



# Passion for Excellence



PIONEER  
CEMENT LTD.



## Passion for Excellence

At Pioneer Cement Limited, we are driven to set an unprecedented benchmark for excellence in everything that we do. Our relentless determination and continual tenacity have helped us achieve extraordinary progress during the past year.

On our cover this year, we celebrate our passion for excellence, which has propelled us to reach newer heights of growth and success.

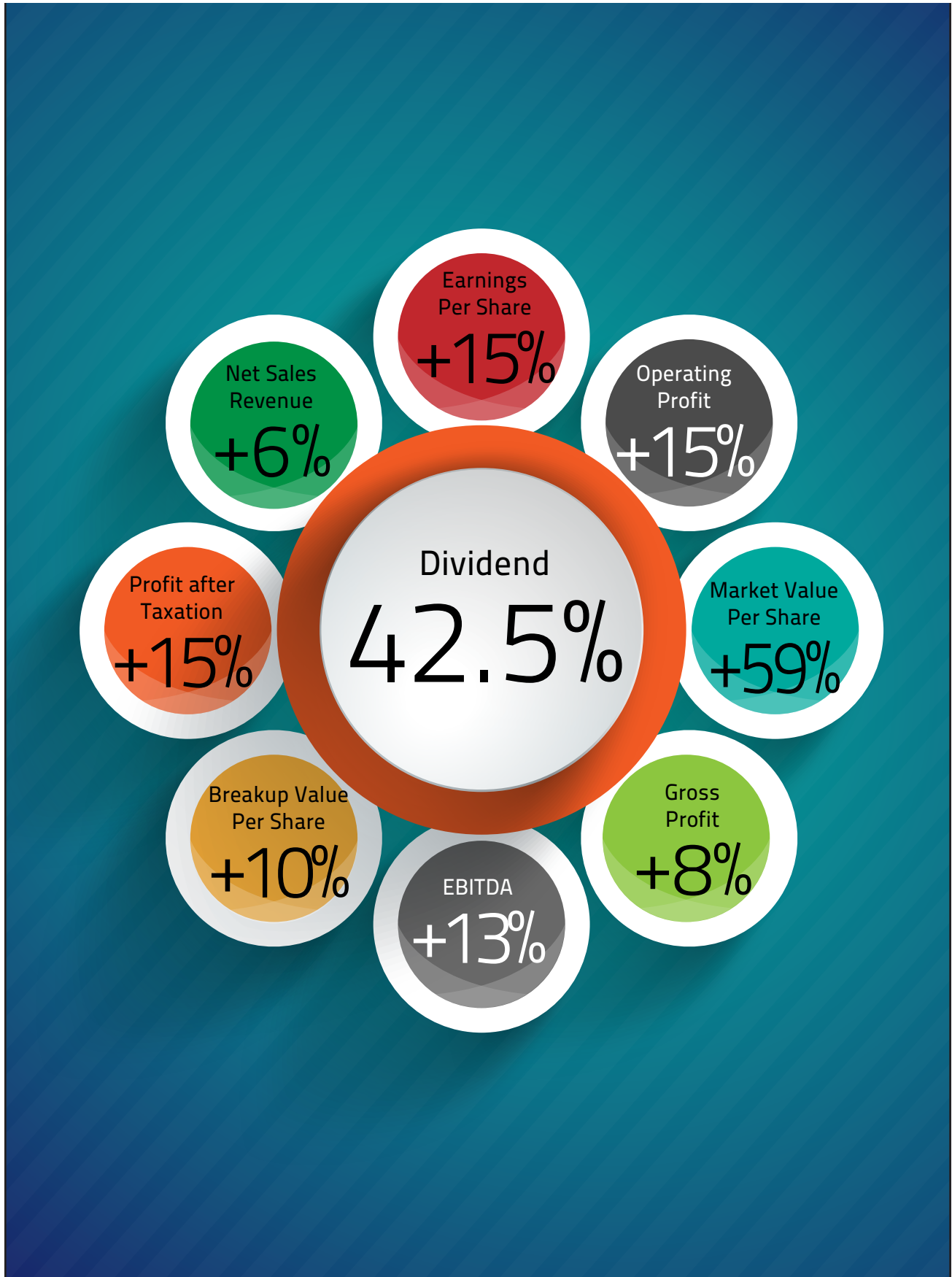


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# Performance Highlights



**04**  
QUARTER

Gross profit ratio	<b>34.8%</b>
Operating profit ratio	<b>35.1%</b>
Profit after tax ratio	<b>26.7%</b>
Earnings per share	<b>Rs.2.67</b>
Market value per share <small>as on June 30, 2014</small>	<b>Rs.46.66</b>
Cash Dividend per share	<b>Rs.2.0</b>
Dividend payout ratio	<b>75%</b>

**03**  
QUARTER

Gross profit ratio	<b>32.8%</b>
Operating profit ratio	<b>32.0%</b>
Profit after tax ratio	<b>22.7%</b>
Earnings per share	<b>Rs.2.08</b>
Market value per share <small>as on March 31, 2014</small>	<b>Rs.46.69</b>
Cash Dividend per share	<b>Rs.1.0</b>
Dividend payout ratio	<b>48%</b>

**02**  
QUARTER

Gross profit ratio	<b>30.6%</b>
Operating profit ratio	<b>29.5%</b>
Profit after tax ratio	<b>20.3%</b>
Earnings per share	<b>Rs.1.76</b>
Market value per share <small>as on December 31, 2013</small>	<b>Rs.38.3</b>
Cash Dividend per share	<b>Rs.1.25</b>
Dividend payout ratio	<b>71%</b>

**01**  
QUARTER

Gross profit ratio	<b>30.2%</b>
Operating profit ratio	<b>29.9%</b>
Profit after tax ratio	<b>17.1%</b>
Earnings per share	<b>Rs.1.28</b>
Market value per share <small>as on September 30, 2013</small>	<b>Rs.28.6</b>



## Vision & Mission

Pioneer Cement Limited is committed to make sustained efforts towards optimum utilization of its resources through good corporate governance for serving the interests of all stakeholders.

## Strategic Goals

- Customers' satisfaction
- Efficient deployment of resources
- Research and development
- Maximization of profits
- Environmental initiatives



## Core Values

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

## Business Ethics

- Transparency in transactions
- Sound business policies
- Judicious use of Company's resources
- Avoidance of conflict of interest
- Justice to all
- Integrity at all levels
- Compliance of laws of the land



## Quality Policy

Pioneer Cement meets and exceeds the product quality requirements to achieve customer's satisfaction

Pioneer Cement Limited is committed to produce high quality cement as per International and Pakistan standards. The management ensures that products of Pioneer Cement meet and exceed the product quality requirements to achieve customer's satisfaction.

The Company is committed to abide by all applicable legal and regulatory requirements and shall strive for continual improvement including

prevention of pollution by establishing and monitoring its quality and environmental objectives.

The Board of Directors and the management are committed to communicate and maintain this policy at all levels of the Company and achieve continual improvement through teamwork.



# Environmental Initiatives



## Ensuring environment friendly operations, products and services

Cement industry is normally considered to be highly unfriendly to the environment because of its inherent difficulties in processes. However, with the development of technology, our modern plants are equipped with dust collecting equipment which helps to reduce the pollution.

Due to conversion from oil firing system to coal firing, there were chances that Pioneer Cement may suffer on account of pollution. The management realized that for introducing environmental ethics to meet the challenges, ISO 14001 is the need of the day. Therefore, the management with the efforts of its employees succeeded in meeting the environmental objectives and targets after evaluating legal requirements, organizational aspects, technological options and other requirements.

The Company acquired the services of TÜV for

the assessment of audit. The audit has been carried out successfully and the auditors have recommended Pioneer Cement Limited for the certification of ISO 14001 Environmental Managements System. This shows the commitment of the management of Pioneer Cement towards environmental protection and prevention of pollution. Pioneer Cement has been playing its role towards the development of a better society and a better future through continuous improvement in the Environmental Management System.

# Social Obligations

Pioneer Cement Limited has been giving due importance to its social obligations particularly in areas surrounding the factory

- Primary Schools for Boys and Girls were constructed in Chenki Village and are being managed by the Company.
- A dispensary was established near the factory site to cater the emergency health requirements of the workers as well as villagers residing in the vicinity of the factory.
- A mosque constructed in Chenki Village and is being maintained by the Company.
- Metal road of 15 km length was reconstructed, raised and widened to 30 feet for the residents of Jabbi and Chenki Villages.
- Donations were extended for construction of educational block in District Public School, Khushab and Divisional Public School, Sargodha.
- Donations were made to employees living in earthquake affected areas and also to the victims of these areas.
- Pioneer Cement is playing an active role in Khushab District Industrial Association.
- Pioneer Cement is providing technical support to Vocational Training Institute, Quaidabad.
- Donations to educational institutions of repute throughout Pakistan.
- In addition to fulfilling social obligations in the adjoining areas, the Company also made donations to organizations like TB Centre, Family Support Programs, Emergency response centre and SOS schools.



# Corporate Information



## Board of Directors

Mr. Shafiuddin Ghani Khan  
(Chairman of the Board)

Mr. Jamal Nasim

Mr. Mohammad Aftab Alam

Mr. Faisal Imran Hussain Malik

Syed Anwer Ali

Mr. Cevdet Dal

Shaikh Javed Elahi

Mr. Rafique Dawood

Mr. Zubair Ahmed

Syed Mazher Iqbal  
(CEO / MD)

## Audit Committee

Mr. Rafique Dawood  
(Chairman Audit Committee)

Mr. Shafiuddin Ghani Khan

Mr. Jamal Nasim

Mr. Mohammad Aftab Alam

Mr. Zubair Ahmed

## Human Resource & Remuneration Committee

Mr. Shafiuddin Ghani Khan  
(Chairman HR & Remuneration Committee)

Mr. Mohammad Aftab Alam

Syed Mazher Iqbal  
(CEO / MD)

## Company Secretary

Mr. Waqar Naeem

## Registered Office

135-Ferozpur Road, Lahore

Tel: +92 (42) 37503570-2

Fax: +92 (42) 37503573-4

Email:  
pioneer@pioneeracement.com

## Karachi Regional Office

4th Floor, KDLB Building, West Wharf, Karachi

Tel: +92 (21) 32201232-3

Fax: +92 (21) 32201234

Email: pclkhi@pioneeracement.com

## Factory

Chenki, District Khushab, Punjab

Telephone: +92 (454) 898101-3

Fax: +92 (454) 898104

Email: factory@pioneeracement.com

## Regional Sales Offices

### Multan Sales Office

10-Officers Colony, Bosan Road, Opp. Jinnah High School, Multan

Tel: +92 (61) 6510404

Fax: +92 (61) 6510405



#### Faisalabad Sales Office

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

#### Sargodha Sales Office

Office No. 6, 2nd Floor, Rehman Trade Center, University Road, Sargodha  
Telephone: +92 (483) 725050  
Fax: +92 (483) 722331

#### Share Registrar

Corplink (Pvt) Ltd  
Wings Arcade, 1-K Commercial, Model Town, Lahore  
Telephone: +92 (42) 35839182, 35916714  
Fax: +92 (42) 35869037  
Email: corplink786@yahoo.com, shares@pioneerement.com

#### Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
The Bank of Punjab  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
United Bank Limited

#### Statutory Auditors

Ernst & Young Ford Rhodes  
Sidat Hyder  
Chartered Accountants

#### Cost Auditors

Ale Imran & Co.  
Chartered Accountants

#### Legal Advisor

Hassan & Hassan



# HISTORY AT A GLANCE

Pioneer Cement Limited was incorporated as a Public Company Limited by Shares in 1986. It was a first ever company in Sargodha/Khushab region established in private sector.

Commenced commercial production with Plant's capacity of 2000 tons clinker per day.

ISO 9002 certification to manufacture quality cement according to International and Pakistani quality standards.  
Achieved ISO 14001 Certification to ensure latest environmental and safety aspects.

1986

1994

2002

1992

Started commissioning of Production Line 1, the most modern dry process cement plant.

The Company was enlisted on all Stock Exchanges in Pakistan.

2001

Switchover from furnance oil to coal firing system to cut down fuel cost and to adopt efficient energy usage. Pioneer Cement was the first ever company in domestic cement sector which was operational with coal firing system.



Start of commissioning of second production line.

2004

Production line-II, commenced its production with the capacity of 4300 tons of clinker per day.

2006

Dividend @ Rs.4 per share to shareholders after achieving highest ever net profit of Rs.1.54 billion in the history of Pioneer Cement Limited.

2013

2005

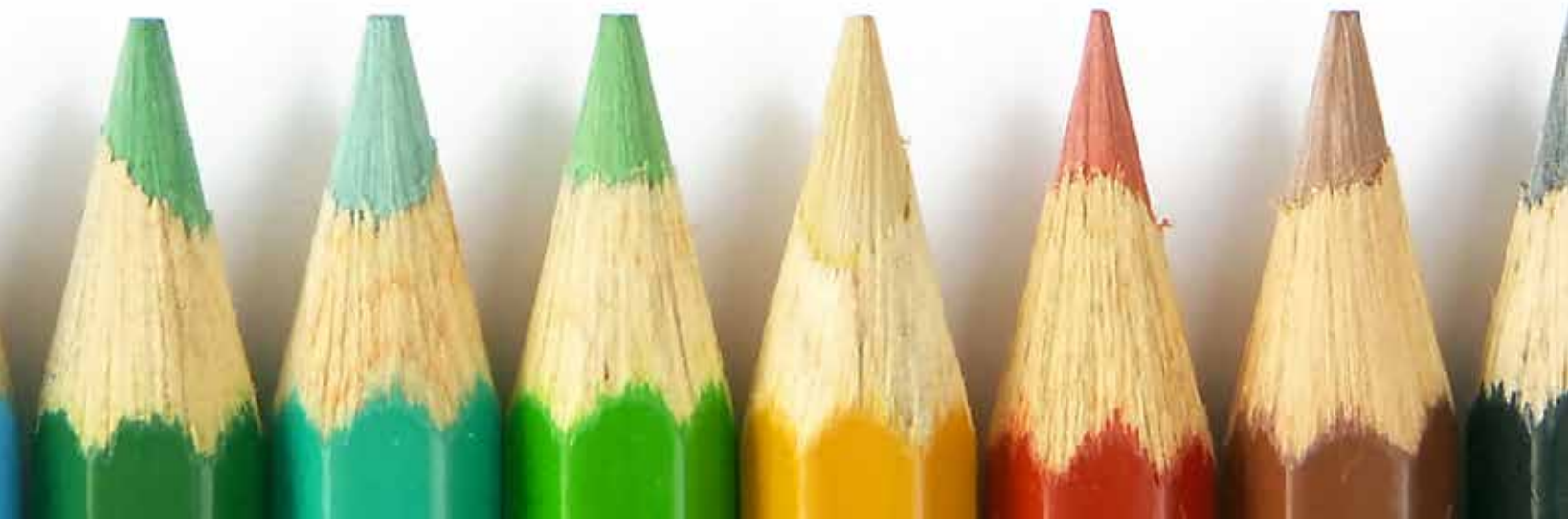
Capacity optimization of line-I, from 2000 tons to 2350 tons clinker per day.

2007

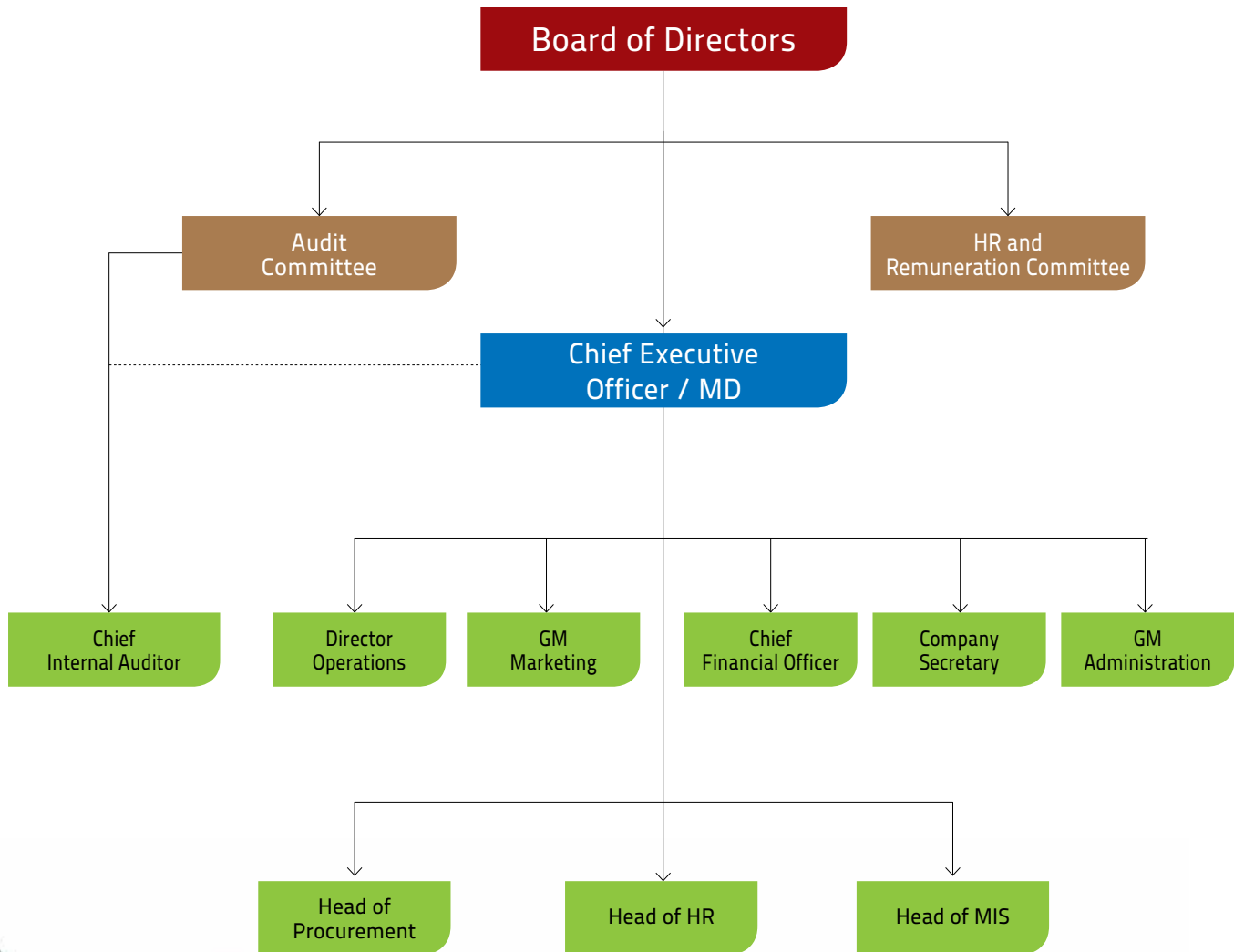
Achieved first "Brand of the Year" award.

