenders on the terms and conditions stipulated in standstill agreement (refer note 26.1(a)) in the financial statements and certain lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and some of the lenders have also filed winding up petitions (refer note 26.1(b) in the financial statements. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in said note do not include the effect of matters discussed in Basis for Qualified Opinion. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention of the members to note 22.2 to the financial statements which indicates non-payment of excise duty, sales tax within the stipulated time as prescribed in respective laws. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S.no.	Key audit matters	How the matter was addressed in our audit
1.	**Revenue recognition**	
	Refer notes 4.11 and note 27 to the financial statements. The Company is engaged in the production and sale of cement in the local and export market. The Company recognized gross revenue from the sales of cement in local market of Rs. 9,613.079 million and in export market of Rs. 229.931 million. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant decrease in revenue from last year.	Our audit procedures in relation to the matter, amongst others, included: - Understood and evaluated management controls over revenue and checked their validation; - Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; - Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period; - Performed recalculation of sales incentive as per company's policy on test basis; - Performed analytical procedures to analyze variation in the price and quantity sold during the year;

S.no.	Key audit matters	How the matter was addressed in our audit
		- Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and - Assessed the appropriateness of disclosures made in the financial statements related to revenue.
2.	**Stock and Store and Spares**	
	Stock in trade as disclosed in note 9 to the financial statements includes: - raw materials comprising limestone, clay, gypsum, laterite and bauxite; - work-in-progress mainly comprising clinker; and - finished goods Further, stores and spares, as disclosed in note 8 to the financial statements mainly include spareparts and loose tools. The significance of the balance coupled with the judgment involved has resulted in the valuation of inventories being identified as a key audit matter.	Our audit procedure to assess the valuation and existence of stock in trade, amongst others, included the following: - assessing the design, implementation and operating effectiveness of key internal controls over valuation of inventories - assessing the net realizable value of stock in trade by comparing, on a sample basis, with actual selling prices subsequent to the end of the reporting period; - comparing the net realizable value to the cost of a sample of inventories to assess whether stock in trade accurately valued; - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the relate yield; - attended the physical count of the inventories, observed the aforesaid parameters and performed recalculations; - assessing the adequacy of disclosures related to inventories as required under the accounting and reporting standards as applicable in Pakistan
3.	**Impact of COVID-19**	
	As disclosed in note 43 to the financial statements, the COVID-19 pandemic has caused significant impact on businesses and economy in general. To counter rapid growth of COVID-19 the Government of Pakistan implemented country-wide lockdown on 20 March 2020 resulting in reduced business activity.	Our procedures to address the higher risk arising from COVID-19 included the following: - We assessed the NRV of inventory by evaluating aging analysis and focusing on slow moving and obsolete items along with prevailing market prices to assess the need for adjustment to carrying values, if any;

S.no.	Key audit matters	How the matter was addressed in our audit
	In relation to the accounting and disclosure implications of the above, the management assessed following significant areas: - Net realizable value (NRV) of inventory under IAS-2, 'Inventories'; - Impairment of tangible assets under IAS-36, 'Impairment of non-financial assets'; and The above matters significantly affected the overall audit strategy, allocation of resources in the audit and direction of the efforts of the engagement team. Therefore, the higher focus around the above-mentioned areas is considered a key audit matter.	- We obtained management's assessment of impairment on property, plant and equipment including revaluation report by independent valuer and evaluated whether any condition exists that could trigger impairment of fixed assets; - We assessed whether the disclosures in relation to Covid-19 and the items mentioned above are appropriate in accordance with the applicable financial reporting standards.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have considered that the other information is materially misstated for the same reason with respect to the matters described in the basis for Qualified Opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters described in the Basis for Qualified Opinion section and Emphasis of Matter section, 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

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

Dated: October 06th, 2020
Place: Karachi

Engagement partner: Muhammad Faisal Nini.

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	2020	2019
ASSETS			
NON CURRENT ASSETS		-----(Rupees in '000')-----	
Property, plant and equipment	5	34,740,048	26,865,212
Long term deposits	6	128,256	128,256
Long term loans	7	8,760	12,147
		34,877,054	27,005,615
CURRENT ASSETS			
Stores and spare parts	8	1,334,162	1,322,484
Stock in trade	9	115,844	471,698
Trade debts - Unsecured	10	343,599	313,952
Loans and advances - Unsecured, Considered good	11	151,780	170,093
Trade deposits and short term prepayments	12	9,269	13,183
Other receivables	13	101,443	121,986
Short term investments	14	224	291
Advance tax - Net		306,722	404,856
Cash and bank balances	15	90,542	71,018
		2,455,785	2,889,561
		37,332,839	29,895,176
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
850,000,000 (2019: 850,000,000) Ordinary shares of Rs. 10/- each		8,500,000	8,500,000
Issued, subscribed and paid-up share capital	16	4,841,133	4,841,133
Revenue reserves			
Un-appropriated profit		4,243,709	5,413,615
Capital reserve			
Merger reserve		629,444	629,444
Surplus on revaluation of property, plant and equipment	17	11,887,529	6,132,920
		21,601,816	17,017,112
NON CURRENT LIABILITIES			
Long term financings	18	79,958	122,207
Advances for investment in term finance certificates	19	3,110,000	3,110,000
Long term deposits and payables	20	770,685	946,553
Deferred tax liability - Net	21	5,568,419	3,571,394
		9,529,062	7,750,154
CURRENT LIABILITIES			
Trade and other payables	22	2,319,131	1,563,824
Short term borrowings	23	579,159	579,159
Mark-up payable	24	792,661	792,661
Current and overdue portion of non-current liabilities	25	2,012,450	2,030,270
Dividend payable		12,924	12,927
Unpaid and unclaimed dividend		1,780	1,780
Sales tax payable	22.2	483,855	147,289
		6,201,962	5,127,910
CONTINGENCIES AND COMMITMENTS	26	--	--
		37,332,839	29,895,176

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

***Note:** Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.*

Ishfaq Ahmed
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Notes	2020	2019
		-----(Rupees in '000')-----	
Turnover - Net	27	5,832,951	12,054,025
Cost of sales	28	(6,349,360)	(10,826,727)
Gross (loss)/profit		(516,409)	1,227,298
Operating expenses			
Distribution cost	29	(118,087)	(139,089)
Administrative expenses	30	(810,216)	(701,220)
Other operating expenses	31	(24,449)	(91,334)
		(952,752)	(931,643)
Operating (loss)/ profit		(1,469,161)	295,655
Other income	32	3,274	3,551
Finance cost	33	(12,703)	(20,742)
(Loss) / profit before taxation		(1,478,590)	278,464
Taxation - Net	34	154,125	(553,768)
Loss for the year		(1,324,465)	(275,304)
Loss per share - Basic and diluted (Rupees)	35	(2.74)	(0.57)

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

***Note:** Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.*

Ishtiaq Ahmed
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	Notes	2020	2019
		-----(Rupees in '000')-----	
Loss for the year		(1,324,466)	(275,304)
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Surplus on revaluation of property, plant and equipment	17	8,147,258	–
Related deferred tax	17	(2,337,551)	–
		5,809,707	–
Effect of reduction in effective tax rate on balance of revaluation on property, plant and equipment		99,461	26,808
Total comprehensive income / (loss) for the year		4,584,703	(248,496)

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

Note: *Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.*

Ishtiaq Ahmed
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Notes	2020	2019
		-----(Rupees in '000')-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(1,478,590)**	278,464
Adjustments for non-cash and other items:			
Depreciation	5.3	**475,350**	768,074
Gain on disposal of operating fixed assets		**(453)**	(686)
Workers' Profit Participation Fund	31	**--**	14,955
Unwinding of discount	33	**3,864**	8,806
Dividend income	32	**--**	(268)
Workers' Welfare Fund	31	**--**	5,683
Gain on sale of short term investments		**--**	(267)
Loss on remeasurement of short term investments	31	**67**	42
Finance cost		**8,839**	11,936
Exchange loss		**20,382**	66,654
Cash (outflows) / inflows before working capital changes		**(970,541)**	1,153,393
Movement in working capital			
(Increase) / decrease in current assets			
Stores and spare parts		**(11,678)**	192,719
Stock in trade		**355,854**	356,497
Trade debts - Unsecured		**(29,647)**	(20,292)
Loans and advances - Unsecured, considered good		**18,113**	(24,998)
Trade deposits and short term prepayments		**3,914**	(317)
Other receivables		**20,543**	7,948
		357,099	511,557
Increase / (decrease) in current liabilities			
Trade and other payables		**738,928**	(126,790)
Sales tax payable		**336,566**	16,553
		1,075,494	(110,237)
Cash generated from operations		**462,052**	1,554,713
Payment for:			
Taxes net of refund received		**9,194**	(192,690)
Workers' Profit Participation Fund	22.3	**--**	(72,245)
Finance cost		**(6,796)**	(6,855)
Net cash inflows from operating activities		**464,450**	1,282,923
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(203,039)**	(842,357)
Sale proceeds on disposal of fixed assets		**565**	1,026
Sale proceeds on sale of short term investment		**--**	9,485
Net change in long term loans		**3,397**	5,543
Dividend received		**--**	268
Net change in long term deposits		**--**	(845)
Net cash outflows from investing activities		**(199,077)**	(826,880)

	Notes	2020	2019
		-----(Rupees in '000')-----	
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in long term financings		(63,933)	(127,866)
Net change in long term deposits and payables		(181,916)	(355,644)
Net cash outflows from financing activities		(245,849)	(483,510)
Net increase / (decrease) in cash and cash equivalents		19,524	(27,467)
Cash and cash equivalents at the beginning of the year		71,018	98,485
Cash and cash equivalents at the end of the year	15	90,542	71,018

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

Note: Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.

Ishtiaq Ahmad
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed & paid-up share capital	Revenue reserve	Capital reserves			Total Equity
		Un-appropriated profit	Merger reserve	Surplus on revaluation of property, plant & equipment	Total capital reserves	
	(Rupees in '000')					
Balance as on 1 July 2018	4,841,133	5,493,314	629,444	6,301,917	6,931,361	17,265,808
Loss for the year ended 30 June 2019	–	(275,304)	–	–	–	(275,304)
Other comprehensive income	–	–	–	26,608	26,608	26,608
Total comprehensive loss for the year	–	(275,304)	–	26,608	26,608	(248,696)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	–	195,605	–	(195,605)	(195,605)	–
Balance as at 30 June 2019	4,841,133	5,413,615	629,444	6,132,920	6,762,364	17,017,112
Loss for the year ended 30 June 2020	–	(1,324,465)	–	–	–	(1,324,465)
Other comprehensive income	–	–	–	5,909,168	5,909,168	5,909,168
Total comprehensive income for the year	–	(1,324,465)	–	5,909,168	5,909,168	4,584,703
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	–	154,559	–	(154,559)	(154,559)	–
Balance as at 30 June 2020	4,841,133	4,243,709	629,444	11,887,529	12,516,973	21,601,815

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

***Note:** Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.*

Ishtiaq Ahmed
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 STATUS AND NATURE OF BUSINESS

Dewan Cement Limited ('the Company / DCL') was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted in the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and selling of cement.

The registered office of the Company is situated at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan. The Company has two production facilities at Deh Dhando, Dhabeji Karachi, Sindh and Kamilpur Hattar Industrial Estate, district Khyber Pakhtunkhwa. The Company has regional offices located in Hyderabad, Islamabad and Peshawar.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended 30 June 2020 reflects loss after taxation of Rs.1,324.465 million (2019: Rs.275.304 million), and as of that date its current liabilities exceeded its current assets by Rs.3,746.177 million (2019: Rs.2,238.349 million). The Company's short-term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders had also filed winding up petitions as more fully explained in note 26.1(a) and note 26.1(b). These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is fully committed to discharge its admitted liability in stand still agreements as more fully explained in note 26.1(a). Furthermore, the Company has increased its performance over the years, with the exception of current year which was mainly affected due to the COVID Pandemic which resulted in overall global economic meltdown. Upon relaxation on the lockdown the economy is in recovery phase and particularly cement sector has shown significant growth which is expected to continue. Accordingly, these financial statements have been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 33.1 to the financial statements, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments which are carried at fair values and certain class of assets of property, plant and equipment which are carried at revalued amounts.

3.3 Changes in accounting standards, interpretations and pronouncements

3.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended 30 June 2020 and are considered to be relevant to the Company's financial statements:

	Effective Date (Period beginning on or after)
IFRS 9 Financial Instruments [Amendments]	01 January 2019
IAS 23 Borrowing costs [Amendments]	01 January 2019
IFRS 16 Leases	01 January 2019
Annual improvements to IFRSs (2015-2017 Cycle)	01 January 2019

The following standards, amendments and interpretations thereto as notified under the Companies Act, 2017 are either not relevant to the Company's operations or are not likely to have significant impact on the Company's financial statements:

IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2019
IAS 28 Investments in Associates and Joint Ventures [Amendments]	01 January 2019
IAS 19 Employee Benefits [Amendments]	01 January 2019
IFRS 3 Business Combinations [Amendments]	01 January 2019
IFRS 11 Joint Arrangement [Amendments]	01 January 2019

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

Conceptual Framework in IFRS Standards [Amendments]	01 January 2020
IFRS 7 Financial Instruments: Disclosures [Amendments]	01 January 2020
IFRS 9 Financial Instruments [Amendments]	01 January 2020

IAS 16 Property, Plant and Equipment [Amendments]	01 January 2020
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	01 January 2020
IFRS 16 Leases [Amendments]	01 June 2020
IAS 1 Presentation of Financial Statements [Amendments]	01 January 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	01 January 2020
Annual improvements to IFRS Standards 2018-2020	01 January 2020

3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

3.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.5.2 Stores and spare parts

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment

is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

3.5.3 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

3.5.4 Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.5.5 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that items recognized directly in equity or OCI.

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.5.6 Future estimation of export sales

Provision for deferred tax has been calculated based on an estimate that the future ratio of export sales to total sales will remain at the same level as average of last three years including the current financial year. Any change in the estimate in future years will affect the provision in this regard in those years.

3.5.7 Contingencies

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

4 SIGNIFICANT ACCOUNTING POLICIES

Except as described below in note 4.1, the significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier period presented.

4.1 IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from 01 July 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach and has not restated the comparative information presented for 2019, as permitted under the specific transitional provisions in the standard.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Property, plant and equipment are stated at cost or revalued amounts less accumulated depreciation or accumulated impairment, if any, except capital work-in-progress which is stated at historical cost.

The value of leasehold land is being amortised over the lease period in equal installments. Quarry development cost is amortised over its estimated useful life.

Depreciation on additions is charged from the month in which the asset is available for use, whereas on disposals, no depreciation is charged in the month of disposal. Depreciation on all tangible fixed assets, except plant and machinery, is charged to profit and loss account using the reducing balance method at the rates mentioned in note 5.1 to the financial statements. Depreciation on plant and machinery is charged using units of production method.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

The carrying values of property, plant and equipment are reviewed for impairment on periodic basis. If any indication exists that the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account. When revalued assets are sold, the relevant undepreciated surplus is transferred directly by the Company to its unappropriated profit account.

4.2.2 Capital work-in-progress

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2.3 Right-of-use asset

Effective July 1, 2019, the right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. Depreciation is charged to profit and loss account applying the same basis as for owned assets. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.3 Borrowing costs

The Company capitalizes borrowing costs relating to qualifying assets, during the period in which these are acquired and developed for the intended use. Other borrowing costs are charged to profit and loss account.

4.4 Stores and spare parts

These are valued at lower of average cost and net realisable value (NRV). Stores and spare parts in-transit are valued at invoice value plus other charges incurred thereon.

Provision / write off, if required, is made in the accounts for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.5 Stock in trade

These are valued at lower of cost and net realisable value (NRV). Cost is determined as follows:

- Raw and packing material - at average cost
- Work-in-process - at average cost of goods produced
- Finished goods - at average cost of goods produced

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessarily to be incurred to make the sale.

4.6 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and

subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

4.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.9 Taxation

4.9.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation or based on turnover or accounting profit at the specified rates, whichever is higher, after taking into account tax credits and rebates available.

4.9.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purpose and amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

4.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.11 Revenue recognition

- 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.
    - Local sale of goods is recognised on dispatch of goods to customers.
    - Revenue from export sales is recognised on the basis of terms of sale with the customer.
- Dividend income is recognized when right to receive the dividend is established.
- Profit on bank deposits, interest income and other revenues are accounted for on accrual basis.

4.12 Staff retirement benefits

4.12.1 Provident fund

The Company operates separate defined contributory provident funds for all its employees who are eligible for the plan. Equal contributions are made by the Company and employees to the funds at the rate of 8.33% of basic salary.

4.12.2 Compensated absences

The Company accounts for compensated absences on the basis of unavailed earned leaves balance of each employee at the end of the year using current salary levels.

4.13 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants related to assets, including non-monetary grants at fair value, are deducted from the cost of respective assets.

4.14 Financial instruments

4.14.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

4.14.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.14.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.14.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.14.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.14.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at

amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

4.14.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

4.14.4 Derivative financial instruments - Other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.14.5 Derivative financial instruments - Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.14.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.15 Impairment

4.15.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses

(ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.15.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each

balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

4.16 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are charge to profit and loss account.

4.17 Leases

Effective July 1, 2019, the lease liability is initially measured at present value of the lease payments over the period of lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassess the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

A change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right of use asset.

		Notes	2020	2019
5	**PROPERTY, PLANT AND EQUIPMENT**		-----(Rupees in '000')-----	
	Operating fixed assets - Tangible	5.1	**32,943,427**	25,268,498
	Right of use assets	5.2	**341**	426
	Capital work in progress - At cost	5.5	**1,796,280**	1,596,288
			34,740,048	**26,865,212**

5.1 Operating fixed assets - Tangible

	2020										
	COST / REVALUATION					ACCUMULATED DEPRECIATION					
	As at 1 July 2019	Additions during the year	Revaluation	(Disposal during the year)	As at 30 June 2020	As at 1 July 2019	(On disposal)	Charge for the year	As at 30 June 2020	Book value as at 30 June 2020	Rate %
	(Rupees in '000')										
Leasehold land	200,865	--	43,525	--	244,390	17,383	--	2,009	19,392	224,998	1
Freehold land	405,284	--	43,214	--	448,498	--	--	--	--	448,498	-
Quarry	915	--	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,725,355	--	9,016	--	1,734,371	751,245	--	70,958	822,203	912,168	5 to 10
Buildings and civil works on Freehold land	1,421,912	--	340,677	--	1,762,589	902,001	--	49,349	951,350	811,239	5 to 10
Roads	494,158	--	--	--	494,158	134,685	--	17,974	152,659	341,499	5
Plant and machinery	28,235,237	--	7,710,826	--	35,946,063	5,644,459	--	307,914	5,952,373	29,993,690	UOP
Electric installation	163,536	--	--	--	163,536	33,931	--	6,481	40,412	123,124	5
Furniture and fixture	140,462	--	--	--	140,462	98,180	--	5,142	103,322	37,140	10 to 20
Office equipment	52,009	626	--	--	52,635	18,151	--	7,932	26,083	26,552	10 to 20
Computers	73,004	--	--	(39)	72,965	66,188	(31)	2,265	68,422	4,543	33
Vehicles	154,206	2,421	--	(1,242)	155,385	131,307	(1,139)	5,241	135,409	19,976	20
	33,066,943	3,047	8,147,258	(1,281)	41,215,967	7,798,445	(1,170)	475,265	8,272,540	32,943,427	

	2019									
	COST / REVALUATION					ACCUMULATED DEPRECIATION				
	As at 1 July 2018	Additions/ Transfer During the year	(Disposal during the year)	As at 30 June 2019	As at 1 July 2018	(On disposal)	Charge for the year	As at 30 June 2019	Book value as at 30 June 2019	Rate %
	(Rupees in '000')									
Leasehold land	200,865	--	--	200,865	15,374	--	2,009	17,383	183,482	1
Freehold land	403,159	2,125	--	405,284	--	--	--	--	405,284	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,462,022	263,333	--	1,725,355	703,209	--	48,036	751,245	974,110	5 to 10
Buildings and civil works on Freehold land	1,421,912	--	--	1,421,912	847,324	--	54,677	902,001	519,911	5 to 10
Roads	389,273	104,885	--	494,158	121,286	--	13,399	134,685	359,473	5
Plant and machinery	27,615,884	619,353	--	28,235,237	5,014,215	--	630,244	5,644,459	22,590,778	UOP
Electric installation	163,615	--	(79)	163,536	33,021	(23)	933	33,931	129,605	5
Furniture and fixture	140,462	--	--	140,462	90,338	--	7,842	98,180	42,282	10 to 20
Office equipment	39,511	12,498	--	52,009	16,399	--	1,752	18,151	33,858	10 to 20
Computers	72,434	570	--	73,004	62,916	--	3,272	66,188	6,816	33
Vehicles	155,449	1,756	(2,999)	154,206	128,218	(2,715)	5,804	131,307	22,899	20
	32,065,501	1,004,520	(3,078)	33,066,943	7,033,215	(2,738)	767,968	7,798,445	25,268,498	

5.1.1 Had there been no revaluation, the net book value of the following items of property, plant and equipment would have been as follows:

		2020	2019
		-----(Rupees in '000')-----	
Leasehold land		**562**	744
Freehold land		**84,335**	81,093
Buildings on leasehold land and quarry development		**566,059**	599,562
Buildings and civil works on freehold land		**316,885**	349,159
Plant and machinery		**15,192,015**	15,374,881
		16,159,856	**16,405,439**

5.1.2 Following are the particulars of the Company's immovable fixed assets:

S.No	Business Unit Type	Location	Total Area of land in acre
1	Karachi Plant	Naclass No.2 , Dah Dhando, District Malir, Karachi, Sindh	150
2	Hattar Plant	Kamalpur Village, Hattar, District Haripur, Khyber Pakhtunkhwa	113

5.1.3 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.22,922.145 million as on latest valuation date.