2014

Institute of Chartered Accountants of Pakistan awarded 1st prize of "Professional Excellence Awards 2014" in recognition of historical turnaround of Pioneer Cement Limited.



# Organogram





# Professional Excellence Award



Institute of Chartered Accountants of Pakistan awarded Pioneer Cement Limited 1<sup>st</sup> Prize of "Professional Excellence Awards 2014" in recognition of historical turnaround of the Company.



# CEO's Message



Syed Mazher Iqbal  
CEO/MD

By the Grace of Allah, it is my immense pleasure to report that your Company has achieved impressive financial results making it the best performing year in the history of the Company. This turnaround of your Company was made possible with the guidance and support of the sponsors / board of directors.

Last financial year itself was the best performing year in the history of the Company. This year, we have further improved the bar by achieving profit after tax of Rs 1.8 billion, an improvement of 15% over last year.

Despite the economic challenges including shortage of power and ever-increasing cost to do business, financial results of the Company is a testimony of commitment and efforts across the spectrum of the organization. I am confident that with the continued zeal and dedication of our team, we shall achieve further improvement and excellence in all areas of operations. Your Company conducted various in-house and external training and development activities to enhance employees' productivity. These helped improve efficiency, strengthen technological awareness, quality consciousness, productivity improvement, energy conservation practices as well as enhanced communication and negotiation skills of the employees. These initiatives were conducted across various levels of the organization

Your Company is already one of the most economically run Plants in the cement sector in terms of distribution and admin cost. To further improve efficiency in the manufacturing process and quality of the product, we have recently placed orders to acquire latest and efficient grate cooler, kiln burner and allied equipment. We are also in the final stages of placing order for a Waste Heat Recovery unit, which shall help reduce ever-increasing power cost.

Your Company is not only investing in the Plant, it is also sharing the benefits of improved profitability with shareholders by distributing attractive dividends. A Rs. 4 per share dividend was distributed in the last financial year. This year an interim dividend of Rs 2.25 per share has already been disbursed and a final dividend of Rs 2 per share as proposed will be disbursed, subject to the approval of shareholders. These last two years are a commendable achievement when compared to total dividend payout of Rs 1.5 per share during the earlier eighteen years, since inception.

Your Company is also cognizant of its responsibilities as a good corporate citizen. The company is continuously investing in CSR activities, which included donations to educational institutions in the vicinity of the Plant as well as other reputable educational institutions.

I wish to thank all our stakeholders for their continued trust and support in facilitating this commendable performance and look forward to achieving further milestones.

May Allah shower His blessings and bestow us and our country with peace, prosperity and success in our personal and professional lives.

**Syed Mazher Iqbal**  
Chief Executive Officer  
September 18, 2014

# Board of Directors





**Mr. Shafiuddin Ghani Khan**  
Chairman of the BOD



**Syed Mazher Iqbal**  
CEO / MD



**Mr. Jamal Nasim**  
Director



**Mr. Mohammad Aftab Alam**  
Director



**Mr. Faisal Imran Hussain Malik**  
Director



**Syed Anwer Ali**  
Director



**Mr. Muhammad U. Vawda**  
Alternate Director



**Shaikh Javed Elahi**  
Director



**Mr. Rafique Dawood**  
Director



**Mr. Zubair Ahmed**  
Director

# Pioneer Strength



# Audit Committee



# Financial Highlights

## Six years at glance

	UoM	2014	2013	2012	2011	2010	2009
<b>Production and Sales</b>							
Clinker Production	Tons (000)	1,189	1,086	1,179	1,189	1,163	1,145
Cement Production	Tons (000)	1,194	1,232	1,178	1,285	1,267	1,034
<b>Cement / Clinker Dispatches</b>							
Domestic Market	Tons (000)	1,048	1,033	989	1,003	1,082	923
International Market	Tons (000)	142	201	200	275	192	244
	Tons (000)	1,190	1,234	1,189	1,278	1,274	1,167
<b>Capacity Utilization (based on installed capacity)</b>	%	60%	54%	59%	60%	58%	57%
<b>Financial position</b>							
<b>Assets Employed</b>							
Property plant and equipment	Rs. in million	7,575.7	7,860.7	8,131.2	8,614.0	8,937.9	9,254.7
Other long term assets	Rs. in million	39.4	39.7	38.3	49.2	53.6	72.5
Current assets	Rs. in million	4,262.0	3,701.8	1,941.0	1,184.2	1,334.0	1,020.6
<b>Total Assets</b>	Rs. in million	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5	10,347.7
<b>Financed by</b>							
Shareholders equity	Rs. in million	5,134.8	4,442.7	3,136.5	2,466.6	2,218.2	2,400.5
Surplus on revaluation of fixed assets-net of tax	Rs. in million	1,667.6	1,726.5	1,781.5	2,058.8	2,120.6	2,180.9
Long term liabilities	Rs. in million	3,543.5	3,719.6	3,602.8	3,475.6	3,648.2	4,347.1
Other current liabilities	Rs. in million	1,531.2	1,713.3	1,589.7	1,846.4	2,338.4	1,419.2
<b>Total Funds Invested</b>	Rs. in million	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5	10,347.7
<b>Turnover and profit / (Loss)</b>							
Net turnover	Rs. in million	8,024.8	7,568.4	6,487.1	5,272.9	3,872.8	5,000.2
Gross profit / (loss)	Rs. in million	2,589.0	2,405.4	1,587.0	741.7	(81.0)	1,332.9
Operating profit / (loss)	Rs. in million	2,553.2	2,228.9	1,408.4	542.9	(299.2)	889.2
Profit / (loss) before taxation	Rs. in million	2,430.0	2,248.4	924.3	71.8	(859.3)	174.3
Profit / (loss) after taxation	Rs. in million	1,768.9	1,535.1	601.5	120.7	(590.9)	36.1
EBITDA	Rs. in million	2,950.0	2,606.2	1,775.3	922.1	92.7	1,269.6
Earnings / (loss) per share	Rupees	7.8	6.8	2.7	0.5	(2.9)	0.2
Breakup value per share	Rupees	29.9	27.2	21.7	19.9	19.5	23.0
<b>Cash flow summary</b>							
Net cash generated from / (used) in operating activities	Rs. in million	2,267.3	2,801.6	1,189.9	895.8	(121.8)	897.4
Net cash used in investing activities	Rs. in million	(810.1)	(854.2)	(31.0)	(32.0)	(34.0)	(47.3)
Net cash inflow / (outflow) from financing activities	Rs. in million	(2,031.5)	(751.5)	(1,040.2)	(769.4)	52.4	(783.1)
Increase / (decrease) in cash and cash equivalents	Rs. in million	(574.4)	1,195.9	118.7	94.3	(103.4)	67.0
Cash and cash equivalents at beginning of the year	Rs. in million	1,464.8	268.9	150.2	55.9	159.3	92.3
Cash and cash equivalents at end of the year	Rs. in million	890.4	1,464.8	268.9	150.2	55.9	159.3



# Financial Performance

## Financial Ratios

	UoM	2014	2013	2012	2011	2010	2009
<b>Profitability ratios</b>							
Gross profit / (loss) to sales	%	32.26	31.78	24.46	14.07	(2.09)	26.66
Operating profit / (loss) to sales	%	31.82	29.45	21.71	10.30	(7.72)	17.78
Net profit / (loss) before tax to sales	%	30.28	29.71	14.25	1.36	(22.19)	3.49
Net profit / (loss) after tax to sales	%	22.04	20.28	9.27	2.29	(15.26)	0.72
EBITDA to sales	%	36.76	34.44	27.37	17.49	2.39	25.39
Return on equity (after tax)	%	77.87	67.58	26.48	5.31	(26.53)	1.81
Return on capital employed	%	28.70	27.27	25.07	9.97	(5.52)	12.97
<b>Liquidity ratios</b>							
Current ratio	Times	1.43:1	1.08:1	0.43:1	0.27:1	0.27:1	0.29:1
Acid test ratio	Times	0.86:1	0.7:1	0.1:1	0.08:1	0.05:1	0.11:1
EBITDA to current Liabilities	Times	0.99:1	0.76:1	0.4:1	0.21:1	0.02:1	0.36:1
Cash to current liabilities	Times	0.3:1	0.43:1	0.06:1	0.03:1	0.01:1	0.05:1
Cash flow from operating activities to sales	Times	0.28:1	0.37:1	0.18:1	0.17:1	(0.03):1	0.18:1
<b>Activity / turnover ratios</b>							
Inventory turnover	Times	3.61	3.71	4.24	4.77	4.61	6.39
No. of days to inventory	Days	101.13	98.33	86.04	76.46	79.26	57.13
Debtors turn over	Times	180.57	235.26	323.69	238.03	143.54	172.35
No. of days in receivables	Days	2.02	1.55	1.13	1.53	2.54	2.12
Creditors turnover	Times	5.84	6.03	6.51	5.69	5.16	4.88
No. of days in payables	Days	62.52	60.48	56.08	64.18	70.76	74.82
Operating cycle	Days	40.63	39.40	31.09	13.82	11.04	(15.58)
Total assets turnover	%	67.57	65.23	64.16	53.55	37.51	48.32
Fixed assets turnover	%	105.93	96.28	79.78	61.21	43.33	54.03
<b>Investment valuation ratios</b>							
Earnings / (loss) per share	Rupee	7.79	6.76	2.65	0.54	(2.87)	0.18
Price / earning ratio	Times	5.99	4.34	3.47	10.22	(2.22)	75.44
Market value per share as on June 30	Rupee	46.66	29.37	9.20	5.52	6.37	13.58
Cash dividend per share	Rupee	4.25	4.00				
Dividend payout ratio	%	54.56	59.17				
<b>Capital structure ratios</b>							
Financial leverage ratio	%	17.62	17.27	6.91	9.32	10.44	22.01
Debt / equity ratio	Times	34:66	38:62	42:58	43:57	46:54	49:51
Interest coverage ratio	Times	16.45	13.09	4.29	1.52	(0.76)	1.97

# Analysis of Balance Sheet

	UoM	2014	2013	2012	2011	2010	2009
Share capital and reserves	Rs. in million	5,134.8	4,442.7	3,136.5	2,466.6	2,218.2	2,400.5
Surplus on revaluation of fixed assets	Rs. in million	1,667.6	1,726.5	1,781.5	2,058.8	2,120.6	2,180.9
Long term liabilities	Rs. in million	3,543.5	3,719.6	3,602.8	3,475.6	3,648.2	4,347.1
Current liabilities	Rs. in million	1,531.2	1,713.3	1,589.7	1,846.4	2,338.4	1,419.2
<b>Total equity and liabilities</b>	Rs. in million	<b>11,877.1</b>	<b>11,602.2</b>	<b>10,110.5</b>	<b>9,847.4</b>	<b>10,325.5</b>	<b>10,347.7</b>
Non current assets	Rs. in million	7,615.0	7,900.4	8,169.5	8,663.2	8,991.5	9,327.2
Current assets	Rs. in million	4,262.0	3,701.8	1,941.0	1,184.2	1,334.0	1,020.6
<b>Total assets</b>	Rs. in million	<b>11,877.1</b>	<b>11,602.2</b>	<b>10,110.5</b>	<b>9,847.4</b>	<b>10,325.5</b>	<b>10,347.7</b>
<b>Vertical analysis</b>							
Share capital and reserves	%	43.23	38.29	31.02	25.05	21.48	23.20
Surplus on revaluation of fixed assets	%	14.04	14.88	17.62	20.91	20.54	21.08
Long term liabilities	%	29.84	32.06	35.63	35.29	35.33	42.01
Current liabilities	%	12.89	14.77	15.72	18.75	22.65	13.72
<b>Total equity and liabilities</b>	%	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Non current assets	%	64.12	68.09	80.80	87.97	87.08	90.14
Current assets	%	35.88	31.91	19.20	12.03	12.92	9.86
<b>Total assets</b>	%	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Horizontal analysis (i)</b>							
<b>Cumulative</b>							
Share capital and reserves	%	113.90	85.07	30.66	2.75	(7.60)	100.00
Surplus on revaluation of fixed assets	%	(23.54)	(20.83)	(18.31)	(5.60)	(2.76)	100.00
Long term liabilities	%	(18.49)	(14.43)	(17.12)	(20.05)	(16.08)	100.00
Current liabilities	%	7.89	20.72	12.01	30.10	64.77	100.00
<b>Total equity and liabilities</b>	%	<b>14.78</b>	<b>12.12</b>	<b>(2.29)</b>	<b>(4.84)</b>	<b>(0.21)</b>	<b>100.00</b>
Non current assets	%	(18.36)	(15.30)	(12.41)	(7.12)	(3.60)	100.00
Current assets	%	317.61	262.71	90.19	16.03	30.71	100.00
<b>Total assets</b>	%	<b>14.78</b>	<b>12.12</b>	<b>(2.29)</b>	<b>(4.84)</b>	<b>(0.21)</b>	<b>100.00</b>
<b>Horizontal analysis (ii)</b>							
<b>Year vs Year</b>							
Share capital and reserves	%	15.58	41.65	27.16	11.20	(7.60)	100.00
Surplus on revaluation of fixed assets	%	(3.42)	(3.09)	(13.47)	(2.92)	(2.76)	100.00
Long term liabilities	%	(4.73)	3.24	3.66	(4.73)	(16.08)	100.00
Current liabilities	%	(10.63)	7.77	(13.90)	(21.04)	64.77	100.00
<b>Total equity and liabilities</b>	%	<b>2.37</b>	<b>14.75</b>	<b>2.67</b>	<b>(4.63)</b>	<b>(0.21)</b>	<b>100.00</b>
Non current assets	%	(3.61)	(3.29)	(5.70)	(3.65)	(3.60)	100.00
Current assets	%	15.13	90.71	63.91	(11.23)	30.71	100.00
<b>Total assets</b>	%	<b>2.37</b>	<b>14.75</b>	<b>2.67</b>	<b>(4.63)</b>	<b>(0.21)</b>	<b>100.00</b>

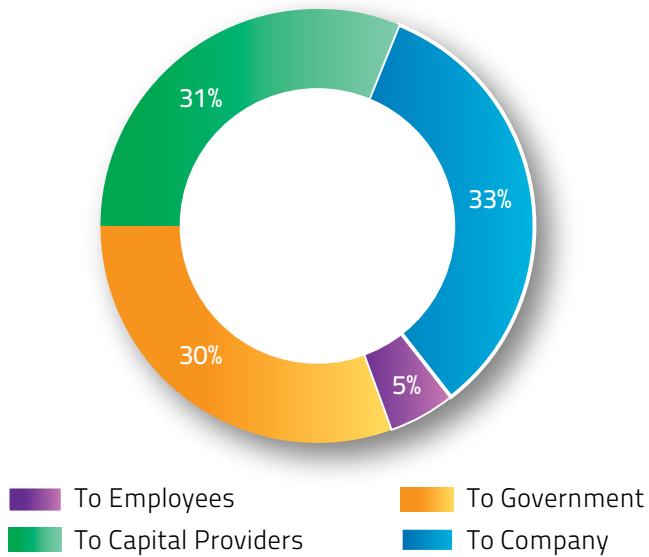


# Analysis of Profit and Loss Account

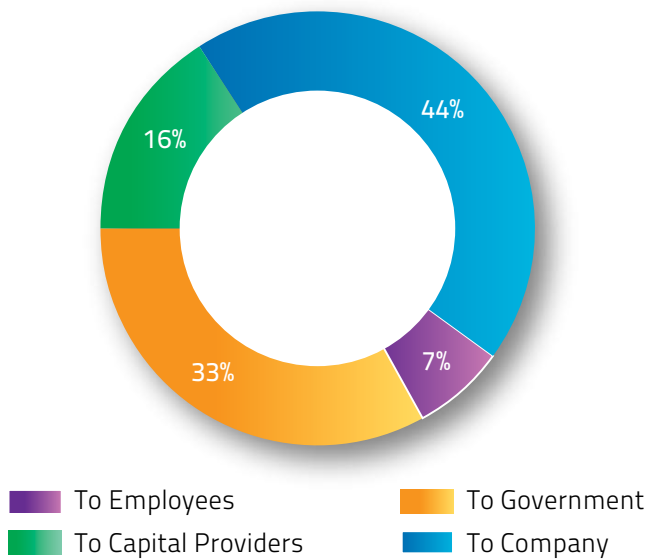
	UoM	2014	2013	2012	2011	2010	2009
Net turnover	Rs. in million	8,024.8	7,568.4	6,487.1	5,272.9	3,872.8	5,000.2
Cost of sales	Rs. in million	(5,435.8)	(5,163.0)	(4,900.2)	(4,531.2)	(3,953.8)	(3,667.3)
<b>Gross profit / (loss)</b>	Rs. in million	2,589.0	2,405.4	1,587.0	741.7	(81.0)	1,332.9
Distribution cost	Rs. in million	(53.1)	(90.0)	(78.8)	(150.6)	(158.8)	(360.0)
Administrative cost	Rs. in million	(63.9)	(62.3)	(61.9)	(52.3)	(78.8)	(97.7)
Other income / (charges)	Rs. in million	81.3	(24.2)	(37.9)	4.1	19.5	14.0
<b>Operating profit / (loss)</b>	Rs. in million	2,553.2	2,228.9	1,408.4	542.9	(299.2)	889.2
Finance cost	Rs. in million	(155.2)	(170.3)	(328.0)	(357.9)	(392.7)	(451.5)
Exchange gain / (loss)	Rs. in million	32.0	189.7	(156.0)	(113.2)	(167.5)	(263.5)
<b>Profit / (loss) before taxation</b>	Rs. in million	2,430.0	2,248.4	924.3	71.8	(859.3)	174.3
Taxation	Rs. in million	(661.1)	(713.3)	(322.8)	48.8	268.4	(138.2)
<b>Profit / (loss) after taxation</b>	Rs. in million	1,768.9	1,535.1	601.5	120.7	(590.9)	36.1
<b>Vertical analysis</b>							
Net turnover	%	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	%	(67.74)	(68.22)	(75.54)	(85.93)	(102.09)	(73.34)
<b>Gross profit / (loss)</b>	%	32.26	31.78	24.46	14.07	(2.09)	26.66
Distribution cost	%	(0.66)	(1.19)	(1.21)	(2.86)	(4.10)	(7.20)
Administrative cost	%	(0.80)	(0.82)	(0.95)	(0.99)	(2.04)	(1.95)
Other income / (charges)	%	1.01	(0.32)	(0.58)	0.08	0.50	0.28
<b>Operating profit / (loss)</b>	%	31.82	29.45	21.71	10.30	(7.72)	17.78
Finance cost	%	(1.93)	(2.25)	(5.06)	(6.79)	(10.14)	(9.03)
Exchange gain / (loss)	%	0.40	2.51	(2.41)	(2.15)	(4.32)	(5.27)
<b>Profit / (loss) before taxation</b>	%	30.28	29.71	14.25	1.36	(22.19)	3.49
Taxation	%	(8.24)	(9.42)	(4.98)	0.93	6.93	(2.76)
<b>Profit / (loss) after taxation</b>	%	22.04	20.28	9.27	2.29	(15.26)	0.72
<b>Horizontal analysis (i)</b>							
Cumulative							
Net turnover	%	60.49	51.36	29.74	5.45	(22.55)	100.00
Cost of sales	%	48.22	40.78	33.62	23.55	7.81	100.00
<b>Gross profit / (loss)</b>	%	94.24	80.46	19.06	(44.35)	(106.08)	100.00
Distribution cost	%	(85.24)	(75.01)	(78.11)	(58.17)	(55.87)	100.00
Administrative cost	%	(34.59)	(36.23)	(36.61)	(46.42)	(19.27)	100.00
Other income / (charges)	%	480.98	(273.11)	(370.74)	(70.93)	39.40	100.00
<b>Operating profit / (loss)</b>	%	187.12	150.65	58.38	(38.95)	(133.64)	100.00
Finance cost	%	(65.63)	(62.28)	(27.34)	(20.72)	(13.03)	100.00
Exchange gain / (loss)	%	(112.14)	(172.02)	(40.78)	(57.05)	(36.43)	100.00
<b>Profit / (loss) before taxation</b>	%	1,294.11	1,189.91	430.30	(58.79)	(592.99)	100.00
Taxation	%	378.44	416.13	133.60	(135.33)	(294.22)	100.00
<b>Profit / (loss) after taxation</b>	%	4,797.99	4,150.82	1,565.61	234.08	(1,736.28)	100.00
<b>Horizontal analysis (ii)</b>							
Year vs Year							
Net turnover	%	6.03	16.67	23.03	36.15	(22.55)	100.00
Cost of sales	%	5.28	5.36	8.14	14.60	7.81	100.00
<b>Gross profit / (loss)</b>	%	7.63	51.57	113.96	(1,015.94)	(106.08)	100.00
Distribution cost	%	(40.93)	14.16	(47.67)	(5.20)	(55.87)	100.00
Administrative cost	%	2.56	0.60	18.32	(33.63)	(19.27)	100.00
Other income / (charges)	%	(435.61)	(36.06)	(1,031.44)	(79.15)	39.40	100.00
<b>Operating profit / (loss)</b>	%	14.55	58.26	159.42	(281.47)	(133.64)	100.00
Finance cost	%	(8.87)	(48.09)	(8.35)	(8.85)	(13.03)	100.00
Exchange gain / (loss)	%	(83.14)	(221.61)	37.89	(32.44)	(36.43)	100.00
<b>Profit / (loss) before taxation</b>	%	8.08	143.24	1,186.95	(108.36)	(592.99)	100.00
Taxation	%	(7.30)	120.94	(761.17)	(81.81)	(294.22)	100.00
<b>Profit / (loss) after taxation</b>	%	15.22	155.21	398.56	(120.42)	(1,736.28)	100.00

# Distribution of Wealth

## Wealth Distribution - 2014

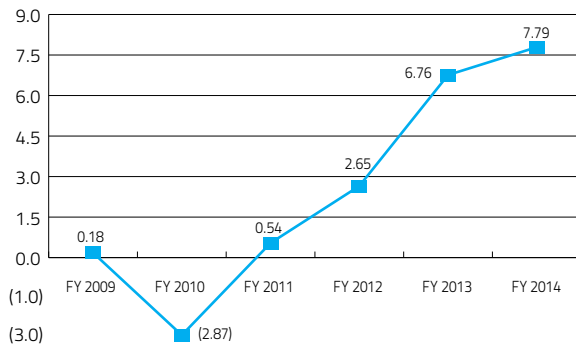


## Wealth Distribution - 2013

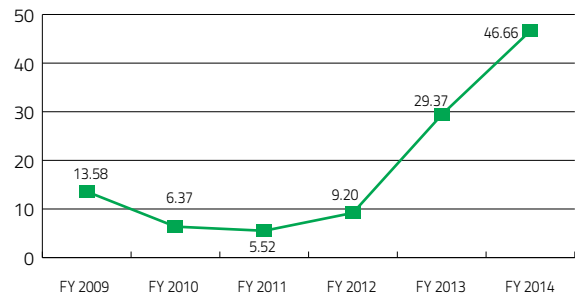


# Graphical Presentation

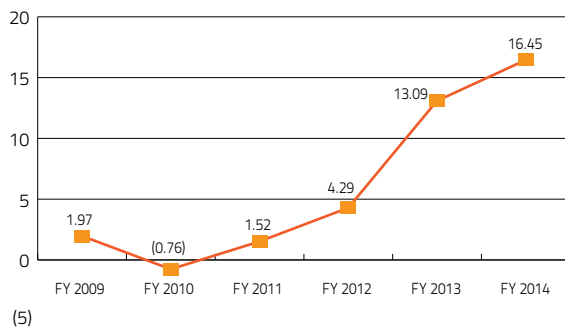
### EPS (Rupees Per Share)



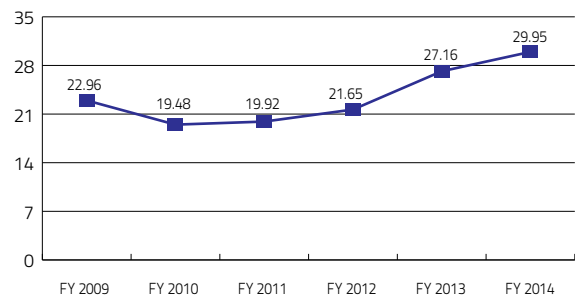
### Market Value (Rupees Per Share)



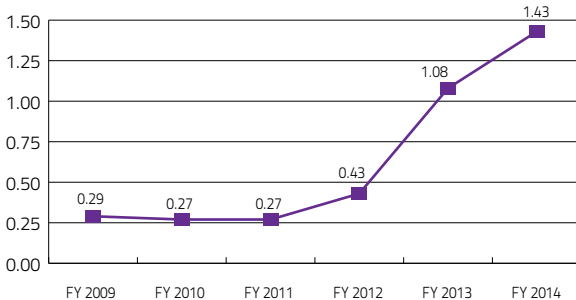
### Interest Coverage Ratio (Times)



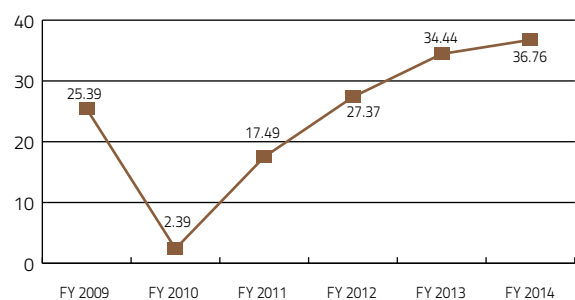
### Breakup Value (Rupees Per Share)



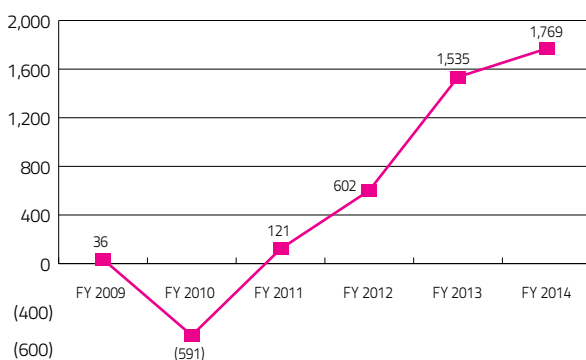
### Current Ratio (Times)



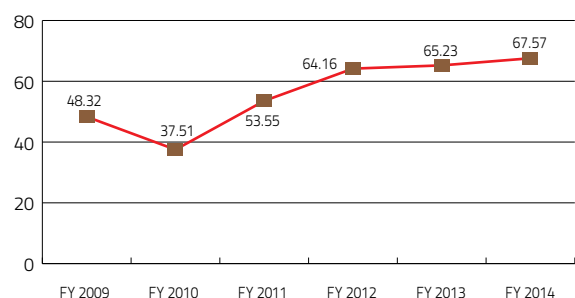
### EBITDA to Sales (%)



### Profit/(loss) after taxation (Rupees in million)



### Total Assets Turnover (%)



# Notice of Annual General Meeting



Notice is hereby given that the 28th Annual General Meeting of Pioneer Cement Limited will be held at 135 Ferozepur Road, Lahore on Thursday, October 30, 2014 at 11:30 a.m. to transact the following business:-

1. To confirm the minutes of the last Annual General Meeting held on October 30, 2013.
2. To receive, consider and adopt the audited accounts for the year ended June 30, 2014 and the reports of the directors and auditors thereon.
3. To appoint auditors for the year ending June 30, 2015 and to fix their remuneration. The retiring auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder offered themselves for reappointment. Whereas Audit Committee of the Board recommended for appointment of M/s. Anjum Asim Shahid Rehman for next term as they also consented to act as auditors.
4. To approve the final dividend of Rs.2 (i.e. 20%) per share as recommended by the Board of Directors and Rs.2.25 (i.e. 22.50%) per share interim dividend already announced and paid during the year, making a total dividend of Rs.4.25 (i.e. 42.50%) per share for the year ended June 30, 2014.
5. To elect seven directors in accordance with the provisions of section 178 of the Companies Ordinance, 1984.

The Board of Directors has fixed the number of elected directors as seven for the purpose of elections at this meeting. The tenure of the elected directors will be three years from the date of election.

The names of the retiring directors are:

1. Mr. Shafiuddin Ghani Khan
  2. Mr. Jamal Nasim
  3. Mr. Mohammad Aftab Alam
  4. Mr. Faisal Imran Hussain Malik
  5. Syed Anwar Ali
  6. Mr. Cevdet Dal
  7. Shaikh Javed Elahi
6. To transact any other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board  
**WAQAR NAEEM**  
 Company Secretary

September 18, 2014  
 Lahore

**NOTES:**

1. The share transfer books of the Company will remain closed from October 22, 2014 to October 30, 2014 (both days inclusive) for entitlement of above dividend and for the purpose of holding the AGM. Transfer received at the Company's Registrars office M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore at the close of business on October 21, 2014 will be treated in time for the purpose of above entitlement to the transferees.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the meeting.
  - (a) The shareholders through CDC are requested to bring original Computerized National Identity Card (CNIC)/Passport for the purpose of identification to attend the meeting.
  - (b) In case of corporate entity, the Board's Resolution or power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
3. Shareholders having physical share certificates are requested to immediately notify the change in address, if any.

**ELECTION OF DIRECTORS**

4. Any person who seeks to contest this election shall file with the Company at the Registered Office, not later than fourteen days before the date of the meeting, a notice of his/ her intention to offer himself/ herself for election as a director together with consent to act as director in Form 28 duly completed, declaration in respect of being compliant with the requirements of Code of Corporate Governance 2012 and detailed profile along with office address for placement on to the Company's website.

**DIVIDEND**

5. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), Dividend Warrants shall mandatorily bear the CNIC number of shareholders. All shareholders who hold shares in physical form have not yet submitted copy of their CNIC and NTN Certificate to the Company are requested to send the same at the earliest to Company's Registrars M/s. Corplink (Pvt.) Limited to mention the same on the dividend warrants. Shareholders who hold shares in Central Depository System are requested to send the valid copies of CNIC and NTN Certificates to their CDC Participants/CDC Investor Account Services.

In case of non availability of a valid copy of the CNIC in the records of the Company, the Company will be constrained to withhold the dividend warrants which will be released by the Share Registrars only upon compliance with the SECP directives.

Additionally, pursuant to the provisions of the Finance Act 2014 effective July 1, 2014 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance 2001 have been revised as follows:

- |  |     |
|--|-----|
| (a) Rate of tax deduction for filer of income tax returns  | 10% |
| (b) Rate of income tax for non-filer of income tax returns | 15% |

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

# Directors' Report to the Shareholders

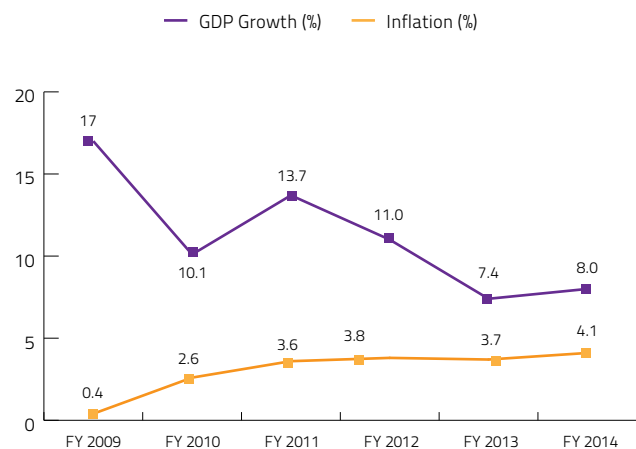


In the name of Allah, the most Gracious, the most Benevolent and the most Merciful.

The Directors of your Company are pleased to present the annual report of your Company along with the audited financial statements for the year ended June 30, 2014.

## The Economy

Pakistan economy continues to face challenges, including law and order situation, intermittent power shortages and inflationary pressures. According to economic survey of Pakistan 2013-14, inflation hovered around 8% impacting consumer's purchasing power. Despite all these limitations, economy proved resilient, achieving GDP growth of 4.1% compared to 3.7% achieved last year. The growth momentum is broad based and all the three major sectors namely agriculture, industry and services have contributed in the economic growth. The GDP growth is gradually improving while inflation is diminishing, a positive sign for the economy.







## The Cement Industry

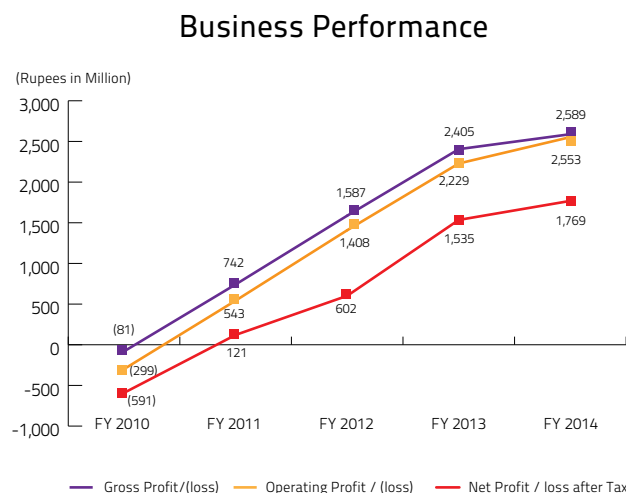
Cement sector of Pakistan registered an overall volumetric growth of 2.5% with total dispatches of 34.3 million tons compared to 33.4 million tons dispatched last year. Domestic consumption of cement has increased by 4.3%, achieving sales volume of 26.2 million tons. However, diminishing demand in Afghanistan coupled with general decline in export prices proved another year of falling exports volumes, which reduced to 8.1 million tons from 8.4 million tons exported last year.

	FY 2014	FY 2013	Variance	
	Million Tons			%
Local	26.15	25.06	1.09	4.3
Export	8.13	8.37	(0.24)	(2.8)
Total	34.28	33.43	0.85	2.5



## Business Performance

Despite challenging circumstances, financial performance of your Company keeps improving since last three years. *Alhamdulillah*, Company has achieved new milestones with its highest net sales revenue of Rs. 8,024.8 million, gross profit of Rs. 2,589.0 million and after tax profit of Rs. 1,768.9 million, an increase of 6%, 7.6% and 15.2% respectively over the last year. The sales revenue and profitability trend during the last three years is summarized in graph below:



## Production and Sales Volume

During the year under review, clinker production increased by 9.4% over last year with a capacity utilization of 59%. The cement production however declined 3% over last year. The domestic sales volume increased to 1,048,378 tons registering an increase of 1.5% over last year while export sales volume dropped to 141,834 tons, a decline of 29.4%. The decrease in export volume was due to declining demand in Afghanistan, a major export market for your Company, as well as sharp decline in international cement prices making exports economically unattractive.

A comparative summary of production and sales volume is given below:

	FY 2014	FY 2013	Variance	
	Tons			%
Capacity	1,995,000	1,995,000	-	-
Clinker Production	1,188,725	1,086,360	102,365	9.4
Cement Production	1,194,360	1,231,568	(37,208)	(3.0)
Domestic Sales	1,048,378	1,032,716	15,662	1.5
Exports	141,834	200,833	(58,999)	(29.4)
Total Sales	1,190,212	1,233,549	(43,337)	(27.9)

# Directors' Report to the Shareholders

## Revenues and Cost of Production

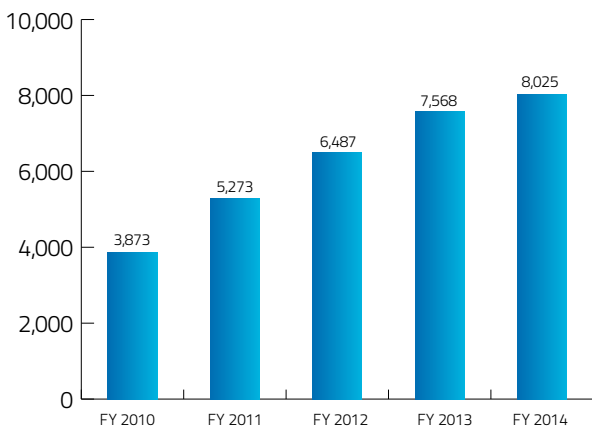
The gross sales revenue of Rs. 10.0 billion is an increase of 9.3% over the last year. Similarly, net sales revenue of Rs. 8,024.8 million is an increase of 6% over Rs. 7,568.4 million achieved last year. This is mainly attributable to an increase in local sales volume by 1.5%, sustained exports in profitable territories and increased sales in markets with high retention prices.