5.2 Right of use assets.

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2020	Rate %
	As at 1 July 2019	Additions	As at 30 June 2020	As at 1 July 2019	For the year	As at 30 June 2020		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,987	85	7,072	341	20
TOTAL - 2020	7,413	--	7,413	6,987	85	7,072	341	

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2019	Rate %
	As at 1 July 2018	Additions	As at 30 June 2019	As at 1 July 2018	For the year	As at 30 June 2019		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,881	106	6,987	426	20
TOTAL - 2019	7,413	--	7,413	6,881	106	6,987	426	

		2020	2019
5.3 The depreciation charge for the year has been allocated as follows:		-----(Rupees in '000')-----	
Cost of sales	28	**469,132**	760,154
Distribution cost	29	**158**	192
Administrative expenses	30	**6,060**	7,728
		475,350	**768,074**

5.4 The aggregate book value of all the disposals was less than five million rupees.

	Notes	2020	2019
5.5 Capital work in progress - At cost		-----(Rupees in '000')-----	
Opening balance		**1,596,288**	1,758,451
Additions during the year		**199,992**	825,408
		1,796,280	2,583,859
Capitalized during the year		**--**	(987,571)
	5.5.1	**1,796,280**	**1,596,288**
5.5.1 Breakup is as follows:			
Owned			
Plant and machinery		**1,359,961**	1,359,961
Civil works		**436,319**	236,327
		1,796,280	**1,596,288**

6 LONG TERM DEPOSITS

Electricity deposits - Interest free		**125,160**	125,160
Others - Interest free		**3,096**	3,096
		128,256	**128,256**

7 LONG TERM LOANS

Considered good - return free			
Executives		**7,348**	11,363
Employees		**4,422**	6,170
	7.1	**11,770**	17,533
Recoverable within one year	11	**(3,020)**	(5,386)
		8,750	**12,147**

7.1 Loans given to executives and employees are in accordance with the Company policy and are repayable within a period of 3 to 5 years. These loans are return free and are secured against the outstanding provident fund balance of the respective employees. These loans are carried at cost as the effect of carrying these balances at amortized cost would not be material to the financial statements.

8 STORES AND SPARE PARTS

Stores and spare parts - In hand	**1,282,513**	1,256,767
Stores and spare parts - In transit	**57,518**	71,586
	1,340,031	1,328,353
Provision for obsolete and slow moving Stores and spares	**(5,869)**	(5,869)
	1,334,162	1,322,484

		Notes	2020	2019
			-----(Rupees in '000')-----	
9	**STOCK IN TRADE**			
	Raw and packing material		**57,909**	195,822
	Work in process		**49,223**	167,914
	Finished goods		**8,712**	107,962
			115,844	**471,698**
10	**TRADE DEBTS - Unsecured**			
	Considered good		**343,599**	313,952

10.1 The ageing of trade debts as at 30 June is as follows:

Neither past due nor impaired	**343,599**	313,952

10.2 This includes Rs. Nil (2019: Rs. 5.501 million) receivable from customer against export sales.

11	**LOANS AND ADVANCES - Unsecured, considered good**			
	Current portion of long term loan to executive / employees - Return free	7	**3,020**	5,386
	Advances to employees - Return free	11.1	**4,714**	1,307
	Advances to suppliers and contractors - Return free		**144,246**	163,400
			151,980	**170,093**

11.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

12	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits - Considered good, return free			
	Short term deposits		**544**	544
	Margin against bank guarantees		**7,470**	7,470
			8,014	8,014
	Short term prepayments		**1,255**	5,169
			9,269	13,183
13	**OTHER RECEIVABLES - Considered good**			
	Considered good			
	Export rebate receivable		**13,700**	13,920
	Refundable input tax	13.1	**1,794**	21,415
	Sales tax claim	13.2	**13,502**	13,502
	Other receivable	13.3	**72,447**	73,149
			101,443	121,986

13.1 This mainly include refundable input tax from M/s. Peshawar Electric Supply Company (PESCO).

13.2 Represents claims of sales tax filed before the collector of sales tax and large tax payer unit for the different periods.

13.3 This include Rs.72.367 million paid under protest by the Company on the basis of decision of the Custom Tribunal. However the Company has filed reference before the Honourable High Court against the decision of the Tribunal. In the reference numerous legal issues has been raised on the basis of which the Company anticipate that the order of the Tribunal will be vacated and amount will be refunded and if not refunded, will be charged off.

14 SHORT TERM INVESTMENTS

At fair value through profit and loss

2020	2019		Notes	2020	2019
---(Number of Share)---				-----(Rupees in '000')-----	
17,717	17,717	BankIslami Pakistan Limited		**134**	204
6,930	6,930	Samba Bank Limited		**54**	31
2,603	2,603	Faysal Bank Limited		**36**	56
92,500	92,500	Zeal Pak Cement Limited		**--**	--
119,750	**119,750**			**224**	**291**

15 CASH AND BANK BALANCES

Cash in hand		**2,015**	2,728
Cash at banks:			
- Current accounts		**88,310**	67,510
- Deposit / saving accounts	15.1	**217**	780
		88,527	68,290
		90,542	**71,018**

15.1 These represent deposit accounts and saving accounts with commercial banks carrying profit ranging from 2.3% to 10.33% (2019: 3.5% to 10.25%) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2020	2019		2020	2019
-----(Number of Share)-----			-----(Rupees in '000')-----	
431,125,000	431,125,000	Ordinary shares of Rs. 10/- each issued as fully paid in cash	**4,311,250**	4,311,250
21,250,000	21,250,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	**212,500**	212,500
31,738,343	31,738,343	Ordinary shares of Rs. 10 each issued on conversion of loan from sponsors	**317,383**	317,383
484,113,343	**484,113,343**		**4,841,133**	**4,841,133**

16.1 At reporting date, 131,625,455 shares (2019: 131,625,455 shares) are held by associated companies.

		Notes	2020	2019
			-----(Rupees in '000')-----	
17	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Gross surplus			
	Opening balance		**8,268,126**	8,541,534
	Surplus arising due to revaluation of property, plant and equipment		**8,147,258**	–
	Transfer to unappropriated profit in respect of incremental depreciation charged during the current year		**(184,647)**	(273,408)
		17.1	**16,230,737**	8,268,126
	Deferred tax liability			
	Opening balance		**(2,135,206)**	(2,239,617)
	Related deferred tax liability of current revaluation		**(2,337,551)**	–
	On incremental depreciation for the year		**52,078**	77,803
	Effect of reduction in effective tax rate on account of a portion of the income of the Company being assessed under Final Tax Regime		**77,471**	26,608
			(4,343,208)	(2,135,206)
			11,887,529	**6,132,920**

17.1 This represents surplus on revaluation of leasehold land, freehold land, buildings on leasehold land and quarry development, buildings and civil works on freehold land and plant and machinery. The revaluation are carried on the basis of market value or depreciated replacement values as applicable. The latest revaluation was carried out on 30 June 2020 by an independent valuer M/s Anderson Consulting (Private) Limited which resulted in surplus on property, plant and equipment amounting to Rs. 8,147.258 million.

17.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		Notes	2020	2019
18	**LONG TERM FINANCING**		-----(Rupees in '000')-----	
	Long-term loan financial institution - Secured			
	Long term loan - I	18.1	**93,333**	93,333
	Long term loan - II	18.2	**200,000**	200,000
	Long term loan - III	18.3	**300,000**	300,000
	Long term loan - IV	18.4	**75,000**	75,000
	Long term loan - V	18.5	**500,000**	500,000
	Long term loan - VI	18.6	**350,000**	350,000
	Long term loan - VII	18.7	**92,861**	92,861
	Long term loan - VIII	18.8	**250,000**	250,000
	Restructured long term financing - I	18.9	**93,246**	143,246
	Restructured long term financing - II	18.10	**71,209**	79,587
	Restructured long term financing - III	18.11	**41,667**	47,222
			2,067,316	2,131,249

	Notes	2020	2019
		-----(Rupees in '000')-----	
Present value adjustment		**(60,259)**	(60,259)
		2,007,057	2,070,990
Total interest charged to profit and loss account		**44,141**	40,277
		2,051,198	2,111,267
Current maturity of long term financing		**(71,112)**	(127,866)
Overdue portion of long term financing		**(1,900,128)**	(1,861,194)
	25	**(1,971,240)**	(1,989,060)
		79,958	**122,207**

18.1 Represents loan obtained from a Development Financial Institution (DFI) carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.120 million and purchase price of Rs.234.4 million. The loan is repayable in 9 equal semi-annual installments commencing one year after the date of disbursement of loan i.e. April 26, 2006. The loan is secured by way of hypothecation ranking charge over fixed assets to be converted in to first pari passu charge within 90 days from the date of disbursement.

18.2 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3.25% per annum with sales price of Rs.200 million and purchase price of Rs.289.375 million. The loan is repayable in 8 equal semi-annual installments starting two years after the date of disbursement of loan i.e. November 1, 2006. The loan is secured by way of ranking charge convertible to a first pari-passu charge within ninety days of the disbursement of the facility over all present and future fixed assets of the Company with a margin of 25 percent.

18.3 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 4.5% per annum with sales price of Rs.300 million and purchase price of Rs.637.685 million. The loan is repayable in 6 equal semi-annual installments commencing thirty months after the date of disbursement of loan i.e. November 7, 2006. The loan is secured by way of first pari-passu charge over all present and future fixed assets of the Company and corporate guarantees provided by certain group companies.

18.4 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3% per annum with sales price of Rs.75 million and purchase price of Rs.117.729 million. The loan is repayable in 8 equal semi-annual installments commencing two years after the date of disbursement of loan i.e. July 28, 2006. The loan is secured by way of hypothecation ranking charge over all present and future fixed assets of the Company with 25% margin to be converted in to first pari-passu charge in favour of the DFI within 120 days from the date of first drawdown of the facility.

18.5 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.975.562 million. The loan is repayable in 10 equal semi-annual installments commencing 30 months after the date of disbursement

of loan i.e. October 31, 2006. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.666.667 million in favour of the bank and creation of first pari-passu charge by way of mortgage by deposit of title deeds in respect of the mortgaged properties in the sum of Rs. 666.667 million in favour of the bank.

18.6 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.700 million. The loan is repayable in 10 equal semi-annual installments commenced from December 2006. The loan is secured by creating first pari passu hypothecation charge over present and future plant and machinery and creation of first pari passu equitable mortgage charge over all land and building.

18.7 Represents loan obtained from a commercial bank carrying mark up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.165 million and purchase price of Rs.239.309 million. The loan is repayable in 13 equal quarterly installments beginning one year after the date of restructuring of terms of loan i.e. June 28, 2008. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.240 million in favour of the bank. Initially a ranking charge is created which will be upgraded to first pari passu charge with in 120 days of draw down.

18.8 Represents loan obtained from a commercial bank carrying mark-up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.250 million and purchase price of Rs.353.136 million. The loan is repayable in eight equal quarterly installments commencing from the fifth quarter from date of disbursement. The financing is secured by ranking hypothecation charge and equitable mortgage over fixed assets of the Company valuing Rs.333.33 million with 25% margin. The charge was to be converted into first pari passu within 180 days from date of disbursement.

18.9 A settlement has been reached on 18 October 2012 with a lender by way of compromise agreement executed between the Company and bank, and consequently a compromise decree has been passed by Honourable High Court. The entire principle amounts of demand finance, export re-finance, advance against TFCs and liability against letter of credits aggregating Rs.843.246 million are now repayable in 33 equal installments of Rs.25 million each and last installment of Rs.18.246 million. The settlement of mark-up will be subject to the over all restructuring proposal offered to other lenders. The loan is secured against joint pari-passu charge in the sum of Rs.426.667 million and Rs.186.66 million over present and future fixed assets of the Company and ranking charges of Rs.345 million and Rs.134 million over present and future current assets of the Company.

18.10 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 15 January 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.150 million which was repayable in 35 equal installments of Rs.4.160 million each and last installment of Rs.4.4 million commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

A supplemental compromise agreement has been executed dated 9 May 2016 thereby the liability has been further rescheduled at principal outstanding amount of Rs.150 million (Rs.20.148 million has been paid at the time of signing of supplemental compromise agreement) and Rs.129.852 was repayable in 31 equal quarterly installments of Rs.4.189 million each commencing from 30 July 2016. The other terms and conditions will remain same as per the master agreement dated 15 January 2013.

18.11 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 13 September 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.100 million which is now repayable in 36 equal quarterly installments of Rs.2.777 million each commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

18.12 The loans disclosed in 18.10 and 18.11 are interest free and have been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate ranging from 7% to 8% per annum.