The cost of sales for the year under review amounting Rs.5,435.8 million is an increase of 5.3% over last year due to escalation in major input cost mainly power tariff, raw material cost as well as coal transportation charges.

	FY 2014	FY 2013	Variance	
	Rs. in thousand			%
Net Sales Revenue	8,024,777	7,568,432	456,345	6.0
Cost of Sales	5,435,809	5,163,047	272,762	5.3

## Net Sales Revenue

(Rupees in Million)



## Operating and Financial Costs

The distribution cost reduced to Rs. 53.1 million which is 40.9% reduction over last year distribution cost of Rs. 90 million. This reduction was due to decline in cement/clinker exports. Despite inflation, administrative expenses were restricted to Rs. 62.8 million compared to Rs. 62.3 million in last year. Contributions to workers profit participation and welfare funds which are directly proportionate to the profits of the Company increased other operating expenses by 31.9%.



The finance cost was reduced to Rs. 155.2 million as against Rs. 170.3 million in last year, mainly due to repayment of financial liabilities, better fund management and restructuring of long term debts.

## Profitability

Gross profit for the year increased to Rs. 2,589.0 million from Rs. 2,405.4 million achieved last year, registering an increase of 7.6%. The increase in Gross profit was due to increase in local sales volume, better retention prices and controlled cost of production. The operating profit increased by 14.6% over last year due to strict controls on expenses and prudent utilization of funds resulting in increase in other income by 126.2% over last year.

Your Company earned a net profit after tax of Rs. 1,768.6 million, compared to Rs. 1,535.1 million earned last year.

A comparative summary of the profitability of your Company's results is as under:

	FY 2014	FY 2013	Variance	
	Rs. in thousand			%
Gross Profit	2,588,968	2,405,385	183,583	7.6
Operating Profit	2,553,204	2,228,936	324,268	14.6
Net Profit	1,768,859	1,535,142	233,717	15.2
Earnings Per Share (Rs)	7.79	6.76	1.03	15.2



### Professional Excellence Award

In recognition of your Company's financial turnaround, the Institute of Chartered Accountants of Pakistan awarded 1<sup>st</sup> Prize of "Professional Excellence Awards 2014" in March 2014.

### Earnings Per Share

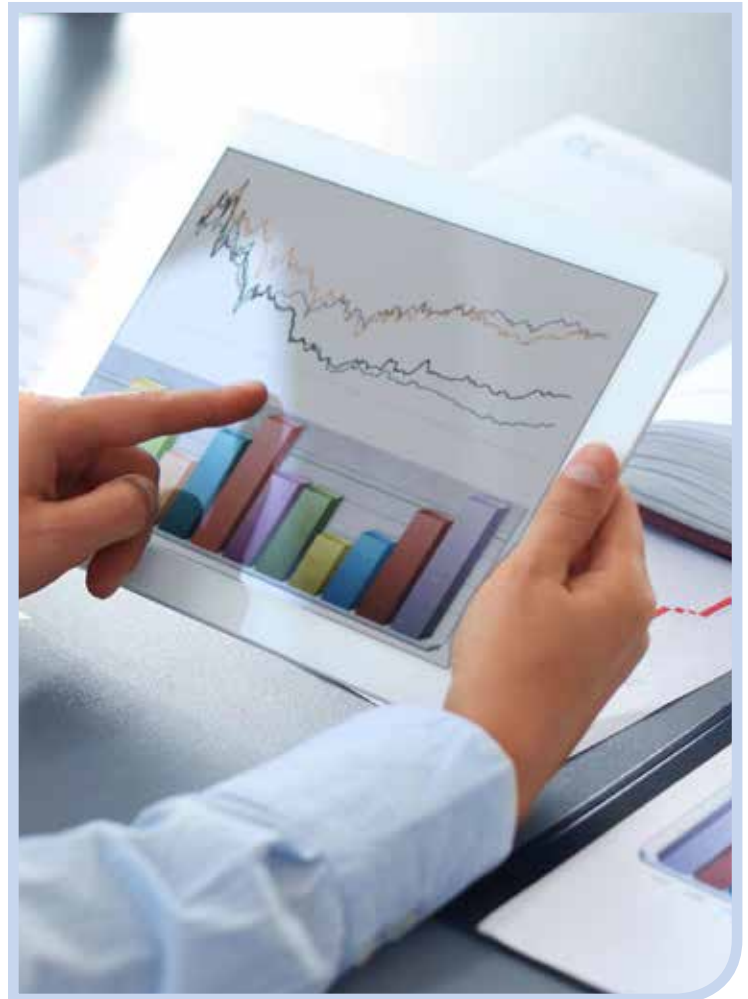
Based on net profit after tax for the year ended June 30, 2014, earning per share of the Company is Rs. 7.79 (2013: Rs. 6.76).

### Dividends

The Board of Directors has recommended a final cash dividend @ 20% i.e. Rs. 2 per share for the year ended June 30, 2014. This will be in addition to the interim cash dividend of 22.5% i.e. 2.25 per share already disbursed by the Company, resulting in an aggregate cash dividend of 42.5% (Rs. 4.25 per share).

### The Board

The Board comprises eight (8) non-executive directors (including Chairman) and two (2) executive directors (including CEO). The position of Chairman and Chief Executive officer are kept separate in line with the recommendation of Code of Corporate Governance.



### Board of Directors Meetings

During the year under review four (4) meetings of the Board of Directors were held, the number of meetings attended by each director summarized below:

Name of Directors	No. of Meeting Attended
Mr. Shafiuddin Ghani Khan (Chairman of the Board)	4
Syed Mazher Iqbal (Chief Executive Officer)	4
Mr. Jamal Nasim *	2
Mr. Mohammad Aftab Alam	4
Mr. Faisal Imran Hussain Malik	4
Syed Anwer Ali	4
Mr. Muhammad U. Vawda **	3
Shaikh Javed Elahi	3
Mr. Rafique Dawood	4
Mr. Zubair Ahmed - NBP ***	3

\* Appointment in place of Mr. Saleem Shahzada

\*\* Alternate Director for Mr. Cevdet Dal

\*\*\* Appointment in place of Mr. Asad Ullah Saleem

# Directors' Report to the Shareholders

## Board Committees

The Board of Directors of the Company formed two board committees i.e. Audit Committee and Human Resource & Remuneration Committee in compliance with the requirement of the Code of Corporate Governance.

## Audit Committee

Audit Committee comprises of five (5) non-executive directors. During the year four (4) meetings of Audit Committee were held and attendance was as follows:

Name of Members	No. of Meeting Attended
Mr. Rafique Dawood (Chairman Audit Committee)	4
Mr. Shafiuddin Ghani Khan	4
Mr. Jamal Nasim	1
Mr. Mohammad Aftab Alam	4
Mr. Zubair Ahmed	1

## Human Resource & Remuneration Committee

The committee is responsible for recommending to the Board, human resource management policies, evaluation and selection of appropriate employees. The HR Committee consists of two (2) non-executive directors and one (1) executive director as follows:

Mr. Shafiuddin Ghani Khan  
(Chairman HR Committee)  
Mr. Mohammad Aftab Alam  
Syed Mazher Iqbal

## Corporate and Financial Reporting Framework

The Board reviews the Company's strategic direction on regular basis. The business plan and budgetary targets set by the Board are also reviewed regularly. The Board is committed to maintain a high standard of the Corporate Governance and to ensure comprehensive compliance of Code of Corporate Governance enforced by Securities and Exchange Commission of Pakistan.

The Board is pleased to confirm the following:

- The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial

statements and accounting estimates are based on reasonable and prudent judgment.

- International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The existing system of internal controls and procedures are regularly reviewed. This is formulized by the Board's Audit Committee and is updated as and when required.
- There are no significant doubts upon Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed.
- The Statement of Ethics and Business Strategy is prepared and circulated amongst the directors and employees.
- The Board has adopted a mission statement and a statement of overall corporate strategy.
- As required by the Code of Corporate Governance, statement regarding the following are annexed:
  - Key operating and financial data for six years.
  - Statement of Pattern of Shareholding.
  - Statement of shares held by associated companies, undertakings and related persons.
  - Statement of other information.



## Corporate Social Performance

### Health, Safety and Environment

The management is committed to provide a safe, healthy and nurturing environment and accordingly has successfully achieved certification of ISO 9001 and 14001.

### Gaseous and Dust Emission

The Company is dedicated for a pollution free atmosphere and accordingly electrostatic precipitator and dust collectors have been installed at the Production facility of the Company. Further, efficient coal firing burners have been installed that help in reducing environment pollution from nitrogen oxide and carbon monoxide.

### Employee Safety

Employees of the Company have been provided with the required gadgets and protection devices for protection from inherent noises. These are reviewed and checked periodically and all necessary measures are taken to avoid any mishap.

## Community Investment and Welfare Scheme

The Company as a corporate citizen is constantly contributing towards the welfare of the society. The Company is playing an active role in various community development and maintenance programs including a mosque, medical dispensary and primary school at Chenki (the production facility site) and financial support to Divisional Public School Jauharabad and Sargodha. Company also contributed towards expansion plan of Institute of Business Administration (IBA), a premier business education institute of Pakistan.

### Contribution to National Exchequer

The Company contributed an amount of Rs.2,099.8 million (2013: Rs.1,633.6 million) into Government Treasury on account of income taxes, levies, sales tax and excise duty.

## Employee Welfare

### Provident Fund / Gratuity

The Company operates a funded Provident Fund Scheme for all permanent employees while all contracted employees below age of 60 years are provided with unfunded Gratuity Scheme. The un-

# Directors' Report to the Shareholders

audited fair value of investments of Provident Fund as on June 30, 2014 was Rs.109.2 million (2013: Rs.92.2 million - audited).

## Medical and Hospitalization

All eligible employees (including spouse and children) of the Company are provided with medical and hospitalization facilities as per Company policy in order to provide them peace of mind to concentrate on discharging their professional duties with zest and zeal.

## Human Capital

The Company recognizes its human resource as one of the valuable asset. Employees with high performance are awarded to create a conducive environment and to motivate other employees for better performance. The Company also provides education and training to the employees to enhance their abilities and skills.

## Directors' Training Program

Code of Corporate Governance requires all listed companies to make appropriate arrangements to conduct orientation and training courses for their directors. During the year, chief executive officer of the Company attended the Directors' Training Program, conducted by the Institute of Cost and Management Accountants of Pakistan.

## Auditors

M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants will retire at the conclusion of 28th Annual General Meeting. They have offered themselves for reappointment. The Audit Committee of the Board has recommended change of auditors. M/s. Anjum Asim Shahid Rehman's name has been proposed. The Company has received their consent.

## Future Outlook

The continuation of democratic process and formation of business friendly government created an air of optimism. Some of the measures taken by the incumbent government brought some stability in economy. Unfortunately, this optimism is waning fast due to ongoing political turmoil and heavy unprecedented floods.

The cement sector is envisaged to benefit from mega projects like dams, low cost housing schemes and Karachi – Lahore motorway anticipated to be undertaken by the Government. A peaceful environment, decline in inflation and stable rupee dollar parity shall encourage the investment climate and growth in economy.

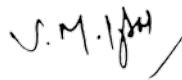
Your Company is constantly striving to improve plant efficiency, rationalization of cost and optimum utilization of resources to ensure sustained growth on strong footing. The management is pursuing capital investments to improve plant efficiency and quality of product. In this regards orders have been placed for grate cooler, burner and other equipment to achieve this objective. Final negotiations are in place to procure a waste heat recovery project which shall help reduce power cost.

## Acknowledgement

The directors express their appreciation to the valued customers, financial institutions and shareholders including sponsors for their cooperation and support.

The Board also acknowledges employees dedication and commitment, which enabled the Company to achieve improved financial results and anticipates same zeal and conviction to achieve further milestones.

On behalf of the Board



**Syed Mazher Iqbal**  
Chief Executive Officer  
September 18, 2014

# Pattern of Shareholding

As at June 30, 2014

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
1701	1	100	50,024
1902	101	500	494,936
1400	501	1,000	1,030,657
1545	1,001	5,000	3,461,881
300	5,001	10,000	2,311,173
106	10,001	15,000	1,362,639
48	15,001	20,000	878,493
41	20,001	25,000	964,710
22	25,001	30,000	622,301
12	30,001	35,000	385,068
17	35,001	40,000	651,130
3	40,001	45,000	132,664
21	45,001	50,000	1,042,946
8	50,001	55,000	419,229
9	55,001	60,000	518,352
1	60,001	65,000	63,000
5	65,001	70,000	343,500
5	70,001	75,000	371,334
7	75,001	80,000	549,347
4	80,001	85,000	334,993
4	85,001	90,000	350,626
3	90,001	95,000	275,258
10	95,001	100,000	995,072
2	100,001	105,000	201,105
2	105,001	110,000	216,784
3	115,001	120,000	347,759
5	120,001	125,000	619,692
1	125,001	130,000	130,000
1	130,001	135,000	135,000
2	140,001	145,000	285,000
7	145,001	150,000	1,050,000
4	150,001	155,000	607,500
1	155,001	160,000	156,662
1	160,001	165,000	162,313
1	175,001	180,000	178,000
4	195,001	200,000	800,000
1	200,001	205,000	205,000
2	210,001	215,000	423,482
1	220,001	225,000	225,000
2	230,001	235,000	465,500
1	240,001	245,000	244,000
2	245,001	250,000	500,000
1	260,001	265,000	262,500
1	265,001	270,000	269,000
2	295,001	300,000	600,000
2	300,001	305,000	603,634
1	305,001	310,000	306,500
1	320,001	325,000	322,353

# Pattern of Shareholding

As at June 30, 2014

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
1	325,001	330,000	326,000
1	360,001	365,000	365,000
1	395,001	400,000	400,000
2	435,001	440,000	879,469
1	475,001	480,000	479,500
1	485,001	490,000	486,444
1	540,001	545,000	541,258
1	550,001	555,000	554,000
1	560,001	565,000	565,000
1	570,001	575,000	574,000
1	575,001	580,000	576,000
1	595,001	600,000	600,000
1	600,001	605,000	603,500
3	615,001	620,000	1,855,000
1	635,001	640,000	637,985
1	675,001	680,000	677,500
1	815,001	820,000	818,000
1	855,001	860,000	856,000
1	985,001	990,000	985,683
1	1,005,001	1,010,000	1,009,500
1	1,015,001	1,020,000	1,019,000
1	1,135,001	1,140,000	1,139,500
1	1,265,001	1,270,000	1,269,500
1	1,350,001	1,355,000	1,353,000
1	1,375,001	1,380,000	1,376,000
1	1,455,001	1,460,000	1,460,000
2	1,495,001	1,500,000	3,000,000
1	1,710,001	1,715,000	1,713,000
1	1,995,001	2,000,000	2,000,000
1	2,175,001	2,180,000	2,180,000
1	2,930,001	2,935,000	2,935,000
1	2,995,001	3,000,000	3,000,000
2	3,995,001	4,000,000	8,000,000
1	4,440,001	4,445,000	4,440,333
1	7,955,001	7,960,000	7,959,707
1	12,745,001	12,750,000	12,749,714
1	15,795,001	15,800,000	15,800,000
1	23,970,001	23,975,000	23,974,890
1	91,060,001	91,065,000	91,063,193
<b>7,269</b>			<b>227,148,793</b>



## Category of Shareholders / Shares held percentage

As at June 30, 2014

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children.	24,133,258	10.6244%
Associated companies, undertakings and related parties. (Parent Company)	-	-
NIT and ICP	38,797	0.0171%
Banks, Development Financial Institutions, Non Banking Financial Institutions.	16,246,959	7.1526%
Insurance Companies	-	-
Modarabas and Mutual Funds	15,163,112	6.6754%
Shareholders holding 10% or more	130,838,083	57.6002%
General Public		
a. Local	27,172,704	11.9625%
b. Foreign	-	-
Others (to be specified)		
a. Leasing Companies	86,840	0.0382%
b. Investment Companies	254,316	0.1120%
c. Joint Stock Companies	139,604,954	61.4597%
d. Pension Funds	352,752	0.1553%
e. Foreign Companies	3,334,730	1.4681%
f. Others	760,371	0.3347%

## Other Information

As at June 30, 2014

Categories of shareholders	Share held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>	-	-
<b>Mutual Funds (Name Wise Detail)</b>		
1 CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	232,000	0.1021
2 CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (CDC)	150,000	0.0660
3 CDC - TRUSTEE AL-AMEEN SHARIAK STICK FUND (CDC)	2,935,000	1.2921
4 CDC -TRUSTEE FAYSAL INCOME & GROWTH FUND - MT (CDC)	17,500	0.0077
5 CDC -TRUSTEE FAYSAL SAVING GROWTH FUND - MT (CDC)	21,500	0.0095
6 CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	91,000	0.0401
7 CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	116,000	0.0511
8 CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	1,713,000	0.7541
9 CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND (CDC)	142,000	0.0625
10 CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND (CDC)	576,000	0.2536
11 CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I (CDC)	856,000	0.3768
12 CDC - TRUSTEE NAFA MULTI ASSET FUND (CDC)	554,000	0.2439
13 CDC - TRUSTEE NAFA STOCK FUND (CDC)	1,376,000	0.6058
14 CDC -TRUSTEE NATIONPNAL INVESTMENT (UNIT) TRUST (CDC)	486,444	0.2142
15 CDC - TRUSTEE NIT INCOME FUND - MT (CDC)	28,000	0.0123
16 CDC -TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	121,000	0.0533
17 CDC - TRUSTEE PAKISTAN STOCK MARKET FUND (CDC)	1,353,000	0.5956
18 CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	603,500	0.2657
19 CDC-TRUSTEE AL-AMEEN ISLAMIC RET, SAV. FUND-EQUITY SUB FUND (CDC)	135,000	0.0594
20 CDC-TRUSTEE MEEZAN CAPITAL PROTECTED FUND-II (CDC)	10,000	0.0044
21 CDC-TRUSTEE NAFA ASSET ALLOCATION FUND (CDC)	1,269,500	0.5589
22 MCBFSL - TRUSTEE NAMCO BALANCED FUND (CDC)	2,180,000	0.9597
23 MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	40,000	0.0176
24 MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	63,000	0.0277
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>		
1 MR. FAISAL IMRAN HUSSAIN (CDC)	3,550	0.0016
2 MR. MOHAMMAD AFTAB ALAM (CDC)	100	0.0000
3 SYED ANWAR ALI (CDC)	100	0.0000
4 MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
5 MR. CEVDET DAL (CDC)	23,974,890	10.5547
6 SHAIKH JAVED ELLAHI	35,178	0.0155
7 MR. JAMAL NASEEM (CDC)	100,000	0.0440
8 MR. RAFIQUE DAWOOD (CDC)	19,340	0.0085
<b>Executives:</b>	2,250	0.0010
<b>Public Sector Companies &amp; Corporations:</b>	-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>	16,780,219	7.3873%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>		
1 VISION HOLDING MIDDLE EAST LIMITED	106,863,193	47.0455
2 MR. CEVDET DAL	23,974,890	10.5547
3 NATIONAL BANK OF PAKISTAN (CDC)	12,750,428	5.6132
<b>All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children are detailed below:</b>		
<b>Name of Shareholders</b>	<b>Sale</b>	<b>Purchase</b>
1 MR. FAISAL IMRAN HUSSAIN (CDC)	-	3,500
2 MR. CEVDET DAL (CDC)	26,500	-
3 MR. WAQAR NAEEM	-	2,250

## Statement of Compliance

### with best practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (Code) contained in Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes eight non-executive directors.

Category	Names
Independent Non-executive Directors	Mr. Rafique Dawood Mr. Jamal Nasim
Non-Executive Directors	Mr. Shaffiuddin Ghani Khan Mr. Mohammad Aftab Alam Mr. Faisal Imran Hussain Malik Syed Anwar Ali Mr. Cevdet Dal Mr. Zubair Ahmed
Executive Directors	Syed Mazher Iqbal Shaikh Javed Elahi

The independent directors meet the criteria of independence under clause i(b) of the Code.

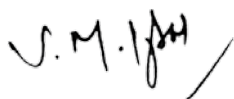
2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One casual vacancy occurring on the Board during the financial year and was filled within 90 days as per requirements of the Code.
5. 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.
6. 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non executive directors have been taken by the Board.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors are conversant with their duties and responsibilities. However, orientation courses are being arranged as per requirement of the Code.
10. There was no change in the position of Company Secretary, Chief Financial Officer and Head of Internal Audit, during the year.

# Statement of Compliance

## with best practices of Code of Corporate Governance

11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises one independent and four non-executive directors. Chairman of Audit Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members and two of them are non-executive directors.
18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on full time basis.
19. 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 (ICAP) and that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's shares, was determined and intimated to directors, employees and stock exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied with.

On behalf of the Board of Directors.



Syed Mazher Iqbal  
Chief Executive Officer

September 18, 2014  
Lahore



Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Mall View Building, 4-Bank Square  
P. O. Box No. 104, Lahore 54000  
Pakistan

Tel: +9242 3721 1531-38  
Fax: +9242 3721 1530 & 39  
eyfrsh.lhr@pk.ey.com  
ey.com/pk

## Review Report To The Members on Statement of Compliance with Best Practices of Code of Corporate Governance

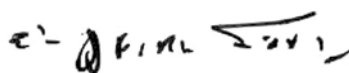
We have reviewed the Statement of Compliance with the best practices (the statement) contained in the Code of Corporate Governance prepared by the Board of Directors of Pioneer Cement Limited (the Company) for the year ended 30 June 2014 to comply with the Listing Regulation No. 35 of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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 Code.

As part of our audit of 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's 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2014.



Chartered Accountants  
Engagement Partner: Naseem Akbar

September 18, 2014  
Lahore



Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Mall View Building, 4-Bank Square  
P. O. Box No. 104, Lahore 54000  
Pakistan

Tel: +9242 3721 1531-38  
Fax: +9242 3721 1530 & 39  
eyfrsh.lhr@pk.ey.com  
ey.com/pk

## Auditors' Report To The Members

We have audited the annexed balance sheet of Pioneer Cement Limited ("the Company") as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 4.1 of these financial statements with which we concur;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2014 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants  
Engagement Partner: Naseem Akbar  
September 18, 2014  
Lahore



# Financial Statements

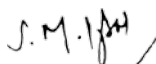
for the year ended June 30, 2014

# Balance Sheet

as at June 30, 2014

Rupees in thousand	Note	2014	2013
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	5	7,509,383	7,795,151
Investment property	6	65,965	65,000
Intangible assets	7	329	549
		7,575,677	7,860,700
Long term deposits	8	39,368	39,688
		7,615,045	7,900,388
<b>Current assets</b>			
Stores, spare parts and loose tools	9	1,032,797	990,194
Stock in trade	10	674,265	314,928
Trade debts - unsecured	11	61,307	49,794
Loans and advances	12	15,659	21,213
Trade deposits and short term prepayments	13	1,087	5,341
Other receivables	14	4,721	9,311
Taxation - net		-	70,010
Short term investments	15	1,581,784	776,186
Cash and bank balances	16	890,404	1,464,792
		4,262,024	3,701,769
<b>TOTAL ASSETS</b>		<b>11,877,069</b>	<b>11,602,157</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital	17	3,500,000	3,500,000
Issued, subscribed and paid-up capital	18	2,271,489	2,271,489
Reserves		2,863,285	2,171,194
		5,134,774	4,442,683
Surplus on revaluation of fixed assets	19	1,667,551	1,726,527
<b>Non current liabilities</b>			
Long term loans - secured	20	-	-
Long term financing - secured	21	562,304	786,718
Liabilities against assets subject to finance lease	22	-	-
Deferred liabilities	23	1,526,850	1,213,135
Long term deposits		3,450	3,460
		2,092,604	2,003,313
<b>Current liabilities</b>			
Trade and other payables	24	967,155	894,932
Accrued interest / mark up	25	303,648	254,887
Short term borrowing - secured	26	-	497,086
Current portion of non current liabilities	27	1,450,929	1,716,329
Provision for taxation - net		226,942	-
Sales tax payable		33,466	66,400
		2,982,140	3,429,634
<b>CONTINGENCIES AND COMMITMENTS</b>	28	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,877,069</b>	<b>11,602,157</b>

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

  
 Syed Mazher Iqbal  
 Chief Executive Officer

  
 Shafiuddin Ghani Khan  
 Chairman / Director





## Profit and Loss Account

for the year ended June 30, 2014

Rupees in thousand	Note	2014	2013
Sales - net	29	8,024,777	7,568,432
Cost of sales	30	5,435,809	5,163,047
<b>Gross profit</b>		<b>2,588,968</b>	<b>2,405,385</b>
Distribution cost	31	53,143	89,961
Administrative expenses	32	63,871	62,278
Other income	33	(271,580)	(120,055)
Other operating expenses	34	190,330	144,265
		35,764	176,449
<b>Operating profit</b>		<b>2,553,204</b>	<b>2,228,936</b>
Finance costs	35	155,177	170,280
Exchange gain		(31,992)	(189,743)
		123,185	(19,463)
<b>Profit before taxation</b>		<b>2,430,019</b>	<b>2,248,399</b>
Taxation	36	661,160	713,257
<b>Profit after taxation</b>		<b>1,768,859</b>	<b>1,535,142</b>
		(Rupees)	(Rupees)
<b>Basic and diluted earnings per share</b>	37	<b>7.79</b>	<b>6.76</b>

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

Syed Mazher Iqbal  
Chief Executive Officer

Shafiuddin Ghani Khan  
Chairman / Director

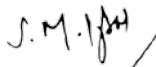
# Statement of Comprehensive Income

for the year ended June 30, 2014

Rupees in thousand	2014	2013
Profit for the year	1,768,859	1,535,142
Other comprehensive income	–	–
<b>Total comprehensive income for the year</b>	<b>1,768,859</b>	<b>1,535,142</b>

The surplus arising on revaluation of fixed assets is presented under a separate head below equity in accordance with the requirements of Companies Ordinance 1984.

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

  
 Syed Mazher Iqbal  
 Chief Executive Officer

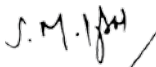
  
 Shafiuddin Ghani Khan  
 Chairman / Director

# Cash Flow Statement

## for the year ended June 30, 2014

Rupees in thousand	Note	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	43	2,464,579	2,897,466
Income tax paid		(66,362)	(36,168)
Paid to Worker's Profit Participation Fund		(118,337)	(48,650)
Gratuity and compensated absences paid		(12,595)	(11,087)
		(197,294)	(95,905)
<b>Net cash flows from operating activities</b>		<b>2,267,285</b>	<b>2,801,561</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(110,879)	(104,427)
Proceeds from disposal of fixed assets		5,828	1,559
Decrease in long term deposits - net		(4,689)	(1,336)
Increase in short term investments		(700,394)	(750,000)
<b>Net cash used in investing activities</b>		<b>(810,134)</b>	<b>(854,204)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term Musharaka Finance		(225,323)	899,908
Liabilities against assets subject to finance lease		-	(70,555)
Repayment of short term murabaha-secured-net		-	(43,853)
Long term financing -net		-	(35,648)
Long term loans-net		-	(890,743)
Short term borrowing-secured-net		(497,086)	273,379
Finance cost paid		(243,961)	(646,582)
Dividend paid		(1,065,169)	(237,380)
<b>Net cash used in financing activities</b>		<b>(2,031,539)</b>	<b>(751,474)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(574,388)</b>	<b>1,195,883</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,464,792</b>	<b>268,909</b>
<b>Cash and cash equivalents at the end of the year</b>	16	<b>890,404</b>	<b>1,464,792</b>

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

  
 Syed Mazher Iqbal  
 Chief Executive Officer

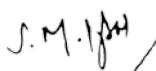
  
 Shafiuddin Ghani Khan  
 Chairman / Director

# Statement of Changes In Equity

for the year ended June 30, 2014

Rupees in thousand	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total reserves	Total equity
		Share premium	Accumulated profit		
<b>Balance as at July 01, 2012</b>	2,271,489	197,517	667,458	864,975	3,136,464
Profit for the year	–	–	1,535,142	1,535,142	1,535,142
Interim dividend for the year ended June 30, 2013	–	–	(283,937)	(283,937)	(283,937)
Other comprehensive income	–	–	–	–	–
Total comprehensive income - net of tax	–	–	1,251,205	1,251,205	1,251,205
Surplus on revaluation of fixed assets realized-net	–	–	55,014	55,014	55,014
<b>Balance as at June 30, 2013</b>	2,271,489	197,517	1,973,677	2,171,194	4,442,683
Profit for the year	–	–	1,768,859	1,768,859	1,768,859
Final dividend for the year ended June 30, 2013	–	–	(624,659)	(624,659)	(624,659)
Interim dividends for the year ended June 30, 2014	–	–	(511,085)	(511,085)	(511,085)
Other comprehensive income	–	–	–	–	–
Total comprehensive income - net of tax	–	–	633,115	633,115	633,115
Surplus on revaluation of fixed assets realized-net	–	–	58,976	58,976	58,976
<b>Balance as at June 30, 2014</b>	2,271,489	197,517	2,665,768	2,863,285	5,134,774

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

  
 Syed Mazher Iqbal  
 Chief Executive Officer

  
 Shafiuddin Ghani Khan  
 Chairman / Director

# Notes to the Financial Statements

## for the year ended June 30, 2014

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on all stock exchanges in Pakistan. The principal activity of the Company is manufacture and sale of cement. The registered office of the Company is situated at 135, Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province.
- 1.2 The Company commenced its operations with an installed capacity of 2,000 tons per day clinker. During 2005, the capacity was optimized to 2,350 tons per day. In financial year 2006, another production line of 4,300 tons per day clinker capacity was completed which started commercial operations from April 2006.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984, shall prevail.

### 3. BASIS OF PREPARATION

- 3.1 The financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, plant and machinery, coal firing system and investments which have been carried at revalued amounts / fair value as referred to in notes 4.3 & 4.9. These financial statements are presented in Pakistani Rupee which is the functional currency of the Company.

#### 3.2 Significant accounting judgments, estimates and assumptions

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

- a) recognition of taxation and deferred tax (note 4.16);
- b) determining the residual values and useful lives of property, plant and equipment (note 4.3);
- c) post employment benefits (note 4.13);
- d) impairment of inventories / adjustment of inventories to their net realizable value (note 4.7);
- e) provision for doubtful debts / other receivables (note 4.8); and
- f) impairment of assets (note 4.23)

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 New and amended standards and interpretations

The Company has adopted the following amendments to IFRSs which became effective during the year.

IAS 19	–	Employee Benefits – (Revised)
IFRS 7	–	Financial Instruments : Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
IFRIC 20	–	Stripping Costs in the Production Phase of a Surface Mine

# Notes to the Financial Statements

## for the year ended June 30, 2014

The adoption of the above amendments and revisions to accounting standards and interpretations did not have any effect on the financial statements.

### 4.2 Improvements to Accounting Standards Issued by the IASB

IAS 1	–	Presentation of Financial Statements - Clarification of the requirements for comparative information
IAS 16	–	Property, Plant and Equipment – Clarification of Servicing Equipment
IAS 32	–	Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments
IAS 34	–	Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revision and improvements to accounting standards and interpretations did not have any effect on the financial statements.

### 4.3 Property, plant and equipment

#### 4.3.1 Operating fixed assets

##### Owned:

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for factory building, plant and machinery and coal firing system which are stated at revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, and freehold land is stated at revalued amount. Valuations are performed with sufficient frequency to ensure that fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation is calculated at the rates specified in note 5.1 to these financial statements on straight line method except for plant and machinery and coal firing system on which depreciation is charged on the basis of units of production method. Depreciation on additions is charged from the month in which the asset is available for use and on disposal up to the preceding month of disposal. Assets' residual values and useful lives are reviewed and adjusted, if appropriate at each balance sheet date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference of the sale proceeds and the carrying amount of the asset is recognized in the profit and loss account.

##### Assets subject to finance lease:

These are stated initially at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. The outstanding obligations under the lease less finance charges allocated to future periods are shown as liability. Financial charges are calculated at the interest rate implicit in the lease and are charged to the profit and loss account. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized.

#### 4.3.2 Investment Property

Property not held for own use or leased out under operating lease is classified as investment property. Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment

properties are stated at fair value, which effect market conditions at reporting date. Gains or losses arising from change in fair value of properties are included in profit or loss in the year which they arise. Fair values are determined based on an annual evaluation performed by an independent valuer.

#### 4.3.3 Capital work in progress

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

#### 4.4 Leasehold improvements

Leasehold improvements are stated at capitalized cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference of the sale proceeds and the carrying amount of the asset is recognized in the profit and loss account.

#### 4.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which economic benefits of the asset are consumed by the Company.

#### 4.6 Stores, spare parts and loose tools

These are valued at lower of weighted average cost and net realizable value. Cost comprises of invoice value and other direct costs. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make a sale.

#### 4.7 Stock in trade

These are stated at the lower of cost and net realizable value. The methods used for the calculation of cost are as follows:

- |  |   |   |
|--|---|---|
| i) Raw and packing material            | - | at weighted average cost comprising of purchase price, transportation and other overheads.  |
| ii) Work in process and finished goods | - | at weighted average cost comprising quarrying cost, transportation, government levies, direct cost of raw material, labour and other manufacturing overheads. |

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

#### 4.8 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is recognized in profit and loss account, based on the management's assessment of counter party's' credit worthiness. Trade debts and other receivables are written off when considered irrecoverable.

# Notes to the Financial Statements

## for the year ended June 30, 2014

### 4.9 Short term investments - held for trading

Financial assets are classified as held for trading and included in the category financial assets at fair value through profit or loss and are acquired for the purpose of selling and purchasing in near term. These investments are initially recognized at cost being the fair value of the consideration given. Subsequent to initial recognition these are recognized at fair value unless fair value cannot be reliably measured. Any surplus and deficit on revaluation of investment is recognized in profit and loss account. All purchases and sales of investment are recognized on trade date, which is the date that the Company commits to purchase or sell the investments.

### 4.10 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks in current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.11 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets except investment property credited to the account "Surplus on Revaluation of Fixed Assets" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profits / losses through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

### 4.12 Long term and short term borrowings

These are recorded at the proceeds received and stated at net of repayments. Financial charges are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount remaining unpaid.

### 4.13 Employees' benefits

#### Defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees and equal monthly contributions are made both by the Company and the employees at the rate of 10 percent of basic salary.

#### Defined benefit plan – contractual workers

The Company operates unfunded gratuity scheme for its contractual workers. The provision has been made to cover the liability of the plan using benefit per years of service method at the balance sheet date.

#### Compensated absences

All the permanent and contractual workers are entitled for compensated absences plan. Accrual for compensated absences is made to the extent of the value of accrued absences of the employees at the balance sheet date using their current salary levels.



#### 4.14 Trade and other payables

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

#### 4.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### 4.16 Taxation

##### Current:

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum taxation at the specified applicable rate for the turnover, whichever is higher and tax paid on final tax regime. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

##### Deferred:

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and unused tax credits, if any, to the extent it is probable that future taxable profits will be available against which these can be utilized. The Company recognizes deferred tax liability on surplus on revaluation of fixed assets which is adjusted against the related surplus.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the periods when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the 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 proportion to the respective revenues.

#### 4.17 Sales tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### 4.18 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupee at the rates of exchange approximating those ruling on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pakistani Rupee at the rates of exchange ruling at the balance sheet date. Any resulting gain or loss arising from changes in exchange rates is taken to profit and loss account.

# Notes to the Financial Statements

## for the year ended June 30, 2014

### 4.19 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are derecognized from the balance sheet when the obligation is extinguished, discharged, cancelled or expired.

Any gain / (loss) on the recognition and derecognition of the financial assets and liabilities is included in the profit and loss account for the year to which it arises.