18.13 The lenders listed in 18.1 to 18.11 are in litigation with the Company as more fully explained in note 26.1(a) and note 26.1(b) to the financial statements.

	Notes	2020	2019
		-----(Rupees in '000')-----	
19 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES			
Advance for investment in term finance certificates - Secured	19.1	**3,110,000**	3,110,000

19.1 It represents private placement (Pre-IPO) investment of Rs.3,110 million received as advanced against issue of rated, listed and secured term finance certificates out of total issue of Rs.5,000 million for a tenure of six years. The Company was required to complete the public offering on or before 270 days of signing of the respective agreements. i.e. 5 October 2008. The Company was unable to complete the requisite formalities of public offering due to the factors beyond its control (Force Majure) i.e. global recession and unforeseen shut down of stock exchanges. Following course, certain investors have filed suits and winding up petitions in Hon'able High Court of Sindh as more fully explained in note 26.1(a) and note 26.1(b) to the financial statements.

The principal terms and conditions for the proposed issue of rated, listed and secured Term Finance Certificates (TFCs) were as follows:

a) The tenor was six years inclusive of a grace period of 18 months.

b) Profit payments payable semi-annually in arrears on the outstanding principal amount and calculated on a 365-days year basis. The first profit payment will fall due six months from the issue date and subsequently every six months thereafter.

c) Carries a floating rate of return of KIBOR plus 2 percent per annum.

d) Will be redeemed in nine equal semi annual installments starting from the twenty-fourth month of the issue.

e) Secured by first pari passu charge over plant and machinery and land and buildings.

	Notes	2020	2019
20 LONG TERM DEPOSITS AND PAYABLES		-----(Rupees in '000')-----	
Security deposits	20.1	**462,415**	644,331
Retention money		**6,122**	6,122
Provision in respect of supplier's credit	20.2	**302,148**	296,100
		770,685	**946,553**

20.1 These represent interest free security deposits received from stockists and are repayable on cancellation or withdrawal of stockists arrangement and are also adjustable against unpaid amount of sales.

20.2 Represents bills payable in respect of plant and machinery imported. In respect of such liability, in prior years, a memorandum of understanding was signed alongwith a repayment plan. However, in view of certain disputes, this amount is still appearing as payable. The matter is currently under litigation and the amount that would actually be payable and its timing are now considered to be uncertain. In view of the litigations and disputes in respect of amount involved, as well as, the expected time that litigation would entail, the management is confident that this provision is not payable within the next twelve months and has, accordingly, been included in non-current liabilities. The change in supplier's credit balance represents exchange loss which is taken into statement of profit or loss.

21 DEFERRED TAX LIABILITY - Net

Deferred taxation comprises temporary difference relating to:

Accelerated tax depreciation	**3,655,975**	3,609,491
Surplus on revaluation of fixed assets	**4,536,220**	2,250,747
Provisions and others	**(67,247)**	(65,468)
	8,124,948	5,794,770
Effect of reduction in effective tax rate on account of transfer of income of the Company being assessed under Final Tax Regime	**(345,709)**	(297,472)
	7,779,239	5,497,298
Accumulated tax losses and available tax credits	**(2,210,820)**	(1,925,904)
	5,568,419	**3,571,394**

21.1 Movement of deferred tax liabilities

Balance at beginning of the year	**3,571,394**	3,109,879
Increase in deferred tax liability due to current revaluation	**2,337,551**	--
Tax charge recognised in statement of profit or loss	**(241,065)**	488,123
Tax charge recognised in other comprehensive income	**(99,461)**	(26,608)
Balance as at end of the year	**5,568,419**	**3,571,394**

		Notes	2020	2019
22	**TRADE AND OTHER PAYABLES**		**-----(Rupees in '000')-----**	
	Creditors	22.1	**792,253**	950,807
	Accrued liabilities		**391,404**	262,719
	Advance from customers		**64,610**	60,978
	Custom duty payable		**22,848**	22,848
	Creditors for capital expenditure		**348**	1,150
	Excise duty and royalty payable	22.2	**988,338**	193,698
	Workers' Profits Participation Fund	22.3	**16,998**	14,955
	Workers' Welfare Fund	22.4	**40,051**	40,051
	Tax deducted at source	22.2	**2,135**	16,472
	Others		**146**	146
			2,319,131	**1,563,824**

22.1 This includes an amount of Rs.54.289 million (2019: Rs.54.289 million) representing overdue letters of credit which carry mark-up at the rate of 1 month KIBOR + 2% per annum (2019: 1 month KIBOR + 2% per annum).

22.2 During the year, the Company was unable to pay excise duty, sales tax and tax deducted at sources amounting to Rs. 988.338 million, Rs.483.855 million and Rs. 55.140 million respectively within the stipulated time as prescribed in respective laws. Arrangements are being made for the payment of these amounts.

22.3 Workers' profits participation fund

Balance at the beginning of the year		**14,955**	67,164
Allocation for the year	31	**--**	14,955
Interest on fund utilised in the Company's business	33	**2,043**	5,081
		16,998	87,200
Payments made during the year		**--**	(72,245)
Balance at the end of the year		**16,998**	**14,955**

22.4 Workers' welfare fund

Balance at the beginning of the year		**40,051**	34,368
Allocation for the year	31	**--**	5,683
Balance at the end of the year		**40,051**	**40,051**

23 SHORT TERM BORROWINGS

From financial institutions:			
Running finance	23.1	**208,159**	208,159
Export refinance	23.2	**121,000**	121,000
Bridge finance - syndicate	23.3	**250,000**	250,000
		579,159	**579,159**

23.1 Represents utilized portion of facility of Rs.200 million (2019: Rs.200 million). The running finance carries mark up at 6 months KIBOR plus 3% (2019: 6 months KIBOR plus 3%) per annum, payable quarterly in arrears. The facility is secured by way of first pari passu charge of Rs.234 million on the Company's stocks / book debts. This facility was valid upto 30 June 2009. The facility has expired and not been renewed by the bank.

23.2 The export refinance carries mark up at 7.5% per annum, payable quarterly. The facility is secured by way of pari passu charge of Rs. 237 million on stocks and book debts of the Company. These financing arrangement has expired and not been renewed by the bank.

23.3 The syndicated finance facility was obtained from two banks having share of Rs.150 million and Rs.100 million respectively. The syndicated loan carries mark up at 6 months KIBOR plus 2% per annum payable after 6 months. The facility is secured by way of first pari passu of Rs. 333.33 million on the Company's fixed assets. The facility was valid upto 12 September 2008 and has not been renewed by the banks.

23.4 The Company is in litigations with all of the above lenders as more fully explained in note 26.1(a) to the financial statements.

		Notes	2020	2019
24	**MARKUP PAYABLE**		-----(Rupees in '000')-----	
	Markup payable on:			
	- advances for investment in term finance certificates		**398,488**	398,488
	- long term financings		**342,519**	342,519
	- short term borrowings		**51,654**	51,654
			792,661	**792,661**
25	**CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES**			
	Long term financings	18	**1,971,240**	1,989,060
	Liabilities against assets subject to finance lease	25.1	**41,210**	41,210
			2,012,450	**2,030,270**

25.1 The Company has entered into lease agreements with certain leasing companies for lease of vehicles and machinery. Total lease rentals due under various lease agreements aggregate Rs.41.210 million (2019: Rs.41.210 million) payable in monthly/quarterly installments latest by January 2012. Overdue rental payments are subject to an additional charge upto 3% per month. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates ranging from 17.76% to 20.57% per annum have been used as discounting factor. Purchase options can be exercised by the lessee, paying 10% of the leased amount.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

(a) In respect of liabilities towards banks / financial institutions disclosed

in note 18, 19, 23, 24 and 25 to the financial statements, lender banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. During the year ended 2017, out of these banks / financial institutions, certain lenders have entered into standstill agreements with the Company for an aggregate liability of Rs.6,078.45 million sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.4,751.87 million through disposal of its certain assets. Hence joint applications were filed in Honorable High Court to obtain consent decrees for the terms and conditions stipulated in standstill agreement and the consent decrees were obtained. However, due to non execution of the terms of the standstill agreement the lenders filed application with the Honorable Sindh High Court for execution of consent decrees. The Company filed suits against the lenders for performance of consent degrees in the Honorable High Court of Sindh, at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. For settlement of liabilities the Company entered into non-binding agreement for sale of its assets, but the sale could not be finalized, however, the Company is still looking for buyers for sale of its north plant. Consequent to which the Company would be able to settle the liabilities.

(b) Out of the lenders as disclosed in note 18, 19, 22.1, 23, 24 and 25 to the financial statements, some lenders did not become signatory of the settlement agreement and continue to pursue their suits filed in Honourable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount in respect of these is Rs.1,033 million, out of total suits amount certain banks / financial institutions having suits to the extent of Rs.532.045 million have also filed winding up petitions u/s 301 of the Companies Act, 2017. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse effect on Company's position in the suits.

The default of the Company is attributable to the Arrangers of the proposed Term Finance Certificates [TFCs] as they took the Company towards engineered default. The Company withdrew the foreign currency Convertible Bond issue which was completed with regard to the investors and approvals from SECP and SBP were also in place in all respect; and converted this into local TFCs under the firm commitment of major banks of the Company that it would be closed within a few weeks. Unfortunately, the TFC issue has so far not been closed.

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan

rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favour of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honourable Courts therefore the ultimate outcome cannot be established at this stage.

(c) The Competition Commission of Pakistan (CCP) issued a show cause notice dated 28 October 2008 under section 30 of the Competition Ordinance, 2007. On 27 August 2009, the CCP imposed a penalty aggregating Rs. 345 million on the Company. The Company has challenged the CCP order in the Honourable High Court and the Honourable High Court has passed an interim order restraining the CCP from taking any adverse action against the parties. Appeals against the CCP's orders were also filed as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007. However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal ("CAT") had been constituted, the Honourable Supreme Court of Pakistan vide its Order dated 1 June 2017 sent the above appeals to CAT to decide the same in accordance with law. The Company's with its legal counsel are confident of a favourable outcome of the matter, accordingly no provision has been made in respect of same in the financial statements.

(d) On 3 January 2008, the Company filed a refund claim for the period from 17 June 1994 to 18 April 1999, amounting to Rs.608.015 million before Collector of Sales Tax and Federal Excise (the department) in view of Supreme Court judgment regarding the value of goods for the purpose of imposition of excise duty, under section 4(2) of the Central Excise Act, 1944 (the "1944 Act"). In the Supreme Court judgment it has been categorically held that no excise duty could be added to the retail price for levying excise duty under section 4(2) of the 1944 Act.

The department in similar cases had filed petition for review of the judgment of the Supreme Court of Pakistan. Refund application of the Company was returned with the comments that since the cases are subjudiced in review, the decision on refund will be taken after fate of review petitions. On 20 January 2009, these petitions were dismissed by the Honourable Supreme Court of Pakistan. The Company then immediately approached the Department for processing of refund. After a lapse of years, the Company then approached the Islamabad High court and on 30th June 2016 the Honourable High Court asked the FBR to hear us and the date be given for hearing. The Company was then called by the Accountant Chief FBR and decision is awaited. As a matter of prudence the Company has not accounted for the above refund in the books of account of the Company.