### 4.20 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the asset and charge on the liability is also off set.

### 4.21 Revenue recognition

- Revenue from sale is recognized when the significant risks and rewards of ownership of the goods have passed to the customers, which coincide with the dispatch of goods to customers.
- Return on bank deposits is recognized on time proportion basis using effective interest method.
- Scrap sales are recognized on physical delivery to customer.
- Rental income arising from investment property is accounted for on accrual basis over the lease period and is included in revenue due to its operating nature.
- Other revenues are accounted for on accrual basis.

### 4.22 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets to the extent the carrying amount of the assets does not exceed its recoverable value, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 4.23 Impairment

At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account. Recoverable amount is estimated as higher of fair value less cost to sell and value in use.

### 4.24 Dividend and appropriation reserves

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

### 4.25 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 – Consolidated financial statements	01 January 2015
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 12 – Disclosure of Interests in other entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 16 & 38 – Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 16 & 41 – Agriculture: Bearer Plants	01 July 2014
IAS 19 – Employee Contributions	01 January 2014
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IAS 36 – Recoverable Amount for Non-Financial Assets – (Amendment)	01 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	01 January 2014
IFRIC 21 – Levies	01 January 2014

The Company expects that the adoption of the above revisions and amendments of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 – Financial instruments: classification and measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

Rupees in thousand	Note	2014	2013
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating property, plant and equipment	5.1	7,505,850	7,794,539
Capital work - in - progress	5.2	3,533	612
		<b>7,509,383</b>	<b>7,795,151</b>

# Notes to the Financial Statements

for the year ended June 30, 2014

## 5.1 Operating Property, Plant and Equipment

Rupees in thousand

	Note	Cost / Revaluation				Rate %	Depreciation			Written Down Value	
		As at July 01 2013	Additions/ transfers	Revaluation surplus/ (deficit)	Disposals/ transfers		As at June 30 2014	As at July 01 2013	Disposals/ transfers for the year	As at June 30 2014	As at June 30 2014
<b>Owned</b>											
Freehold land	5.1.1	68,328	-	-	-	-	-	-	-	-	68,328
Factory building on freehold land	5.1.1	1,830,295	-	-	-	5	930,504	91,515	1,022,019	808,276	
Leasehold improvements		10,833	-	-	-	33.3	5,116	3,611	8,727	2,106	
Roads and quarry development		56,008	-	-	-	20	56,008	-	56,008	-	
Plant and machinery line I	5.1.1	4,189,962	27,398*	-	-	Units of production method	2,536,074	127,578	2,663,652	1,553,708	
Plant and machinery line II	5.1.1	5,558,103	6,577	-	-	Units of production method	764,560	147,653	912,213	4,703,563	
			51,096*								
Coal firing system	5.1.1	289,743	-	-	-	Units of production method	154,565	8,043	162,608	127,135	
Furniture and fixture		25,465	135	-	(170)	10	20,068	1,183	21,129	4,301	
Office equipment		41,080	2,254	-	(99)	10	13,221	3,526	16,689	26,546	
Computers and accessories		18,729	1,317	-	-	33	17,795	770	18,565	1,481	
Vehicles		49,709	19,183	-	(7,149)	20	33,265	6,837	32,953	28,790	
		12,138,255	29,466	-	(7,418)		4,531,176	390,716	4,914,563	7,324,234	
			78,494*								
<b>Assets subject to finance lease</b>											
Plant and machinery line II	5.1.1	222,235	-	-	-	Units of production method	34,775	5,844	40,619	181,616	
<b>Total - 2013-14</b>		<b>12,360,490</b>	<b>29,466</b>	<b>-</b>	<b>(7,418)</b>		<b>4,565,951</b>	<b>396,560</b>	<b>4,955,182</b>	<b>7,505,850</b>	
			<b>78,494*</b>								

\* Transferred from capital work-in-progress.

## Rupees in thousand

	Note	Cost / Revaluation				Depreciation			Written Down Value			
		As at July 01 2012	Additions/ transfers	Revaluation surplus/ (deficit)	Disposals/ transfers	As at June 30 2013	Rate %	As at July 01 2012	Disposals/ transfers for the year	As at June 30 2013	As at June 30 2013	
<b>Owned</b>												
Freehold land	5.1.1	68,328	-	-	-	68,328	-	-	-	-	68,328	
Factory building on freehold land	5.1.1	1,829,240	1,055*	-	-	1,830,295	5	839,024	-	91,480	930,504	899,791
Leasehold improvements		10,833	-	-	-	10,833	33.3	1,505	-	3,611	5,116	5,717
Office building		77,149	-	-	(77,149)***	-	10	14,552	(14,552)***	-	-	-
Roads and quarry development		56,008	-	-	-	56,008	20	56,008	-	-	56,008	-
Plant and machinery line I	5.1.1	4,147,160	22,020	-	-	4,189,962	Units of production method	2,408,089	-	127,985	2,536,074	1,653,888
			20,782*									
Plant and machinery line II	5.1.1	5,191,492	38,344	-	-	5,558,103	Units of production method	566,444	72,892**	125,224	764,560	4,793,543
			2,852*									
			325,415**									
Coal firing system	5.1.1	289,743	-	-	-	289,743	Units of production method	147,215	-	7,350	154,565	135,178
Furniture and fixture		25,272	417	-	(224)	25,465	10	19,094	(207)	1,181	20,068	5,397
Office equipment		20,713	20,423	-	(56)	41,080	10	11,747	(27)	1,501	13,221	27,859
Computers and accessories		18,269	567	-	(107)	18,729	33	17,205	(107)	697	17,795	934
Vehicles		44,765	6,555	-	(1,611)	49,709	20	29,945	(1,611)	4,931	33,265	16,444
		11,778,972	88,326	-	(79,147)	12,138,255		4,110,828	(16,504)	363,960	4,531,176	7,607,079
			24,689*									
			325,415**									
<b>Assets subject to finance lease</b>												
Plant and machinery line II	5.1.1	547,650	-	-	(325,415)	222,235	Units of production method	94,580	(72,892)**	13,087	34,775	187,460
<b>Total - 2012-13</b>		12,326,622	88,326	-	(404,562)	12,360,490		4,205,408	(16,504)	377,047	4,565,951	7,794,539
			24,689*		(325,415)**							
			325,415**									

\* Transferred from capital work-in-progress.

\*\* Transferred from assets subject to finance lease.

\*\*\* Transferred to investment property.

# Notes to the Financial Statements

## for the year ended June 30, 2014

5.1.1 Plant & Machinery and Coal firing system of the Company were first revalued in the financial year ended June 30, 2005 by M/s Sipra resulting in surplus of Rs. 968.173 million over its written down value of Rs. 3,032.848 million. The second revaluation, which also included freehold land and factory buildings in addition to the plant and machinery and coal firing system, was carried out in the financial year ended June 30, 2008, by Hamid Mukhtar & Company, representatives in Pakistan for GAB Robins Group, International Loss Adjusters on the basis of market values. This valuation created a surplus of Rs. 2,240.714 million over its written down value of Rs. 7,156.572 million. Third revaluation of freehold land, factory and office building and plant & machinery has been carried out by M/s Surval (PBA approved valuer) during the year ended June 30, 2012. This has resulted in a reduction in revaluation surplus amounting to Rs. 162.539 million over the written down value of Rs. 8,243.393 million. The values of the factory building and plant & machinery are being depreciated over the remaining useful lives of the assets from the date of revaluations.

5.1.2 Had there been no revaluation, the written down values of such assets would have been as follows:

Rupees in thousand	2014		2013
	Cost	Net book value	Net book value
Freehold land	31,411	31,411	31,411
Factory building	1,329,089	431,640	498,095
Plant and machinery - line I	4,199,255	1,762,436	1,862,068
Plant and machinery - line II			
including leased items	3,341,818	2,709,795	2,739,980
Coal firing system	357,802	195,282	186,173
	9,259,375	5,130,564	5,317,727

5.1.3 Depreciation for the year has been allocated as follows:

Rupees in thousand	Note	2014	2013
Cost of sales	30	387,184	368,257
Distribution cost	31	2,610	1,952
Administrative expenses	32	6,766	6,838
		396,560	377,047

5.1.4 The cost of operating fixed assets includes fully depreciated assets valuing Rs. 113.662 million (2013: Rs. 61.333 million).

5.1.5 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Disposal mode	Particulars of buyer
Aggregate amount of assets disposed off having book value less than Rs 50,000/- each	7,418	7,329	89	5,828	5,739	Negotiation & Company Policy	Various
2014	7,418	7,329	89	5,828	5,739		
2013	1,998	1,952	46	1,559	1,513		

Rupees in thousand	Note	2014	2013
<b>5.2 Capital work in progress</b>			
<b>Plant and machinery:</b>			
Opening balance as at July 01		612	9,200
Additions		81,415	16,101
Transferred to operating fixed assets		(78,494)	(24,689)
Closing balance as at June 30		3,533	612
<b>6. INVESTMENT PROPERTY</b>			
Book value		3,015	612
Surplus on revaluation		61,985	61,985
Carrying amount		65,000	62,597
Fair value adjustment	6.1	965	2,403
		65,965	65,000

6.1 Investment property is stated at fair value, which has been determined based on valuations performed by M/s Surval, as at June 30, 2014.

Rupees in thousand	2014	2013
<b>6.2 Net profit arising from investment property amounts to Rs. 3.435 million.</b>		
Breakup is given below;		
Rental income	4,307	3,455
Operating expenses	(872)	(1,161)
Net profit	3,435	2,294

## 7. INTANGIBLE ASSETS

	Cost			Rate of amortization	Accumulated Amortisation			Written down value as at June 30
	As at July 01	Addition	As at June 30		As at July 01	for the year	As at June 30	
Computer softwares 2014	1,098	–	1,098	20%	549	220	769	329
Computer softwares 2013	1,098	–	1,098	20%	329	220	549	549

# Notes to the Financial Statements

for the year ended June 30, 2014

Rupees in thousand	Note	2014	2013
<b>8. LONG TERM DEPOSITS - considered good</b>			
Security deposits:			
- Utilities		35,741	35,741
- Leasing companies		–	5,000
- Others		3,627	3,947
		39,368	44,688
Less: Current portion - leasing companies		–	(5,000)
	8.1	39,368	39,688

8.1 These are non-interest bearing and covers term over one year.

<b>9. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		587,717	594,435
Spare parts		465,843	431,275
Loose tools		6,847	7,421
		1,060,407	1,033,131
In transit - Spare parts		16,323	4,856
Less : Provision for slow moving stores and spare parts		(43,933)	(47,793)
		1,032,797	990,194

9.1 Stores and spares include items which can be capitalized but are not distinguishable from other stores and spares.

Rupees in thousand	2014	2013
<b>10. STOCK IN TRADE</b>		
Raw material	33,696	48,905
Packing material	53,912	52,872
Work in process	513,380	163,395
Finished goods	73,277	49,756
	674,265	314,928

<b>11. TRADE DEBTS - unsecured</b>			
Considered good	11.1	61,307	49,794
Considered doubtful	11.2	12,948	12,948
		74,255	62,742
Less: Provision for bad and doubtful debts	11.3	(12,948)	(12,948)
		61,307	49,794

11.1 As at June 30, 2014 the aging of trade debts is as follows.

	Total	Neither past due nor impaired	Past due but not impaired					Past due and impaired
			Less than 30 days	30 - 90 days	90 - 180 days	180 - 365 days	1 to 2 years	
2014	74,255	–	60,896	16	2	17	376	12,948
2013	62,742	–	48,284	24	1,111	1	374	12,948





Rupees in thousand	2014	2013
<b>11.2 Age analysis of impaired trade debts</b>		
Not past due	–	–
Past due 0 - 365 days	–	–
1 - 2 years	–	–
More than 2 years	12,948	12,948
	<b>12,948</b>	<b>12,948</b>
<b>11.3 Provision for bad and doubtful debt</b>		
Opening balance	12,948	6,474
Provision for the year	–	6,474
Closing balance	<b>12,948</b>	<b>12,948</b>

## 12. LOANS AND ADVANCES

Advances - unsecured, considered good		
Executives	934	347
Employees	1,452	2,026
Bank's margin against letter of credit	10,431	4,098
Suppliers	1,593	10,350
Contractors	502	554
Service providers	747	3,838
	<b>15,659</b>	<b>21,213</b>

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

Rupees in thousand	Note	2014	2013
<b>13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Current portion of long term deposits		–	5,000
Trade deposits		9	9
Short term prepayments		1,078	332
		<b>1,087</b>	<b>341</b>
		<b>1,087</b>	<b>5,341</b>

## 14. OTHER RECEIVABLES

Receivable from WAPDA	14.2	19,381	19,381
Due from provident fund		–	1,233
Profit on bank deposits		4,722	8,023
Others		2,971	3,027
		<b>27,074</b>	<b>31,664</b>
Less: Provision for doubtful receivables	14.1	(22,353)	(22,353)
		<b>4,721</b>	<b>9,311</b>

# Notes to the Financial Statements

## for the year ended June 30, 2014

Rupees in thousand		2014	2013
<b>14.1</b>	<b>Provision for doubtful receivables</b>		
	Opening balance	22,353	2,972
	Provision for the year	–	19,381
	Closing balance	22,353	22,353
<b>14.2</b>	This represents rebate claim under incentive package for industries from Water and Power Development Authority (WAPDA) in accordance with their letter no. 677-97 / GMCS / DG (C) / DD (R&CP) / 57000 dated September 19, 2001. The Company is actively pursuing for the above recovery. However, provision with full amount has been made.		

Rupees in thousand		Note	2014	2013
<b>15.</b>	<b>SHORT TERM INVESTMENT</b>			
	Held for trading:			
	Meezan Sovereign Fund -			
	Units 11,078,763 (June 30, 2013: 10,094,0701)		559,256	515,201
	UBL Government Securities Fund -			
	Units 2,816,240 (June 30, 2013: 2,608,792)		282,677	260,985
	ABL Government Securities Fund -			
	Units 53,386,694 (June 30, 2013: Nil)		536,066	–
	Meezan Islamic Income Fund -			
	Units 4,061,875 (June 30, 2013: Nil)		203,785	–
		15.1	1,581,784	776,186

15.1 The fair value of these investments is determined using their respective redemption Net Assets Value (NAV).

Rupees in thousand		Note	2014	2013
<b>16.</b>	<b>CASH AND BANK BALANCES</b>			
	Cash in hand		1,269	666
	Cheques in hand	16.1	256,798	177,228
			258,067	177,894
	Balance with banks in:			
	- Saving accounts	16.2	477,020	1,117,475
	- Current accounts		155,317	169,423
			632,337	1,286,898
			890,404	1,464,792

16.1 This represents sales collection in process.

16.2 These carry profits at rates ranging from 6 percent to 8.75 percent (2013: 6 percent to 8.75 percent) per annum.

**17. AUTHORIZED SHARE CAPITAL**

2014	2013		2014	2013
No. of shares in '000			Rupees in thousand	
300,000	300,000	Ordinary shares of Rs.10/- each	3,000,000	3,000,000
50,000	50,000	Preference shares of Rs.10/- each	500,000	500,000
350,000	350,000		3,500,000	3,500,000

**18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2014	2013		2014	2013
No. of shares in '000			Rupees in thousand	
184,464	184,464	Issued for cash ordinary shares of Rs. 10/- each	1,844,642	1,844,642
		<b>Issued for consideration other than cash:</b>		
27,617	27,617	Ordinary shares of Rs. 10/- each	276,165	276,165
		<b>Issued as fully paid bonus shares</b>		
15,068	15,068	Ordinary shares of Rs. 10/- each	150,682	150,682
227,149	227,149		2,271,489	2,271,489

**18.1** Vision Holding Middle East Limited (VHMEEL) a company incorporated in British Virgin Island, held 106.859 million (47%) ordinary shares of Rs.10/- as on June 30, 2014 { 2013: 106.859 million (47%) }.

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

Rupees in thousand	Note	2014	2013
<b>19. SURPLUS ON REVALUATION OF FIXED ASSETS - net of tax</b>			
Gross surplus			
Opening balance of surplus on revaluation of fixed assets	19.1	2,463,419	2,546,774
Transferred to un-appropriated profit in respect of incremental depreciation		(89,358)	(83,355)
		2,374,061	2,463,419
Less: Deferred tax liability on:			
Opening balance of revaluation		736,892	765,233
Incremental depreciation charges on related assets		(30,382)	(28,341)
		706,510	736,892
Closing balance of surplus on revaluation of fixed assets		1,667,551	1,726,527

**19.1** Includes surplus on revaluation of freehold land amounting to Rs. 36.917 million (2013: Rs. 36.917 million).

# Notes to the Financial Statements

## for the year ended June 30, 2014

### 20. LONG TERM LOANS - secured

Rupees in thousand					2014	2013
	Note	Number	Instalment			
			Commencing from	Rate of interest/ mark-up		
Foreign currency loans						
Asian Development Bank (ADB)	20.1 &			1.3% above		
- Japanese Yen	20.3	9 half yearly	15/11/2006	6 months LIBOR	835,218	856,296
Asian Finance & Investment Corporation (AFIC) - US Dollars	20.2 &			2.5% above		
	20.3	23 quarterly	31/03/2007	3 months LIBOR	320,722	320,884
					1,155,940	1,177,180
Less: Current portion	27				(1,155,940)	(1,177,180)
					-	-

**20.1** The loan is secured by creation of an equitable mortgage over the Company's immovable assets, undertaking by the Company to execute and register further security as may be required by ADB, a letter of hypothecation providing first charge over the Company's moveable assets other than book debts. In the event of default, the Company shall pay liquidated damages 1.5 percent per annum of the overdue principal amount and additional liquidated damages at the applicable interest rate plus 1 percent on the unpaid amount of interest and liquidated damages. Outstanding interest up to September 30, 1999 has been deferred and was payable in two equal half yearly instalments due on November 15, 2008 and May 15, 2009.

Installments including liquidated damages and other charges have not been paid aggregating to Rs. 1,222.158 million, which includes principal, mark-up and deferred charges amounting to Rs. 835.218 million, Rs. 204.714 million and Rs. 182.226 million respectively. The Company is pursuing for restructuring of loan.

**20.2** The loan is secured by creation of an equitable mortgage over the Company's immovable assets, undertaking by the Company to execute and register further security as may be required by AFIC and a letter of hypothecation providing first charge over the Company's moveable assets other than book debts. In the event of delay in payments, the Company shall pay additional interest at the rate of 1 percent of the overdue amount including interest and liquidated damages.

Installments including liquidated damages and other charges have not been paid aggregating to Rs. 393.722 million, which includes principal and mark-up amounting to Rs. 320.722 million and Rs. 73.0 million respectively. The Company is pursuing for structuring of loan.

**20.3** The Company is in negotiation with the Bank for restructuring of the loans and the lender has been provided with various options for restructuring. During the year ended June 30, 2013 the Bank approached SECP on declaration of interim dividend by the Company stating it a violation of loan covenants requiring prior approval from the Bank on dividend distribution. Meanwhile, the Company has filed a suit before Honourable High Court of Sindh ("the Court") under section 9 of the Financial Institutions (Recovery of Finance) Ordinance, 2001 against Asian Development Bank, Deutsche Bank AG and State Bank of Pakistan ("the Defendants") to restrain the defendants from taking any coercive action against the Company. Amongst other appeals, the Company has also pleaded the Court that it should not be burdened with the exchange loss arising due to devaluation of Pak Rupee. Subsequently, as on February 06, 2013, the Court has served the notices to the defendants for appearing before the Court and restraining the defendants from taking any coercive action against the Company. The case is at the hearing stage and legal advisor of the Company expects a favourable outcome.



In respect of the above loan, the Company has already accounted for the entire amount of interest and liquidated damages till balance sheet date under the terms of the loan agreements and the related impact of exchange fluctuation, hence, there is no additional liability on the Company arising out the above legal suit.

Rupees in thousand	Note	2014	2013
<b>21. LONG TERM FINANCING - secured</b>			
Meezan Bank Limited	21.1	674,587	899,908
Less: Current portion		(112,283)	(113,190)
		562,304	786,718

**21.1** During the year ended June 30, 2013, the Company obtained a Sukuk Bai Muajjal facility of Rs. 900 million (2013: 900 million) from Meezan Bank Limited (MBL) for settlement of various loans of National Bank of Pakistan (NBP) at a pricing of 3 months KIBOR plus 0.25 percent (2013: 3 months KIBOR plus 0.25 percent) for a tenure of 5 months. This facility was converted into Diminishing Musharakah after expiry of 5 months. This amount is payable within 4.6 years in quarterly instalments. The facility is secured against pledge of mutual funds (Meezan Sovereign Fund) and mark of lien over bank deposits.

## 22. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

This represents finance lease agreement entered into with leasing company for plant & machinery. Total lease rentals due under a lease agreement aggregate to Rs. 5.480 (2013: Rs. 5.480) million. Overdue rental payments are subject to an additional charge upto 3 percent per month. Taxes, repairs, replacement and insurance costs are to be borne by the Company. In case of termination of agreement, the Company has to pay the entire rent for the unexpired period. Financing rates of approximately 14.01 percent to 17.78 percent (2013: 14.01 percent to 17.78 percent) per annum have been used as discounting factor. The break up of finance lease liability is as follows:

Rupees in thousand	2014		2013	
	Minimum lease payment (MLP's)	Present value of MLP's	Minimum lease payment (MLP's)	Present value of MLP's
Up to one year	480	480	5480	5,480
One year to five years	—	—	—	—
	480	480	5480	5,480
Less: Finance charges allocated to future periods	—	—	—	—
	480	480	5480	5,480
Less: Current portion	(480)	(480)	(5480)	(5,480)
	—	—	—	—

# Notes to the Financial Statements

for the year ended June 30, 2014

Rupees in thousand	Note	2014	2013
<b>23. DEFERRED LIABILITIES</b>			
Deferred tax liability	23.1	1,457,797	1,157,875
Gratuity - vested contractual employees	23.2	69,053	55,260
Deferred interest / mark up			
Bankers Equity Limited - TFCs	23.3	–	89,271
Asian Development Bank	20	182,226	186,824
National Bank of Pakistan (Former NDFC)	23.4	–	144,384
		182,226	420,479
Less: Current portion	27	(182,226)	(420,479)
		–	–
		1,526,850	1,213,135
<b>23.1 Deferred tax liability</b>			
<b>Credit balance arising due to:</b>			
- accelerated tax depreciation		1,108,661	1,162,796
- surplus on revaluation of fixed assets		706,510	736,892
		1,815,171	1,899,688
<b>Debit balance arising due to:</b>			
- available normal tax losses		–	(483,006)
- available minimum tax losses		(250,524)	(174,347)
- employees benefits and others		(106,850)	(84,460)
		(357,374)	(741,813)
		1,457,797	1,157,875
<b>23.2</b>	The provision for gratuity payable has also been estimated on the basis of actuarial valuation carried out using Project Unit Credit Method based on below given actuarial assumptions. The present value of defined benefit obligation as per actuarial valuation method does not differ materially from the carrying amount of the liability estimated using the policy stated note 4.13. The principal assumptions used in this valuation are as under:		
	Discount rate	13.25%	10.50%
	Expected rate of salary increase	12.25%	9.50%
	Mortality rates	SLIC 2001-2005 Setback 1 year	
	Retirement age assumptions	60 years	60 years
<b>23.3</b>	During the year the Honourable Sindh High Court has issued clearance for the settlement of charges and liabilities, accordingly the liability has been settled.		
<b>23.4</b>	The mark-up liability has been fully paid off by the Company during the year.		

Rupees in thousand	Note	2014	2013
<b>24. TRADE AND OTHER PAYABLES</b>			
Creditors	24.1	174,869	192,016
Accrued expenses		319,347	405,863
Unclaimed dividend		120,197	49,621
Employees' compensated absences	24.2	17,906	21,671
Workers profit participation fund	24.3	130,506	118,337
Advances from customers		97,023	55,119
Workers welfare fund		49,592	–
Excise duty on cement		39,212	36,066
Deposits		12,499	13,053
Royalty and excise duty		2,423	910
Withholding tax		1,241	–
Retention money		318	808
Payable to provident fund		20	–
Others		2,002	1,468
		<b>967,155</b>	<b>894,932</b>

24.1 These are non-interest bearing and generally have 30 to 90 days of payment term.

24.2 Employees' compensated absences

Rupees in thousand	Note	2014	2013
Opening balance		21,671	20,232
Charge for the year		4,943	5,549
		<b>26,614</b>	<b>25,781</b>
Payment made during the year		(8,708)	(4,110)
Closing balance		<b>17,906</b>	<b>21,671</b>

24.3 Workers profit participation fund

Opening balance		118,337	48,650
Charge for the year		130,506	118,337
		<b>248,843</b>	<b>166,987</b>
Payment made during the year		(118,337)	(48,650)
Closing balance		<b>130,506</b>	<b>118,337</b>

25. ACCRUED INTEREST / MARK UP

Long term financing		295,260	233,973
Short term borrowing / murabaha		8,388	20,914
		<b>303,648</b>	<b>254,887</b>

26. SHORT TERM BORROWING - secured

National Bank of Pakistan-Cash finance account	26.1	–	497,086
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# Notes to the Financial Statements

## for the year ended June 30, 2014

- 26.1 The cash finance facility was obtained from National Bank of Pakistan. The facility limit was Rs. 500 million (2013: Rs.500 million) and it carried mark-up ranging between the rate of 3 month KIBOR plus 0.5 to 1.5 percent (2013: 0.5 to 1.5 percent) per annum. The facility was secured against first joint pari passu charge over current and fixed assets of the Company at the margin of 25 percent and corporate guarantee of VHMEI. The facility has been fully paid off by the Company during the year and all charges and securities were satisfied.
- 26.2 During the year, the Company has obtained a short term cash finance facility from Allied Bank Limited. The facility limit is Rs. 500 million and carries mark-up at the rate 3 months KIBOR + 0.25% per annum which shall be payable to the Bank on quarterly basis. The facility is secured by lien on investment in Government Securities Fund of ABL Asset Management Company with 10% margin. The facility remained unavailed as at June 30, 2014.

Rupees in thousand	Note	2014	2013
<b>27. CURRENT PORTION OF NON CURRENT LIABILITIES</b>			
Long term loans - secured	20	1,155,940	1,177,180
Long term financing - secured	21	112,283	113,190
Liabilities against assets subject to finance lease	22	480	5,480
Deferred liabilities	23	182,226	420,479
		<b>1,450,929</b>	<b>1,716,329</b>

## 28. CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

- 28.1.1 The issue pertaining to interpretation of sub-section (2) of section 4 of the Central Excise Act, 1944 (the "1944 Act") has been adjudicated by the Honourable Supreme Court of Pakistan vide judgment dated 15-02-2007 (the "Supreme Court Judgment") in appeal nos. 1388 and 1389 of 2002, 410 to 418 of 2005, 266, 267 & 395 of 2005 (the "Appeal"). By way of background it is pointed out that the controversy between the revenue and the assesses pertained to whether in view of the words of sub-section (2) of section 4 of the 1944 Act "duty shall be charged on the retail price fixed by the manufacturer, inclusive of all charges and taxes, other than sales tax..." retail prices would include the excise duty leviable on the goods. The Honourable Lahore High Court as well as the Honourable Peshawar High Court held that excise duty shall not be included as a component for determination of the value (retail price) for levying excise duty (the "Judgments"). The revenue being aggrieved of the judgments impugned the same before the Supreme Court of Pakistan vide the Appeals, in pursuance whereof leave was granted to determine in the aforesaid issue. The Honourable Supreme Court of Pakistan vide the Supreme Court Judgment upheld the Judgments and the Appeals filed by the revenue were dismissed. In the Supreme Court Judgment it has been categorically held that excise duty is not to be included as a component for determination of the value (retail price) for levying excise duty under sub-section (2) of section 4 of the 1944 Act.

In view of the above, during the year ended June 30, 2008, the Company had filed a refund claim amounting to a sum of Rs. 734.056 million before Collector Sales Tax and Federal Excise Duty, Government of Pakistan (the Department). During the year ended June 30, 2010 the aforesaid refund claim has been rejected by the Department, however, the Company has filed an appeal before Commissioner (Appeals) Inland Revenue, Lahore which has been decided in favour of the Company and same will be accounted for at the time of its realization.

- 28.1.2 The Federal Board of Revenue had raised a demand of Rs. 8.842 million for stamp duty on agreements signed with financial institutions. The Company had filed a petition as a result of which the demand was reduced to Rs. 4.412 million by the Federal Board of Revenue. The Company filed a petition against the above decision in the Honourable High Court of Sindh which was allowed. The Federal Board of Revenue filed a civil petition against the said decision in the Honourable Supreme Court of Pakistan, which is pending. The management anticipates a favourable outcome of this petition, hence, no provision has been made against the above demand in these financial statements.





- 28.1.3** Demands of sales tax including additional tax and penalty on lime stone and clay amounting to Rs. 4.518 million and Rs. 8.292 million were raised by the Sales Tax Department. The case for Rs. 4.518 million is pending in the Honourable Lahore High Court and case for Rs. 8.292 million is decided by the Collector of Sales Tax (Appeal) on February 03, 2007 partially reducing the value of sales tax amount from Rs. 8.292 million to Rs. 2.80 million. The Company had deposited Rs. 2.2 million and filed an appeal against the order of Collector Sales Tax (Appeal) in Sales Tax Tribunal, Lahore. The hearing of the case is yet to be fixed. The management anticipates a favourable outcome of this petition, hence, no provision has been made against the above demands in these financial statements.
- 28.1.4** The Commissioner Social Security raised a demand of Rs. 0.7 million for the non payment of social security during the year 1994. An appeal was filed against the above mentioned decision and the case is pending in the Labour Court, Lahore. The management anticipates a favourable outcome of this petition, hence, no provision has been made in these financial statements.
- 28.1.5** The Collector of Sales Tax, Faisalabad disallowed input tax paid on machinery amounting to Rs. 4.178 million vide sale tax order 57/2003. The Company had deposited Rs. 4.123 million and filed an appeal which is pending in the Honourable Lahore High Court. The management anticipates a favourable outcome of the case.
- 28.1.6** The Company has challenged in the Honourable Lahore High Court, the applicability of the marking fee on the production of the cement at the rate of 0.15 percent as levied by The Pakistan Standards and Quality Control Act, 1996 on the grounds that this fee is charged without any nexus with services, in fact shows that it is being charged as a tax and thus is in violation of the rights guaranteed under Articles 4, 18, 25 and 77 of the Constitution of Pakistan, 1973. However, the Company on prudence grounds provided for the above fee in these financial statements. The management anticipates a favourable outcome of this petition.
- 28.1.7** On August 31, 2009 the Competition Commission of Pakistan (CCP) imposed a penalty on the Company via an order dated August 27, 2009 amounting to Rs. 364 million, which is 7.5 percent of the turnover as reported in the last published financial statements as of June 30, 2008. CCP has also imposed penalties on 19 other cement manufacturing companies against cartelization by cement manufacturers under the platform of All Pakistan Cement Manufacturers Association to increase cement prices by artificially restricting production.
- The penalized cement companies jointly filed a petition in the Honourable High Court challenging the imposition of penalties by the CCP and any adverse action against the cement companies has been stayed by the Honourable High Court. The management of the Company is expecting a favourable outcome. Hence, no provision has been made against the above demand in these financial statements.
- 28.1.8** The Company has not acknowledged accumulated liability amounting to Rs. 57.336 million upto June 2013 of Workers Welfare Fund in the light of the decision of Honourable High Court Lahore dated August 24, 2011 whereby the Honourable High Court Lahore has struck down amendments regarding Workers Welfare Fund Ordinance, 1971 through Finance Act 2006 and 2008 as being unconstitutional. However, the department has filed an appeal against the decision, which is still pending for adjudication.
- 28.1.9** The income tax assessments of the Company have been finalized up to and including tax year 2012. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs with aggregate tax impact of Rs. 1,539.655 million. As a result of appeals filed by the Company before appellate authorities, most of the add backs have been deleted. However, the Company is in appeals before higher appellate forums against unfavourable decisions. Pending finalization of appeals no provision has been made by the Company on aggregate sum of Rs. 1,366.899 million. The management is confident that the outcome of these appeals will be in favour of the Company.

# Notes to the Financial Statements

## for the year ended June 30, 2014

### 28.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 267.890 million (2013: 23.844 million).

Rupees in thousand	Note	2014	2013
<b>29. SALES</b>			
Local		9,330,310	8,166,139
Export		700,291	1,012,466
		10,030,601	9,178,605
Less:			
Sales tax		1,517,571	1,137,547
Federal excise duty		419,351	413,086
Commission		68,902	59,540
		2,005,824	1,610,173
		8,024,777	7,568,432
<b>30. COST OF SALES</b>			
Raw material consumed	30.1	416,714	340,147
Packing material consumed		483,437	451,630
Fuel and power		4,006,550	3,291,469
Stores and spare parts consumed		152,005	170,665
Salaries, wages and benefits	30.2	273,614	266,799
Travelling and conveyance		27,685	23,302
Insurance		7,729	7,351
Repairs and maintenance		41,231	61,596
Depreciation	5.1.3	387,184	368,257
Other manufacturing expenses		13,166	12,943
<b>Total manufacturing cost</b>		<b>5,809,315</b>	<b>4,994,159</b>
<b>Work in process</b>			
Opening balance		163,395	333,691
Closing balance	10	(513,380)	(163,395)
		(349,985)	170,296
<b>Cost of goods manufactured</b>		<b>5,459,330</b>	<b>5,164,455</b>
<b>Finished goods</b>			
Opening balance		49,756	48,348
Closing balance	10	(73,277)	(49,756)
		(23,521)	(1,408)
		5,435,809	5,163,047



Rupees in thousand	Note	2014	2013
<b>30.1 Raw material consumed</b>			
Opening balance		48,905	8,538
Quarrying / transportation / purchases and other overheads		405,518	383,428
		454,423	391,966
Closing balance		(33,696)	(48,905)
		420,727	343,061
Duty drawback on exports		(4,013)	(2,914)
		416,714	340,147
<b>30.2 Includes employees' benefits as follows:</b>			
Defined contribution plan		4,112	3,653
Gratuity - vested contractual employees		17,680	13,392
Compensated absences		3,463	4,070
		25,255	21,115
<b>31. DISTRIBUTION COST</b>			
Salaries, wages and benefits	31.1	30,475	31,201
Travelling and conveyance		1,091	951
Vehicle running expenses		2,501	2,464
Communication		1,523	1,497
Printing and stationery		814	1,087
Rent, rates and taxes		3,066	2,451
Utilities		1,984	2,264
Repairs and maintenance		928	1,331
Legal and professional charges		1,323	2,295
Insurance		328	365
Fee and subscription		526	569
Advertisements / sales promotion		1,388	152
Freight and handling charges	31.2	3,546	40,676
Entertainment		1,040	706
Depreciation	5.1.3	2,610	1,952
		53,143	89,961
<b>31.1 Includes employees' benefits as follows:</b>			
Defined contribution plan		1,152	1,029
Compensated absences		628	1,161
		1,780	2,190

31.2 It represents freight and handling charges against export sales.

# Notes to the Financial Statements

for the year ended June 30, 2014

Rupees in thousand	Note	2014	2013
<b>32. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	32.1	36,570	34,165
Travelling and conveyance		1,259	1,125
Vehicle running expenses		2,001	1,679
Communication		1,285	1,015
Printing and stationery		1,969	1,451
Rent, rates and taxes		2,406	2,370
Utilities		16	143
Repairs and maintenance		1,384	1,466
Legal and professional charges		6,399	8,236
Insurance		354	347
Auditors' remuneration	32.2	1,706	1,900
Fee and subscription		1,116	1,155
Depreciation	5.1.3	6,766	6,838
Amortization		220	220
Entertainment		150	92
Others		270	76
		<b>63,871</b>	<b>62,278</b>
<b>32.1 Includes employees' benefits as follows:</b>			
Defined contribution plan		1,244	1,213
Compensated absences		852	317
		<b>2,096</b>	<b>1,530</b>
<b>32.2 Auditors' remuneration</b>			
Annual audit fee		1,000	1,000
Fee for half yearly review		400	400
Special certifications and other advisory services		–	160
Out of pocket expenses		306	340
		<b>1,706</b>	<b>1,900</b>
<b>33. OTHER INCOME</b>			
Income from financial assets			
Profit on bank deposits		63,592	53,519
Remeasurement gain on investment - held for trading		105,642	26,186
Liabilities written back		89,836	29,994
		<b>259,070</b>	<b>109,699</b>
Income from non financial assets			
Scrap sales		607	1,584
Gain on disposal of fixed assets	5.1.5	5,739	1,513
Fair value gain on investment property	6	965	2,403
Rental income	6.2	4,307	3,455
Others		892	1,401
		<b>12,510</b>	<b>10,356</b>
		<b>271,580</b>	<b>120,055</b>



Rupees in thousand	Note	2014	2013
<b>34. OTHER OPERATING EXPENSES</b>			
Workers profit participation fund	24.3	130,506	118,337
Workers Welfare Fund		49,592	–
Provision for doubtful debts	11.3	–	6,474
Provision for doubtful receivables	14.1	–	19,381
Donations	34.1	10,200	–
Others		32	73
		<b>190,330</b>	<b>144,265</b>

- 34.1** A donation amounting Rs. 0.2 million was given to “Ladies Entrepreneur Conference” being organised by Dawood Global Foundation which is run by daughter of Mr. Rafique Dawood, director of the Company.  
None of the directors were interested in the donee institutions except as stated above.