(e) During the year ended June 2015, the Company filed a suit in High Court of Sindh at Karachi against orders passed by Deputy

Commission Inland Revenue wherein the department unlawfully demanded extra sales tax and excise duty amounting to Rs.1,599.932 million on alleged suppressed sales. The said demand has been created by comparing the cost of fuel and power with the other cement companies, thereby determined the figures of sales based on additional power consumption. The Company has also filed an appeal before appellate tribunal against these orders. The Honourable High Court ordered remand back for rehearing at the collector appeals level. In our rehearing the collector Appeals decided the case in our favour. The Department has moved to the Tribunal against the decision of the C.I.P. As the case is pending and on the basis of the decision by Collector Appeals the management is hopeful that the case will be decided in favour of the Company as the same is based on hypothetical assumptions, hence no provision is made in these financial statements.

(f) Guarantees issued by commercial banks on behalf of the Company amounting to Rs.108.525 million (2019: Rs.107.025 millions).

(g) A Constitutional Petition was filed by the Company against the Customs Department to recover a sum of Rs.56 million representing the sale proceeds of certain goods of the Company auctioned by Customs Department and adjusted against unlawful demand / claim of Rs.89 million. The said Petition is pending and is at the stage of arguments and Company expects the same will be decided in its favour and the amount will be refunded.

26.2 Commitments

Letter of credit outstanding amounting to Rs. 2.45 million.

		Notes	2020	2019
27	**TURNOVER - Net**		**-----(Rupees in '000')-----**	
	Turnover - Local		**9,613,079**	17,370,411
	Federal excise duty		**(1,982,098)**	(2,706,819)
	Sales tax		**(1,661,933)**	(3,001,151)
	Sales incentives		**(326,733)**	(262,300)
			(3,970,764)	(5,970,270)
			5,642,315	11,400,141
	Turnover - Export		**229,931**	720,703
	Export expenses	27.1	**(39,295)**	(66,819)
			190,636	653,884
			5,832,951	**12,054,025**

27.1 Export expenses represent freight and handling charges and commission on export of clinker/cement during the year. The export expenses are net off with export rebates of Rs.0.517 million (2019: Rs.2.163 million).

		Notes	2020	2019
			-----(Rupees in '000')-----	
28	**COST OF SALES**			
	Salaries, wages and benefits	28.1	**710,006**	821,472
	Raw and packing materials consumed		**711,249**	1,369,091
	Stores and spares consumed		**263,565**	573,929
	Fuel and power		**3,795,865**	6,754,472
	Depreciation	5.3	**469,132**	760,154
	Repairs and maintenance		**35,600**	91,904
	Handling charges		**26,399**	54,234
	Transportation charges		**31,643**	54,873
	Security charges		**30,518**	36,778
	Insurance expenses		**25,325**	25,799
	Vehicle running expense		**13,664**	14,295
	Consultancy charges		**4,038**	7,670
	Rates and taxes		**494**	1,225
	Equipment hire charges		**2,294**	4,448
	General office expenses		**1,858**	4,128
	Laboratory chemicals and quality control		**2,277**	8,448
	Printing and stationery		**2,161**	3,809
	Communication charges		**2,061**	2,695
	Travelling and conveyance		**339**	1,521
	Others manufacturing expenses		**2,931**	6,391
			6,131,419	10,597,336
	Opening work in process		**167,914**	411,034
	Closing work in process		**(49,223)**	(167,914)
			118,691	243,120
	Cost of goods manufactured		**6,250,110**	10,840,456
	Opening finished goods		**107,962**	94,233
	Closing finished goods		**(8,712)**	(107,962)
			99,250	(13,729)
			6,349,360	**10,826,727**

28.1 This includes Rs.20.308 million (2019: Rs.21.261 million) in respect of the Company's contribution for provident funds and Rs.2.793 million (2019: Rs.2.897 million) recognised against contribution to Employees Old Age Benefits Institution (EOBI).

29	**DISTRIBUTION COST**			
	Salaries, allowances and benefits	29.1	**48,402**	62,826
	Advertisement expenses		**16,886**	17,763
	Fee and subscription		**7,666**	10,703
	Transportation charges		**11,210**	12,174
	Repairs and maintenance		**4,623**	5,862
	Rent, rates and taxes		**9,904**	5,225
	Insurance expenses		**5,831**	6,064
	Travelling and conveyance		**6,262**	9,206
	Communication charges		**1,290**	1,911
	Depreciation	5.3	**158**	192
	Others		**5,855**	7,163
			118,087	**139,089**

29.1 These include Rs.2.013 million (2019: Rs.2.464 million) in respect of the Company's contribution for provident funds and Rs. 0.282 million (2019: Rs.0.328 million) recognized against contribution to EOBI.

		Notes	2020	2019
			-----(Rupees in '000')-----	
30	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and benefits	30.1	**375,642**	336,221
	Repairs and maintenance		**215,810**	128,687
	Legal and professional charges		**88,028**	85,584
	Travelling, conveyance and cartage		**24,106**	38,735
	Vehicle running expenses		**19,071**	19,817
	Rent, rates and taxes		**24,177**	18,101
	Insurance expenses		**17,172**	17,327
	Communication charges		**14,907**	17,083
	Security service charges		**12,884**	12,419
	Depreciation	5.3	**6,060**	7,728
	Printing and stationery		**2,676**	6,924
	Fee and subscription		**4,205**	5,670
	Utilities		**3,852**	5,045
	Entertainment expenses		**378**	768
	Other expenses		**1,157**	1,010
	Newspaper and periodicals		**91**	101
			810,216	**701,220**

30.1 This includes Rs.7.742 million (2019: Rs.7.224 million) in respect of the Company's contribution for provident funds and Rs.0.461 million (2019: Rs.0.342 million) recognized against contribution to EOBI.

31	**OTHER OPERATING EXPENSES**			
	Workers' Profit Participation Fund	22.3	**--**	14,955
	Workers' Welfare Fund	22.4	**--**	5,683
	Exchange loss		**20,382**	66,654
	Auditor's remuneration	31.1	**4,000**	4,000
	Loss on remeasurement of short term investment		**67**	42
			24,449	**91,334**

31.1 Auditor's remuneration

Audit fee	**2,800**	2,800
Review of condensed interim financial information	**900**	900
Review of Code of Corporate Governance	**300**	300
	4,000	**4,000**

32	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits		**2,454**	2,184
	Gain on sale of investments		**--**	267
	Dividend income		**--**	268
	Income from non-financial assets			
	Gain on disposal of operating fixed assets		**453**	686
	Scrap sales		**367**	146
			3,274	**3,551**

		Notes	2020	2019
33	**FINANCE COST**		-----(Rupees in '000')-----	
	Unwinding of discount		**3,864**	8,806
	Interest on workers' profits participation fund	22.2	**2,043**	5,081
	Commission on bank guarantees		**1,979**	1,584
	Bank charges		**4,817**	5,271
			12,703	**20,742**

33.1 Company has not made the provision of mark-up for the year amounting to Rs.713.063 million (Up to 30 June 2020: Rs.6,195.475 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders. Had the provision been made the loss for the year would have been higher by Rs.713.063 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.6,195.475 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

34 TAXATION - Net

Current		
- for the year	**86,940**	119,335
- for prior years	**--**	(53,690)
	86,940	65,645
Deferred tax	**(241,065)**	488,123
Total tax charge	**(154,125)**	**553,768**

34.1 Reconciliation between tax expense and accounting profit

Accounting profit before taxation	**(1,478,590)**	278,464
Tax on accounting profit @ 29% (2019: 29%)	**(428,791)**	80,755
Tax effect of rebate / credits	**(284,915)**	115,891
Deferred tax charge not booked on final tax regime	**--**	26,608
Tax at reduced rate	**515,730**	69,548
Tax effect of permanent differences	**(30,088)**	44,897
Depreciation	**76,217**	313,467
Inadmissible expenses / tax effect of temporary differences	**(2,278)**	(12,740)
Rebates under section 65B of the Ordinance	**--**	(30,968)
Tax effect of prior year	**--**	(53,690)
	(154,125)	**553,768**

34.2 The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 5% to 10% (from 2017 to 2019) of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 20% to 40% (2017 to 2019) of its after tax profits within six (6) months of the end of the tax year through cash.

The Company filed a Constitutional Petition (CP) before the Sindh High Court (SHC) on 28 July 2017 challenging the vires of Section 5A of the Income Tax Ordinance,2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

In case the SHC's decision is not in favour of the Company; the Company will either be required to declare dividend to the extent of 20% to 40% (2017 to 2019) of after tax profits or it will be liable to pay additional tax at the rate of 5% to 10% (2017 to 2019). Aggregate tax liability as at reporting date as per Section 5A, amounting to Rs.194.025 million. No tax charge has been recorded by the Company in these financial statements.

34.3 The assessments of the Company deemed to have been finalized upto and including tax year 2019.

		2020	2019
35	**LOSS PER SHARE - Basic and diluted**	**-----(Rupees in '000')-----**	
35.1	**Loss earnings per share - Basic**		
	Loss after taxation attributable to ordinary shareholders	**(1,324,465)**	(275,304)
		-- (Number of shares '000) --	
	Weighted average number of ordinary shares outstanding	**484,113**	484,113
	Loss per share - Basic (Rupees)	**(2.74)**	(0.57)

35.2 Loss per share - Diluted

There is no dilution effect on loss per share of the Company.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	----------(Rupees in '000')----------							
Remuneration	**5,809**	7,933	**4,933**	6,853	**179,818**	218,270	**190,560**	233,056
House rent	**2,614**	3,570	**2,220**	3,084	**80,918**	98,221	**85,752**	104,875
LFA	**242**	664	**277**	286	**3,573**	6,407	**4,092**	7,357
Medical	**484**	227	**456**	473	**3,709**	3,402	**4,649**	4,102
Retirement benefits	**--**	--	**411**	571	**17,982**	9,634	**18,393**	10,205
Utilities	**581**	793	**493**	685	**8,384**	21,827	**9,459**	23,305
Others	**4**	4	**4**	4	**174**	198	**181**	206
	9,734	**13,191**	**8,794**	**11,956**	**294,558**	**357,959**	**313,086**	**383,106**
Number of persons	**1**	1	**1**	1	**49**	57	**51**	59

The director and certain executives are also provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

37 RELATED PARTY DISCLOSURES

Related parties include associated entities, directors, the other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Transactions during the year	2020	2019
		-----(Rupees in '000')-----	
Employees' Provident Fund Trust	Expense in relation to provident fund	**60,124**	61,899

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents 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.

Risk management framework

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

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk 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 reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2020		2019	
	"Financial assets"	"Maximum exposure"	"Financial assets"	"Maximum exposure"
	-------- (Rupees) --------		-------- (Rupees) --------	
Long term loans	**8,750**	**8,750**	12,147	12,147
Long term deposit	**128,256**	**128,256**	128,256	128,256
Trade debts	**343,599**	**343,599**	313,952	313,952
Loans and advances	**151,980**	**151,980**	170,093	170,093
Trade deposits	**8,014**	**8,014**	8,014	8,014
Other receivable	**72,447**	**72,447**	73,149	73,149
Short term investments	**224**	**224**	291	291
Cash and bank balances (excluding cash in hand)	**88,527**	**88,527**	68,290	68,290
	801,797	**801,797**	**774,192**	**774,192**

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers.

The management believes that no provision is required during the year. Further credit risk in respect of trade debts is mitigated by the security deposits amounting to Rs.462.415 million (2019: Rs.644.311 million). The credit quality of the Company's receivable can be assessed with their past performance.

Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
BankIslami Pakistan Limited	PACRA	A1	A+
Bank Alfalah Limited	PACRA	A1+	AA+
National Bank of Pakistan	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	JCR-VIS	A-1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Dubai Islamic Bank Limited	JCR-VIS	A-1+	AA
Askari Bank Limited	JCR-VIS	A1+	AA+
Habib Metropolitan Bank Limited	JCR-VIS	A1+	AA+

38.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. At present the Company is facing liquidity problems and have been unable to make timely repayment of its liabilities resulting in overdues, further, the short term finance facilities have expired and not been renewed by the lenders.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	----------	----------	----------	Rupees in '000'	----------	----------	----------
2020							
Non-derivative financial liabilities							
Long term financings	**2,051,198**	**2,067,316**	**1,982,307**	**13,933**	**27,866**	**43,210**	**--**
Term finance certificates	**3,110,000**	**3,110,000**	**--**	**--**	**3,110,000**	**--**	**--**
Short term borrowings	**579,159**	**579,159**	**579,159**	**--**	**--**	**--**	**--**
Lease liabilities	**41,210**	**41,210**	**41,210**	**--**	**--**	**--**	**--**
Long term deposits and payables	**770,685**	**770,685**	**--**	**--**	**--**	**770,685**	**--**
Trade and other payables	**2,319,131**	**2,319,131**	**2,319,131**	**--**	**--**	**--**	**--**
Mark up payable	**792,661**	**792,661**	**792,661**	**--**	**--**	**--**	**--**
Dividend payable	**12,926**	**2,926**	**2,926**	**--**	**--**	**--**	**--**
Unpaid and unclaimed dividend	**1,780**	**1,780**	**1,780**	**--**	**--**	**--**	**--**
	9,694,868	**9,680,162**	**5,729,174**	**13,933**	**3,137,866**	**813,895**	**--**

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	----------	----------	----------	Rupees in '000'	----------	----------	----------
2019							
Non-derivative financial liabilities							
Long term financings	2,111,267	2,131,249	1,925,128	63,933	71,112	71,076	--
Term finance certificates	3,110,000	3,110,000	--	--	3,110,000	--	--
Short term borrowings	579,159	579,159	579,159	--	--	--	--
Lease liabilities	41,210	41,210	41,210	--	--	--	--
Long term deposits and payables	946,553	946,553	--	--	--	946,553	--
Trade and other payables	1,563,824	1,563,824	1,563,824	--	--	--	--
Mark up payable	792,661	792,661	792,661	--	--	--	--
Dividend payable	12,927	12,927	12,927	--	--	--	--
Unpaid and unclaimed dividend	1,780	1,780	1,780	--	--	--	--
	9,159,381	**9,179,363**	**4,916,689**	**63,933**	**3,181,112**	**1,017,629**	**--**

38.3 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 income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

38.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than Pak Rupees (PKR). As the Company exports its products, accordingly it is exposed to currency risk, primarily with respect to trade debts denominated in US Dollars (USD).

	2020		2019	
	Rupees	US Dollar	Rupees	US Dollar
Assets / (liabilities)	----------(in '000')----------			
Trade debts	--	--	5,501	33
Supplier credit	**(302,148)**	**(1,800)**	(296,100)	(1,800)
	(302,148)	**(1,800)**	(290,599)	(1,767)

The following significant exchange rate applied during the year:

	Average rate		Balance sheet date	
	2020	2019	2020	2019
US Dollar	**165.61**	155.25	**167.86**	164.50

Sensitivity analysis

At reporting date, if PKR had strengthened by 5% against the US Dollar with all other variables held constant profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange difference on translation of foreign currency liabilities.

	2020		2019	
	Profit or loss		Profit or loss	
	Gross exposure	Net of tax exposure	Gross exposure	Net of tax exposure
	----------(in '000')----------			
Trade debts	--	--	275	190
Supplier credit	**(15,107)**	**(10,424)**	(14,805)	(10,215)
	(15,107)	**(10,424)**	(14,530)	(10,026)

The 5% weakening of the PKR against US Dollar would have had an equal but opposite impact on the profit for the year on the basis that all other variables remain constant.

38.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2020	2019
	-----(Rupees in '000')-----	
Variable rate instruments		
Financial assets		
Cash at bank - Deposits / PLS saving accounts	**217**	780
Variable rate instruments		
Financial liabilities		
Advances for investment in term finance certificates	**3,110,000**	3,110,000
Long term financings	**2,067,316**	2,131,249
Lease liabilities	**41,210**	41,210
Short term borrowings	**579,159**	579,159
Trade payables	**54,289**	54,289
	5,851,974	5,915,907

Fair value sensitivity analysis for fixed rate instruments:

The impact of change in fair value due to a change in interest rate is not considered to be material to these financial statements.

Cash flows sensitivity analysis for variable rate instruments:

Since the Company has not made provision of mark-up on its borrowings on account of restructuring proposal offered to lenders, therefore sensitivity analysis cannot be given.

38.3.3 Equity price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company does not have investments in listed equity securities and is not exposed to market price risk.

38.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

38.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its objectives of becoming a profitable organisation, producing high quality cement and generating returns for investors. Primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors.

38.6 Fair value of financial assets and liabilities

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using 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 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Level 1	Level 2	Level 3
	----------(Rupees in '000)----------		
2020			
Short term investments			
Investments - Fair value through profit and loss	**224**	--	--
2019			
Short term investments			
Investments - Fair value through profit and loss	**291**	--	--

39 CAPACITY - Clinker

	2020	2019
	---- (In Metric Tonnes) ----	
Annual installed capacity		
- South unit (Line I)	**900,000**	900,000
- South unit (Line II)	**960,000**	960,000
- North unit (Line I)	**540,000**	540,000
- North unit (Line II)	**540,000**	540,000
	2,940,000	**2,940,000**

	2020	2019
	---- (In Metric Tonnes) ----	
Actual production for the year		
- South unit (Line I)	**15,895**	272,345
- South unit (Line II)	**596,757**	671,244
- North unit (Line I)	**163,291**	408,376
- North unit (Line II)	**169,259**	417,084
	945,202	**1,769,049**

Actual production is less than the installed capacity due to planned maintenance, shutdown and gap between market demand and supply of the company's product which was also impacted by COVID-19.

40 PROVIDENT FUND RELATED DISCLOSURES

40.1 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

41 NUMBER OF EMPLOYEES

	2020	2019
	---- (Numbers) ----	
Number of employees as at 30 June	**743**	732
Average number of employees during the year	**745**	737

42 OPERATING SEGMENTS

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. These financial statements have been prepared on the basis of single reportable segment. Revenue from sales of cement represents 100% of the gross sales of the Company.

- 2.34% (2019: 3.98%) of the gross sales of the Company are made to customers located outside Pakistan.
- All non-current assets of the Company at 30 June 2020 are located in Pakistan.
- Revenues of Rs.2,468.493 million (2019: Rs.4,749.089 million) are derived from three customers.

43 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

The sudden spread of COVID-19 has disrupted lives, livelihoods, communities and businesses worldwide. In March, 2020, the relevant authorities announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Complying with the

lockdown, the Company temporarily suspended its operations during the period of lockdown. At that difficult time, the company's focus was to safeguard the well-being of everyone. The Company believes that this crisis presents an opportunity to take bold actions and show leadership and solidarity. Level of communication has been significantly increased and employees have been empowered to work remotely.

"The revenue of the Company was impacted by COVID-19 in the period of lockdown and in addition, the Company had to incur additional cost to ensure safety of its employees and stakeholders. Consequently, Covid-19 being one of the major factors which contributed towards overall decrease in revenues along with the corresponding variable cost and variable overheads. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations subsequent to the balance sheet date after the relaxation in lockdown and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. Due to this, the management has assessed the accounting implications arising out of these developments on these financial statements, including but not limited to the following areas:"

- The impairment of tangible assets under IAS 36, "Impairment of non-financial assets"
- The net realizable value of inventory under IAS 2, "Inventories"

Based on the assessment, there is no significant accounting implication arising out of the effects of COVID-19 in these financial statements except for the decrease in revenue and corresponding variable cost and variable overheads as stated above.

44 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation. However there are no significant reclassifications made during the year.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on **October 05th, 2020** by the Board of Directors of the Company.

46 GENERAL

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

Note: Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.

Ishtiaq Ahmed
Chairman Board of Directors

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance As at June 30, 2020

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1. Associated Companies	10	131,625,455	27.19%
2. NIT and ICP	7	467,956	0.10%
3. Directors, CEO, their Spouses & Minor Children	7	7,000	0.00%
4. Executives	-	-	0.00%
5. Public Sector Companies & Corporations	84	14,205,648	2.93%
6. Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	33	544,419	0.11%
7. Individuals	9,737	337,262,865	69.67%
TOTAL	9,878	484,113,343	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	**Associated Companies**			
1.1	Dewan Motors (Pvt.) Limited	3	18,125,000	3.74%
1.2	Dewan Mushtaq Motors Company (Pvt) Ltd.	3	18,125,000	3.74%
1.3	Dewan Development (Private) Limited	2	30,000,000	6.20%
1.4	Dewan Farooque Motors Limited	2	65,375,455	13.50%
		10	**131,625,455**	**27.19%**
2.	**NIT and ICP**			
2.1	INVESTMENT CORPORATION OF PAKISTAN	2	2,150	0.00%
2.2	IDBP (ICP UNIT)	1	1,000	0.00%
2.3	National Bank of Pakistan	1	2,695	0.00%
2.4	National Bank Of Pakistan Employees Pension Fund	1	438,813	0.09%
2.5	National Bank Of Pakistan Emp Benevolent Fund Trust	1	15,398	0.00%
2.6	National Bank of Pakistan, Trustee Deptt.	1	7,900	0.00%
		7	**467,956**	**0.10%**
3.	**Directors, CEO, their Spouses & Minor Children**			
	Directors and CEO			
3.1	Mr. Haroon Iqbal	1	1,375	0.00%
3.2	Mr. Aziz-ul-Haque	1	1,375	0.00%
3.3	Syed Muhammad Anwar	1	1,375	0.00%
3.4	Mr. Ghazanfar Babar Siddiqi	1	1,375	0.00%
3.5	Mr. Ishtiaq Ahmad	1	500	0.00%
3.6	Mr. Waseem Ul Haque Ansari	1	500	0.00%
3.7	Mr. Muhammad Baqar Jafferi	1	500	0.00%
		7	**7,000**	**0.00%**
	Spouses of Directors and CEO			
		-	**-**	**0.00%**
	Minor Children of Directors and CEO	-	-	-
		7	**7,000**	**0.00%**

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Development (Private) Limited	2	30,000,000	6.20%
2	Dewan Farooque Motors (Pvt.) Limited	2	65,375,455	13.50%
3	Dewan Muhammad Yousuf Farooqui	3	190,000,606	39.25%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

Name	Date of conversion of loan	No. of Shares

THE COMPANIES ORDINANCE, 1984 — FORM 34

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number: **0007605**

2. Name of the Company: **DEWAN CEMENT LIMITED**

3. Pattern of holding of the shares held by the Shareholders as at: **30 06 2020**

4.