Rupees in thousand	2014	2013
<b>35. FINANCE COSTS</b>		
<b>Mark-up on:</b>		
Long term loans - foreign currency	53,496	39,864
Long term loans - local currency	278	37,089
Lease financing	–	5,929
	<b>53,774</b>	<b>82,882</b>
<b>Profit on Musharaka finance</b>	<b>71,386</b>	<b>3,057</b>
<b>Mark-up on:</b>		
Short-term borrowings / murabaha	17,428	68,907
Workers’ Profit Participation Fund	4,654	3,292
	<b>22,082</b>	<b>72,199</b>
<b>Fee, charges and commission</b>		
Service charges	620	6,110
Guarantee Commission	3,878	3,199
Bank charges	3,437	2,833
	<b>7,935</b>	<b>12,142</b>
	<b>155,177</b>	<b>170,280</b>

<b>36. TAXATION</b>		
Current	361,237	42,576
Deferred	299,923	670,681
	<b>661,160</b>	<b>713,257</b>

- 36.1** Numerical reconciliation between average effective tax rate and the applicable tax rate.

	Percentage (%)	
Applicable tax rate	34.00	–
- Effect of admissible deductions not allowed in prior years	(2.18)	–
- Income chargeable to tax at lower rate	(3.14)	–
- Effect on opening deferred taxes on reduction of tax rate	1.00	–
- Others	(2.68)	–
	<b>(7.00)</b>	<b>–</b>
Average effective tax rate	<b>27.00</b>	<b>–</b>

# Notes to the Financial Statements

## for the year ended June 30, 2014

- 36.2 The provision for income tax for year ended June 30, 2013 is based on minimum taxation under Section 113 of the Income Tax Ordinance, 2001. Accordingly, tax charge reconciliation with the accounting profit is not reported.

	2014	2013
<b>37. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
There is no dilution effect on the basic earning per share of the Company, which is based on:		
Profit after taxation (Rupees in thousand)	1,768,859	1,535,142
Weighted average number of ordinary shares in issue ('000)	227,149	227,149
Earnings per share - basic and diluted (Rupees)	7.79	6.76

### 38. TRANSACTIONS WITH RELATED PARTIES

The related parties include major shareholders, entities having directors in common with the Company, directors, other key management personnel and employees benefit plans. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such parties reflected elsewhere in these financial statements are as under:

Rupees in thousand	2014	2013
<b>Entities having nominee director on the Company</b>		
National Bank of Pakistan		
Repayment of Loans	-	646,238
Finance cost	178,278	512,622
Staff retirement contribution plan		
Contribution to staff provident fund	6,508	5,895

Certain assets are being used by the employees of the Company in accordance with their terms of employment. Further, there are no transactions with key management personnel other than under the terms of employment as disclosed in note 40 to the financial statements.

The related party status of outstanding receivables and payables, if any, as at June 30, 2014 are disclosed in respective notes to the financial statements.

### 39. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES

#### 39.1 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2014.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.



The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and capital and revenue reserves. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2014 and 2013 were as follows:

Rupees in thousand	Note	2014	2013
Long term financing - secured	21	562,304	786,718
Deferred liabilities - gratuity	23	69,053	55,260
Trade and other payables	24	967,155	894,932
Accrued interest / mark-up	25	303,648	254,887
Short term borrowing - secured	26	–	497,086
Current portion of non - current liabilities	27	1,450,929	1,716,329
<b>Total debts</b>		<b>3,353,089</b>	<b>4,205,212</b>
Less: Cash and bank balances	16	(890,404)	(1,464,792)
Short term investments		(1,581,784)	(776,186)
<b>Net debts</b>		<b>880,901</b>	<b>1,964,234</b>
Total equity		5,134,774	4,442,683
<b>Total Capital</b>		<b>6,015,675</b>	<b>6,406,917</b>
<b>Gearing ratio</b>		<b>14.64%</b>	<b>30.66%</b>

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The management of the Company continuing with operational and infrastructure rehabilitation program with the objective of converting and maintaining the Company into profitable entity and has taken financial measures to support such rehabilitation program. In order to improve liquidity and profitability of the Company, the management is planning to take certain appropriate steps such as increase sales through export of cement to neighbouring countries, cost control and curtailing financing cost by means of early payments.

### 39.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits. The Company is exposed to interest rate risk, liquidity risk and credit risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2014 and 2013.

### 39.3 Liquidity risk

Liquidity risk reflects the Company's inability of raising funds to meet commitments. The Company's management closely monitors the Company's liquidity and cash flow position and foresees to continue positive future cash flows in the future as well. Further, the management is also in the process of evaluating other options such as early payment/settlement of remaining loans and intends to settle these loans in near future.

The table below summarizes the maturity profile of the Company's financial liabilities at June 30, 2014 based on contractual undiscounted payment dates and present market interest rates:

# Notes to the Financial Statements

## for the year ended June 30, 2014

Rupees in thousand	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>June 30, 2014</b>						
Long term financing	-	-	112,283	562,304	-	674,587
Liabilities against assets subject to finance lease	480	-	-	-	-	480
Long term deposits	-	-	-	3,450	-	3,450
Deferred liabilities	182,226	-	-	1,226,927	299,923	1,709,076
Long term loans - secured	1,155,940	-	-	-	-	1,155,940
Trade and other payables	43,194	775,549	130,506	17,906	-	967,155
Accrued interest / mark up	277,719	25,930	-	-	-	303,649
	1,659,559	801,479	242,789	1,810,587	299,923	4,814,337
<b>June 30, 2013</b>						
Long term financing	-	-	113,190	786,720	-	899,910
Liabilities against assets subject to finance lease	5,480	-	-	-	-	5,480
Long term deposits	-	-	-	3,460	-	3,460
Deferred liabilities	186,824	161,464	72,192	542,453	670,681	1,633,614
Long term loans - secured	1,177,180	-	-	-	-	1,177,180
Trade and other payables	49,621	822,832	808	21,671	-	894,932
Accrued interest / mark up	225,492	16,176	13,220	-	-	254,888
Short term borrowings	-	497,086	-	-	-	497,086
	1,644,597	1,497,558	199,410	1,354,304	670,681	5,366,550

### 39.4 Yield / mark-up rate

Yield / mark-up rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market yield / mark-up rates. Sensitivity to yield / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company exposure to the risk of changes in market interest rates relates primarily to the long-term loans and short-term finances with floating interest rates.

The effective yield / mark up rate on the financial assets and liabilities are disclosed in their respective notes to the financial statements.

### 39.5 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit / (loss) before tax (through impact on floating rate borrowings). There is only immaterial impact on Company's equity. The analysis excludes the impact of movement in market variables on the carrying values of employees retirement obligation, provision and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.





Rupees in thousand	Increase/ decrease basis points	Effect on profit before tax
<b>2014</b>		
Pak Rupee	+100	(23,773)
Pak Rupee	-100	23,773
<b>2013</b>		
Pak Rupee	+100	(29,678)
Pak Rupee	-100	29,678

### 39.6 Credit risk and concentration of 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. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is mainly exposed to credit risk on trade debts, loans and advances, other receivables and bank balances aggregating to Rs. 2,591.974 million (2013: Rs. 2,360.318 million). The Company seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy.

Rupees in thousand	2014	2013
Long-term deposits	39,368	39,688
Trade debts	61,307	49,794
Advances	15,659	21,213
Other receivables	4,721	9,311
Short term investments	1,581,784	776,186
Cheques in hand	256,798	177,228
Bank balances	632,337	1,286,898

#### Credit quality of financial assets

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The credit quality of cash at bank (in current and deposit accounts) as per credit rating agencies are as follows:

Banks having A1+ rating - PACRA	632,298	1,280,788
Banks having A1 rating - PACRA	37	6,108
Unrated Bank - Industrial Development Bank	2	2
	632,337	1,286,898

### 39.7 Foreign exchange risk management

Foreign currency risk arises mainly where balances exist due to the transactions with foreign undertakings. The Company is exposed to foreign exchange risk with respect to foreign currency loans payable amounting to Rs. 1,155.939 million (2013: Rs. 1,177.180 million) as disclosed in note 20 to these financial statements and interest payable on foreign currency loans amounting to Rs. 459.946 million (2013: Rs. 417.317 million). The management has assessed that hedging its foreign currency borrowings will be more expensive than self assuming the risk. This risk management strategy is reviewed each year on the basis of market conditions.

# Notes to the Financial Statements

## for the year ended June 30, 2014

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, Japanese Yen exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) at June 30, 2014:

Rupees in thousand	2014		2013	
	US Dollars	Japanese Yen	US Dollars	Japanese Yen
Foreign currency denominated monetary assets	–	–	–	–
Foreign currency denominated monetary liabilities	3,987	1,253,770	3,838	1,215,993
		Increase/ decrease in US dollars to Pak	Increase/ decrease in Japanese to Yen	Effect on profit/(loss) before tax
2014		+5%	+5%	(80,794)
		-5%	-5%	(80,794)
2013		+5%	+5%	(79,500)
		-5%	-5%	79,500

### 39.8 Other price risk

Equity price risk is the risk arising from uncertainties about future values of investment securities. As at balance sheet date, the Company is not exposed to equity price risk.

### 39.9 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

### 39.10 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



Rupees in thousand				
	2014	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
<b>Held for trading</b>				
Equity shares and mutual fund units	1,581,784	–	1,581,784	–
	2013	Level 1	Level 2	Level 3
Equity shares and mutual fund units	776,186	–	776,186	–

As at June 30, 2013 and June 30, 2014, Company held no liabilities that are measured at fair value or when value change from carrying value as a resulting remeasurement.

### 39.11 Financial instruments by categories

Rupees in thousand					
	Cash and cash equivalents	Loans and advances	2014 Available for sale	Held for trading	Total
<b>Assets as per balance sheet</b>					
Long term deposits	–	39,368	–	–	39,368
Trade debts - unsecured	–	61,307	–	–	61,307
Loans and advances	–	15,659	–	–	15,659
Trade deposits and short term prepayments	–	1,087	–	–	1,087
Short term investments	–	–	–	1,581,784	1,581,784
Other receivables	–	4,721	–	–	4,721
Cash and bank balances	890,404	–	–	–	890,404
	890,404	122,142	–	1,581,784	2,594,330
2013					
	Cash and cash equivalents	Loans and advances	Available for sale	Held for trading	Total
<b>Assets as per balance sheet</b>					
Long term deposits	–	39,688	–	–	39,688
Trade debts - unsecured, considered good	–	49,794	–	–	49,794
Loans and advances	–	21,213	–	–	21,213
Trade deposit and prepayments	–	5,341	–	–	5,341
Short term investments	–	–	–	776,186	776,186
Other receivables	–	9,311	–	–	9,311
Cash and bank balances	1,464,792	–	–	–	1,464,792
	1,464,792	125,347	–	776,186	2,366,325

# Notes to the Financial Statements

## for the year ended June 30, 2014

Rupees in thousand	2014	2013
	(Amortized cost)	
Financial liabilities as per balance sheet		
Long term loans - secured	–	–
Long term financing - secured	562,304	786,718
Deferred liabilities	1,526,850	1,213,135
Trade and other payables	967,155	894,932
Accrued interest / mark up	303,648	254,887
Short term borrowing - secured	–	497,086
	<b>3,359,957</b>	<b>3,646,758</b>

#### 40. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

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

Rupees in thousand	Chief executive officer		Executive	
	2014	2013	2014	2013
Total Numbers	1	1	22	23
Basic Salary	6,070	5,059	24,695	22,564
Contribution to provident fund trust	607	506	1,677	1,776
Allowances & benefits				
House Rent	2,732	2,277	11,113	10,088
Utilities	607	506	2,470	2,242
Others	3,175	2,309	15,378	14,776
	<b>13,191</b>	<b>10,657</b>	<b>55,333</b>	<b>51,446</b>

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

40.2 No remuneration is paid / payable to the directors of the Company except meeting fee which is paid at the rate of Rs. 5,000 per meeting.

Rupees in thousand	2014	2013
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#### 41. NUMBER OF EMPLOYEES

Number of employees at year end (including permanent and contractual)	771	784
Average number of employees during the year	782	773

#### 42. PROVIDENT FUND TRUST

The Company has maintained an employees provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance and the rules formulated for this purpose. The salient information of the fund is as follows:



Rupees in thousand	2014	2013
Size of the fund	111,215	93,283
Cost of investment made	100,171	84,900
Fair value of investment	109,183	92,169
Percentage of investment made	90%	91%
<b>42.1 Breakup of investment</b>		
Listed securities (Mutual Funds)	59,091	33,503
Certificate of investment	10,779	21,632
Term finance certificates	39,313	37,034
<b>43. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	2,430,019	2,248,399
<b>Adjustments for non cash and other items:</b>		
Depreciation	396,560	377,047
Amortization of leasehold intangibles	220	220
Provision for doubtful debts and receivables	-	25,855
Provision for compensated absences and gratuity	22,623	18,940
Finance cost	155,177	170,280
Gain on disposal of property, plant and equipment	(5,739)	(1,513)
Gain on revaluation of investment property	(965)	(2,403)
Workers' profits participation fund	130,506	118,337
Workers' welfare fund	49,592	-
Unrealized profit on bank deposits and rental income	(4,722)	(8,078)
Unrealized gain on investment	(105,205)	(26,186)
Liabilities written back	(89,836)	(29,994)
Exchange gain - unrealized	(32,113)	(191,720)
	516,098	450,785
<b>Cash flows before working capital changes</b>	<b>2,946,117</b>	<b>2,699,184</b>
<b>Movement in working capital</b>		
(Increase)/ decrease in current assets:		
Stores , spare parts and loose tools	(42,603)	60,733
Stock in trade	(359,337)	110,930
Trade debts	(11,513)	(28,032)
Loans and advances	5,554	33,222
Deposits and short term prepayments	4,254	5,244
Other receivables	9,312	5,065
	(394,333)	187,162
(Decrease) / increase in current liabilities:		
Trade and other payables	(54,271)	(38,920)
Sales tax payable	(32,934)	50,040
	(87,205)	11,120
	(481,538)	198,282
	<b>2,464,579</b>	<b>2,897,466</b>

# Notes to the Financial Statements

## for the year ended June 30, 2014

	2014	2013
	Metric tons	Metric tons
<b>44. PRODUCTION CAPACITY</b>		
Rated capacity - clinker		
- Line I (after optimization)	705,000	705,000
- Line II	1,290,000	1,290,000
	<b>1,995,000</b>	<b>1,995,000</b>
Actual production - clinker		
- Line I	319,900	323,020
- Line II	868,825	763,340
	<b>1,188,725</b>	<b>1,086,360</b>
Sales - cement		
- Local	1,048,378	1,032,716
- Exports	141,334	198,768
	<b>1,189,712</b>	<b>1,231,484</b>
Sales - clinker-export	500	2,065
	<b>1,190,212</b>	<b>1,233,549</b>

The difference between the installed capacity and actual production is due to the annual demand and supply variations of the Company's products.

#### 45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 18, 2014 .

#### 46. CORRESPONDING FIGURES

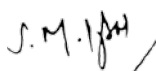
Certain immaterial prior year's figures have been reclassified, consequent upon certain changes in current year's presentation for more appropriate comparison and better presentation. However, no material reclassification has been made in these financial statements.

#### 47. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on September 18, 2014 has announced a final cash dividend in respect of the year ended June 30, 2014 of Rs. 2 (2013: Rs. 2.75) per share for the approval of the members at the annual general meeting. These Financial Statements for the year ended June 30, 2014 do not include the effect of these appropriations which will be accounted for subsequent to the year end. The total dividend announced during the year aggregates to Rs. 4.25 per share (2013: Rs. 4 per share) including interim cash dividends of Rs. 1.25 share and Rs. 1 per share.

#### 48. GENERAL

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

  
 Syed Mazher Iqbal  
 Chief Executive Officer

  
 Shafiuddin Ghani Khan  
 Chairman / Director



# Form of Proxy

## Pioneer Cement Limited

Registered Folio No./  
 CDC Account No. \_\_\_\_\_

I/We \_\_\_\_\_  
 Name

of \_\_\_\_\_  
 Address

being a member of PIONEER CEMENT LIMITED hereby appoint

\_\_\_\_\_ Name

of \_\_\_\_\_ Address

or failing him \_\_\_\_\_ Name

of \_\_\_\_\_ Address

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 28th Annual General Meeting of the Company to be held on Thursday, October 30, 2014 at 135-Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

\_\_\_\_\_  
 Signature of the Shareholder/Appointer

Witness \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ CNIC # \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ CNIC # \_\_\_\_\_

**Note:** Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

AFFIX  
CORRECT  
POSTAGE

Company Secretary  
**Pioneer Cement Limited**  
135-Ferozpur Road, Lahore  
Tel : +92 (42) 37503570-2  
Fax : +92 (42) 37503573-4  
Email: [pioneer@pioneercement.com](mailto:pioneer@pioneercement.com)







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

HEAD OFFICE / REGISTERED OFFICE

135 - Ferozpur Road, Lahore, Pakistan.

Tel: +92 (042) 37503570-72 Fax: +92 (042) 37503573

Email: [pioneer@pioneercement.com](mailto:pioneer@pioneercement.com)