Number of Shareholders	Shareholdings				Total Shares held
700	1	-	100	Shares	34,176
2138	101	-	500	Shares	886,282
1502	501	-	1,000	Shares	1,444,106
2893	1,001	-	5,000	Shares	8,488,533
1039	5,001	-	10,000	Shares	8,504,583
635	10,001	-	20,000	Shares	9,620,026
319	20,001	-	30,000	Shares	8,157,966
128	30,001	-	40,000	Shares	4,549,882
129	40,001	-	50,000	Shares	6,182,000
48	50,001	-	60,000	Shares	2,719,661
32	60,001	-	70,000	Shares	2,107,000
45	70,001	-	80,000	Shares	3,411,175
29	80,001	-	90,000	Shares	2,516,775
49	90,001	-	100,000	Shares	4,861,125
24	100,001	-	120,000	Shares	2,566,732
19	120,001	-	140,000	Shares	2,419,000
26	140,001	-	160,000	Shares	3,963,900
6	160,001	-	180,000	Shares	1,034,553
24	180,001	-	200,000	Shares	4,743,500
21	200,001	-	250,000	Shares	4,908,726
12	250,001	-	300,000	Shares	3,418,500
3	300,001	-	350,000	Shares	963,500
5	350,001	-	400,000	Shares	1,934,250
9	400,001	-	450,000	Shares	3,847,813
2	450,001	-	500,000	Shares	958,000
2	500,001	-	550,000	Shares	1,052,500
2	550,001	-	600,000	Shares	1,155,000
2	600,001	-	650,000	Shares	1,277,726
4	650,001	-	700,000	Shares	2,787,963
1	700,001	-	750,000	Shares	750,000
3	750,001	-	800,000	Shares	2,301,050
1	800,001	-	1,000,000	Shares	1,000,000
3	1,000,001	-	1,100,000	Shares	3,090,456
1	1,100,001	-	1,200,000	Shares	1,152,500
2	1,200,001	-	1,400,000	Shares	2,718,500
2	1,400,001	-	1,700,000	Shares	3,290,500
1	1,700,001	-	1,900,000	Shares	1,895,000
1	1,900,001		2,900,000	Shares	2,880,139
1	2,900,001	-	3,000,000	Shares	2,959,000
3	3,000,001	-	3,400,000	Shares	10,000,000
1	3,400,001	-	6,000,000	Shares	5,257,000
3	6,000,001	-	10,000,000	Shares	29,360,178
1	10,000,001	-	12,000,000	Shares	11,738,343

Number of Shareholders	Shareholdings				Total Shares held
1	12,000,001	-	13,000,000	Shares	12,867,734
1	13,000,001	-	15,000,000	Shares	14,776,250
1	15,000,001	-	17,000,000	Shares	16,322,744
1	17,000,001	-	21,000,000	Shares	20,639,822
1	21,000,001	-	70,000,000	Shares	65,374,818
1	70,000,001	-	81,000,000	Shares	80,000,000
1	81,000,001	-	100,000,000	Shares	95,224,356
9878	**TOTAL**				**484,113,343**

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	7,000	0.00%
5.2	Associated Companies, undertakings and related parties	131,625,455	27.19%
5.3	NIT and ICP	467,956	0.10%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	191,304	0.04%
5.5	Insurance Companies	48,500	0.01%
5.6	Modarabas and Mutual Funds	304,615	0.06%
5.7	Shareholders holding 5%	285,376,061	58.95%
5.8	General Public		
	a. Local	337,253,765	69.66%
	b. Foreign	9,100	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	14,205,648	2.93%

FORM OF PROXY

I/We----------of---------- being member(s) of Dewan Cement Limited and holder of----------Ordinary Shares as per Share Register Folio No.---------- and/or CDS Participant I.D. No. ----------and Sub Account No.---------- hereby appoint----------of---------- or failing him/her----------of----------as my proxy to vote for me and on my behalf at the 41st Annual General Meeting of the company to be held on Wednesday, October 28th, 2020 at 12:45 p.m. and / or any adjournment there of.

Signed this----------day of----------2020

1. **Signature:----------**
   Witness: ----------
   Name: ----------
   Address: ----------

   C.N.I.C. No: ----------
   Passport No.: ----------

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the company

2. **Signautre:----------**
   Witness: ----------
   Name: ----------
   Address: ----------

   C.N.I.C. /Passport No.:----------

NOTES:
A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company, duly completed at our shares registrar transfer agent BMF Consultants Pakistan (Pvt.) Ltd. Anum Estate, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan. not less than 48 hours before the meeting. CDC account holders will further have the following guidelines as laid down by the Securities & Exchange Commission of Pakistan.

a. For Attending Meeting:
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC) or original passport at the time or attending the meeting.
   ii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For Appointing Proxies.
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
   ii. Two persons, whose names, addresses and CNIC numbers shall be mentioned on the form to witness the proxy.
   iii. Attested copies of CNIC or passport of the benefical owners and proxy shall be furnished with the proxy form.
   iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
   v. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith the proxy form of the Company.

دوران سال کورونا وائرس کے باعث کمپنی بورڈ آف ڈائریکٹرز کی سالانہ میٹنگ منعقد نہ کرسکی تھی جو کہ بعد میں 15 اکتوبر 2020 کو منعقد کی گئی۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں انہوں نے 30 جون 2021ء کو ختم ہونے والے سال کیلئے بطور آڈیٹرز دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی۔

آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آنے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

اظہار تشکر:

بورڈ اپنے محترم شیئر ہولڈرز وفاقی اور صوبائی حکومت میں کام کرنے والوں، بینکس، ڈویلپمنٹ فنانشل انسٹی ٹیوشن اور کسٹمرز کا ان کی جانب سے مستقل تعاون اور سپورٹ پر شکریہ ادا کرنا چاہتے ہیں۔

بورڈ اپنے ایگزیکٹیو اسٹاف ممبرز اور کمپنی کے ورکرز کا بھی شکریہ ادا کرنا چاہتے ہیں اور ان کی کوششوں کے لئے یہ تحسین آمیز کلمات ریکارڈ پر رکھنا چاہتے ہیں۔

نتیجہ:

ہم آخر میں اللہ تعالیٰ رحمٰن و رحیم سے دعا کرتے ہیں اور حضرت محمد ﷺ سے فضل و کرم کی دعا مانگتے ہیں کہ ہماری کمپنی، ہمارے ملک کو ترقی و طاقت عطا کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ وہ تمام مسلم امہ کے مابین صحیح اسلامی جذبہ اخوت اور بھائی چارگی پیدا کرے۔ آمین ثم آمین۔

نوٹ: چیف ایگزیکٹیو اس وقت ملک میں موجود نہیں ہیں جس کی وجہ سے مالیاتی حسابات پر دونوں ڈائریکٹرز نے دستخط کیے ہیں۔

اشتیاق احمد
چیئرمین بورڈ آف ڈائریکٹرز

ہارون اقبال
ڈائریکٹر

کراچی مورخہ: 15 اکتوبر 2020ء

بورڈ کی میٹنگ:

دوران سال بورڈ آف ڈائریکٹرز کی پانچ میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ڈائریکٹرز نے شرکت کی ہے:

ڈائریکٹرز کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب اشتیاق احمد	5
جناب ہارون اقبال	5
سید محمد انوار	5
جناب عزیز الحق	5
جناب غضنفر بابر صدیقی	5
جناب وسیم الحق انصاری	4
محمد نعیم الدین ملک	2
جناب محمد باقر جعفری	2

آڈٹ کمیٹی کی میٹنگ:

دوران سال آڈٹ کمیٹی کی تین میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ممبران نے شرکت کی ہے:

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	3
جناب اشتیاق احمد	3
جناب غضنفر بابر صدیقی	3

ہیومن ریسورسز اور اجرت کے بارے میں کمیٹی میٹنگ:

دوران سال ایچ آر کمیٹی کی صرف ایک میٹنگ منعقد کی گئی، اس میٹنگ میں درج ذیل ممبران نے شرکت کی:۔

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	1
سید محمد انوار	1
جناب اشتیاق احمد	1

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کے بارے میں بیانات درج ذیل ہیں:

(الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں ردوبدل کی شفاف عکاسی کرتے ہیں۔

(ب) کمپنی کے کھاتے مناسب طریقہ سے تیار کئے جاتے ہیں۔

(ج) مناسب محاسبی پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

(د) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔

(ھ) اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ اس کے پراسس کا جائزہ مستقل رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کر دیا جائے گا۔

(و) آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں جیسا کہ مالیاتی حسابات کے نوٹ نمبر 2 میں تفصیل درج کی گئی ہے۔

(ز) نظم وضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔

(س) منسلک مالی حسابات میں انکشافات کے علاوہ کوئی بقایا ٹیکس اور محصول نہیں ہے۔

(ش) پرووِیڈنٹ فنڈ کی سرمایہ کاری کی ویلیو کا انحصار ان کے متعلقہ اکاؤنٹس مبلغ 226.060 ملین پر ہے۔

(ص) کمپنی کے شیئر ہولڈنگ کا طریقہ کار 30 جون 2020ء منسلک ہے۔

(ض) اقرار کنندگان اور متعلقہ افراد کی جانب سے جاری کردہ شیئرز کا اسٹیٹمنٹ۔ (الگ الگ دیا گیا ہے)۔

(ط) دوران سال منعقدہ بورڈ میٹنگز کا اسٹیٹمنٹ اور ہر ڈائریکٹر کی حاضری۔

(ظ) گزشتہ چھ سالوں کیلئے کمپنی کے اہم امور اور مالیاتی تفصیلات (الگ الگ دی گئی ہیں)۔

ڈویڈنڈ:

بورڈ اس پوزیشن میں نہیں ہے کہ وہ زیر جائزہ مدت کے لئے ڈویڈنڈ کی سفارش کرے۔

کمپنی شیئرز میں تجارت:

کسی بھی ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری، ان کی بیگمات و بچے سال کے دوران کمپنی کے شیئر میں کوئی تجارت نہیں کرتے ہیں جس کا انکشاف شیئر ہولڈنگ کے طریقہ کار میں پہلے ہی درج کر دیا گیا ہے۔

آڈیٹرز رپورٹ کا جائزہ:

آڈیٹرز نے درج ذیل بنیاد پر اپنی رپورٹ مکمل کی ہے جس کی وضاحت درج ذیل ہے:

پری آئی پی او انویسٹمنٹ کے لئے ایڈوانس:

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوانس کی درجہ بندی مبلغ 3,110 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔

انتظامیہ کی رائے کے مطابق آئی پی او کو منتظمین نے بند نہیں کیا تھا لہٰذا ٹی ایف سی جاری نہیں کی جا سکی۔ ہم نے انہیں دوبارہ ترمیم کیلئے نظر ثانی کی پیشکش کی تھی اور پوری امید ہے کہ یہ مستقبل قریب میں حل ہو جائے گا۔ یہاں یہ بھی تحریر کرنا ضروری ہے کہ تقریباً 27% قرضہ جات پر نظر ثانی کی جا چکی ہے۔

مارک اپ کیلئے قواعد:

کمپنی نے مارک اپ مبلغ 713.063 ملین روپے کا حساب درج نہیں کیا جو کہ اس کے سودی قرضہ جات پر لگنا ضروری تھا۔

انتظامیہ نے طویل مدتی قرضہ جات کے سلسلے میں اپنے بینکرز/ مالیاتی اداروں سے رابطہ قائم کیا ہے اور انتظامیہ کو یقین ہے کہ کمپنی کی یہ تجاویز جو کہ انتظامیہ نے دی ہے اسے مالیاتی ادارے/ بینکرز منظور کر لیں گے۔ لہٰذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔

مفروضہ سے متعلق امور:

آڈیٹرز نے کمپنی کی کاروباری صلاحیت کے متعلق تشویش پر پیراگراف کا اضافہ کیا ہے۔ تاہم انتظامیہ کی رائے کے مطابق کمپنی کی تجاویز کو مالیاتی ادارے/ بینکر قبول کر لینگے اور اس کی بنیاد پر مالیاتی حسابات تیار کئے گئے ہیں۔

سیلز ٹیکس اور فیڈرل ایکسائز ڈیوٹی کی عدم ادائیگی:

آڈیٹرز نے سیلز ٹیکس کی عدم ادائیگی اور ایکسائز ڈیوٹی پر پیراگراف کے متن پر زور دیا ہے۔ انتظامیہ کا نظریہ ہے کہ دوران سال کمپنی سیلز ٹیکس اور فیڈرل ایکسائز ڈیوٹی ادا کرنے سے قاصر تھی۔ تاہم فروخت کی قیمت میں اضافے اور لاگت میں کمی کے باعث توقع کی جاتی ہے کہ ادارے کی جانب سے بقایا ادائیگیوں میں آسانی پیدا ہو جائے گی اور ہم قیمت میں متوقع اضافے کے ساتھ ٹائم لائن کو پورا کر سکیں گے۔

نظم وضبط کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کر رہے ہیں کہ آپ کی کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تحت بہتر کارپوریٹ گورننس اور کوڈ کو یقینی بنانے کے لئے مستقل طور پر اقدامات کر رہی ہے۔

ترسیلات	ٹن میں تعداد 2020	ٹن میں تعداد 2019	% اضافہ (/کمی)
مقامی ترسیل۔ سیمنٹ	991,049	1,804,546	(45.08)
مقامی ترسیل۔ جی بی ایف ایس	1,436	5,500	(73.89)
برآمداتی ترسیل	42,489	137,857	(69.18)

ملک میں تعمیراتی سرگرمیوں میں سست روی اور ہماری کمپنی کی مالی مشکلات کے باعث مقامی فروخت اور برآمد کی فروخت میں بالترتیب 45.08%اور 69.18% کی کمی ہوئی۔

مستقبل کا نظریہ:

سال 19-2018 میں 1.9% کے مقابلے میں GDP میں 0.38% کی کمی ہوئی۔ توقع ہے کہ سال 21-2020 میں GDP میں 2% تک اضافہ ہو جائے گا۔ کورونا وائرس میں کمی ہوئی ہے لیکن اس کی بحالی کے عنصر کو نظر انداز نہیں کیا جا سکتا۔

CPEC (چائنا پاکستان اکنامک کوریڈور) اور PSDP (پبلک سیکٹر ڈویلپمنٹ پروگرام) میں تیزی آئی ہے۔ حکومت کی جانب سے تعمیراتی صنعت کے لئے معاشی امدادی اقدامات کے ساتھ مقامی مارکیٹ میں ڈیمز اور لاکھوں گھروں کے سالانہ منصوبے سے برائے نام پیداوار متوقع ہے۔

کوئلے اور شرح سود کے علاوہ افراط زر، روپے کی قدر میں کمی اور ٹیکس ان پٹ لاگتوں پر دباؤ ڈالے گی۔ توقع ہے کہ کورونا وائرس کے بعد طلب میں اضافے کے باعث مقامی ترسیلات میں اضافہ ہوگا اور صنعت میں دگنی نمو متوقع ہے۔

برآمدات میں اضافہ حوصلہ افزا ہے۔ سیمنٹ اور کلنکر کی برآمدات میں اضافہ جاری رہے گا کیونکہ کورونا وائرس اور امریکی ڈالر اور پاکستانی روپے میں شراکت کی وجہ سے برآمدات کی طلب میں اضافہ کی توقع ہے۔

جاری مقدمہ سازی:

جہاں تک مالیاتی حسابات میں قرض دہندگان کے متعلق سوال ہے تو اس سلسلے میں وصولی کیلئے کئی مقدمے بینکس/ مالیاتی اداروں نے دائر کئے ہوئے ہیں اور ان مقدموں کا دفاع وکلاء حضرات کامیابی سے کر رہے ہیں مزید یہ کہ بینکس ان کیسز پر جو کہ زیر سماعت ہیں توجہ نہیں دے رہے ہیں۔ وکلاء نے ان مقدمات کے سلسلے میں اپنی رائے داخل کی ہے اس کا جائزہ لیا جا رہا ہے تا کہ ان مقدمات کا کامیابی سے دفاع کیا جا سکے۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کی انتظامیہ ان خوشی کے لمحات میں کمپنی کی 41ویں سالانہ رپورٹ پیش کررہی ہے اس کے ساتھ 30 جون 2020ء کو ختم ہونے والے مالیاتی سال کیلئے آڈٹ شدہ اکاؤنٹس بھی منسلک ہے۔ انتظامیہ اور کمپنی کے شیئرز میں جب سے یوسف دیوان کمپنیز نے کنٹرول حاصل کیا ہے تب سے یہ 17ویں سالانہ رپورٹ پیش کی جارہی ہے۔

جائزہ:

مالیاتی سال 2019-20 میں سیمنٹ انڈسٹری کے مجموعی پیداواری تناسب میں 1.98% کا معمولی اضافہ دیکھا گیا۔ کل ترسیلات 47.81 ملین ٹن رہیں جس میں 39.96 ملین ٹن مقامی اور 7.85 ملین ٹن کی برآمدات شامل تھی۔

گزشتہ مالیاتی سال میں ترسیلات 46.88 ملین ٹن رہیں جس میں 40.34 ملین ٹن مقامی اور 6.54 ملین ٹن کی برآمدات شامل تھی۔
مقامی ترسیل میں 0.94% کی کمی ہوئی جبکہ برآمدات میں 19.98% کا غیر معمولی اضافہ ہوا۔

کمپنی کی کارکردگی:

مالیاتی نتائج کی تفصیلات درج ذیل ہے:

	2020	2019
	----------(Rupees in '000')----------	
فروخت		
۔ مقامی۔صافی	5,642,315	11,400,141
۔ برآمدات	190,636	653,884
	5,832,951	12,054,025
خام (نقصان)/منافع	(516,409)	1,227,298
قبل از ٹیکس صافی (نقصان)/منافع	(1,478,590)	278,464
بعد از ٹیکس صافی نقصان	(1,324,465)	(275,304)
بنیادی (نقصان) فی شیئر	(2.74) روپے	(0.57) روپے
(نقصان) کا تناسب فی شیئر	(2.74) روپے	(0.57) روپے

چیئرمین کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کی انتظامیہ کے ذمہ دار ہیں جو کہ تمام اہم پالیسیاں اور حکمت عملی مرتب کرتے ہیں۔ یہ بورڈ متعلقہ قوانین اور ضوابط کے تحت چلتا ہے ان کے فرائض، حقوق، ذمہ داریاں اور خدمات بیان کی گئی ہیں اور ان کی وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز ماہر افراد پر مشتمل ہیں جو اپنی بہترین صلاحیتوں کے ساتھ کمپنی کے مقاصد کے حصول کیلئے اپنی کوششیں بروئے کار لاتے ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تشخیص کا مقصد بورڈ کی مجموعی کارکردگی اور کمپنی کے طے شدہ تناظر کے مقاصد میں اثر انداز ہونے والے عوامل کے خلاف پیمائش اور بینچ مارک کو یقینی بنانا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ اور اس کی کمیٹی کی میٹنگز سے قبل مناسب وقت میں ایجنڈے اور معاون تحریری مواد سمیت فالواپ میٹریل حاصل کیا۔

بورڈ کی مجموعی کارکردگی اطمینان بخش ہونے کے ناطے تمام ڈائریکٹرز ان اہم فیصلوں میں یکساں طور پر شامل ہیں۔

اشتیاق احمد
چیئرمین بورڈ آف ڈائریکٹرز

کراچی 05 اکتوبر 2020

6) شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونک طور پر وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم/ سی ڈی سی 2008ء مورخہ 5 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکنزم کو اختیار کرنے کی ہدایات جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

7) مالی گوشواروں وغیرہ کی الیکٹرونکی منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014 کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متمنی ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ

hhp://www.yousufdewan.com/DCL/index.html اسٹینڈرڈ ریکوئسٹ فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

الف) برائے اجلاس میں شرکت

i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔

ii) کارپوریٹ انٹٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

i) انفرادی اکاؤنٹ ہولڈر یا سب ہولڈر اور یا افراد کی صورت میں جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔

ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔

iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔

iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔

v) کارپوریٹ انٹٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔

5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سیکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجرا کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئر رجسٹرار کو فراہم کردیں۔

نوٹس برائے سالانہ عمومی میٹنگ

ہذا کو مطلع کیا جاتا ہے کہ دیوان ہیسٹ لمیٹڈ (ڈی ایچ ایل یا کمپنی) کا انتالیسواں 41 سالانہ اجلاس عام بدھ 28 اکتوبر 2020 کو دوپہر 12:45 بجے دیوان ہیسٹ لمیٹڈ۔ فیکٹری سائٹ واقع دیہہ ڈھنڈو۔ دھانیجی۔ ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت قرآن پاک سے ہوگا۔

عمومی امور

1) کمپنی کے گزشتہ سالانہ اجلاس عام منعقدہ 27 جنوری 2020ء کی کارروائی کی توثیق۔

2) 30 جون 2020 کو مکمل ہونے والے سال کے آڈٹ شدہ مالی گوشواروں بمعہ آڈیٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور وخوض اور منظوری۔

3) 30 جون 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔

4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

حکم بورڈ

محمد یوسف دیوان
کمپنی سیکرٹری

کراچی 05 اکتوبر 2020

نوٹ:

1) کمپنی کی منتقلی حصص کی کتب 21 اکتوبر 2020 تا 28 اکتوبر 2020 (دونوں دن شامل) بند رہیں گی۔

2) ممبران سے پراکسی میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ پی ایم ایل۔ کارپوریٹ سیکرٹریل پاکستان (پرائیویٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل حصہ بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔

3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے۔ تاہم پراکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔

4) سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

پراکسی فارم

میں/ہم _____ کی جانب سے _____ بحیثیت دیوان سیمنٹ کے ممبران اور _____ عام حصص یافتہ فی حصص اندراج فولیو نمبر _____ اور /یا CDS شرکاء آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____ اپنی طرف سے _____ کو بطور پراکسی نامزد کرتے ہیں۔ یہ میری/ہماری جانب سے بدھ مورخہ 28، اکتوبر 2020ء شام 12:45 pm بجے منعقدہ کمپنی کی 41ویں سالانہ عمومی میٹنگ میں ووٹ دینے کے مجاز ہیں۔

دستخط برائے _____ بتاریخ _____ 2020ء

۱۔ دستخط _____ پانچ روپے کے ریونیو اسٹیمپ پر دستخط

۲۔ گواہ _____ کمپنی میں کئے جانے والے دستخط

نام _____ سے مختلف ناہوں

پتہ _____

شناختی کارڈ نمبر _____

پاسپورٹ نمبر _____

نوٹس

کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پُر ہوئے پراکسی فارم میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک ہمارے شیئر ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ کو ذیل درج پتے پر موصول ہوجانے چاہیں۔ انعم اسٹیٹ روم نمبر 310، 311، تیسری منزل، دارالامان سوسائٹی، شاہراہ فیصل نزد بلوچ کالونی پُل۔

CDC اکاؤنٹ ہولڈرز کے لئے سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پر عمل کرنا ضروری ہے۔

a۔ میٹنگ میں حاضری کے لئے

i کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈر اپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈ یا قومی پاسپورٹ لائیں گے۔

ii میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے۔

ب۔ پراکسی کی نامزدگی کے لئے:

i کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈر اور سب اکاؤنٹ ہولڈر اور وہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ پراکسی فارم لیکر آئیں گے۔

ii کسی دو اشخاص کے معاملے میں فارم پر دونوں کے قومی شناختی کارڈ نمبر اور ایڈریس پراکسی فارم پر موجود ہونے چاہیں۔

iii نامزد کردہ پراکسی اور اصل شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ نقول لازمی ساتھ ہونی چاہیں

iv نامزد کردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ/ پاسپورٹ لیکر آئیں گے۔

v میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ پراکسی شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