PIONEER CEMENT LTD

ANNUAL REPORT 2015

بسم الله الرحمن الرحيم

CONTENTS


PIONEER
CEMENT LTD

VISION & MISSION

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

CORE VALUES

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

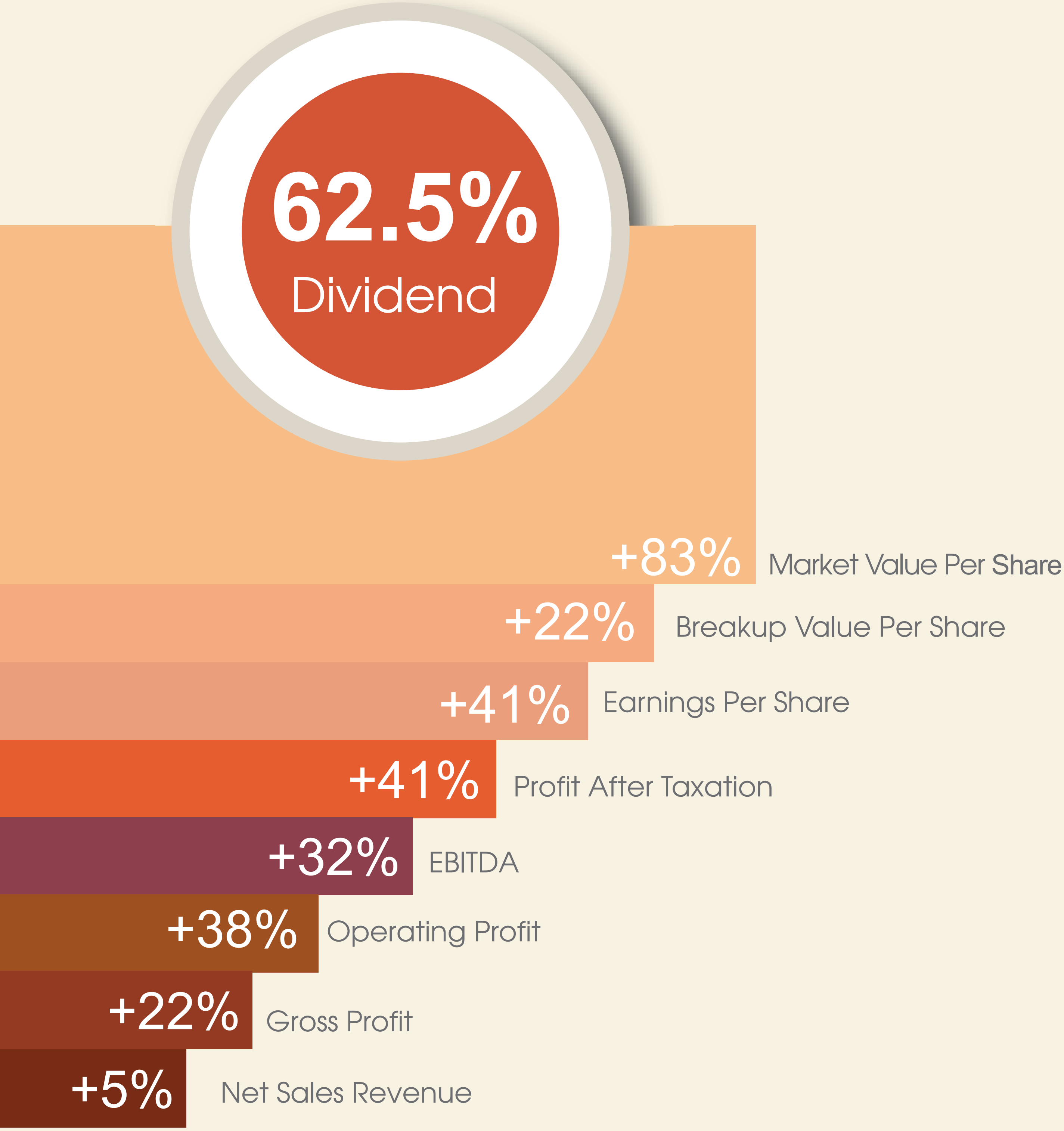
BUSINESS ETHICS

- Transparency and justice
- Sound business policies and compliance of law
- Judicious use of Company's resources
- Avoidance of conflict of interest
- Integrity at all levels

STRATEGIC GOALS

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

HIGHLIGHTS OF 2015



QUARTER 04

Gross profit ratio	42%
Operating profit ratio	37%
Profit after tax ratio	27%
Earnings per share	Rs. 2.8
Market value per share	Rs. 85.29
Cash dividend per share	Rs. 4
Dividend payout ratio	143%

QUARTER 03

Gross profit ratio	39%
Operating profit ratio	39%
Profit after tax ratio	27%
Earnings per share	Rs. 2.50
Market value per share	Rs. 78.6

QUARTER 02

Gross profit ratio	38%
Operating profit ratio	62%
Profit after tax ratio	45%
Earnings per share	Rs. 4.06
Market value per share	Rs. 85.61
Cash dividend per share	Rs. 2.25
Dividend payout ratio	55%

QUARTER 01

Gross profit ratio	30%
Operating profit ratio	29%
Profit after tax ratio	20%
Earnings per share	Rs. 1.62
Market value per share	Rs. 52.83

MILESTONES

1986
Incorporation as a public limited company

1992
Commissioning of production line-I and listing of shares

1994
Commencement of production with capacity of 2000 tons clinker per day

2001
Switchover from furnance oil to coal firing system

2004
Commissioning of production line-II

2005
Capacity optimization of production line-I to 2350 tons clinker per day

2006
Commencement of production line-II with capacity of 4300 tons of clinker per day

2007
Achieved 'Brand of the Year' award

2014
Received 'Professional Excellence Awards' from ICAP

2015
Dividend of Rs. 6.25 per share (62.5%) with all times higher Profit after tax of Rs. 2,496 million

QUALITY POLICY

We are 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 customers' 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 and the management are committed to communicate and maintain this policy at all levels of the Company and achieve continual improvement through teamwork.

Pioneer Cement Meets and Exceeds the Product Quality Requirements to Achieve Customers' Satisfaction

ENVIRONMENTAL INITIATIVES

Cement industry is considered to be unfriendly to the environment because of its inherent processes. However, with the development of technology, our modern plants are equipped with dust collecting equipments which help to reduce the pollution.

Due to conversion from oil to coal firing system 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 was awarded ISO 9001: 2008 for quality management and ISO 14001: 2004 for Environmental Management System after successful completion of audit by TUV Austria. This shows the commitment of the management 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.

In September 2014 we were aslo awarded Green Office Diploma of WWF Pakistan after complying with the criteria set for reducing the consumption of natural resources.


DIPLOMA

WWF GREEN OFFICE

Pioneer Cement Limited.

P.B. No. 60, Jouharabad, District Khushab

This Diploma has been awarded for Compliance with the Green Office Criteria. The purpose of the criteria is to reduce the consumption of natural resources.

Pioneer Cement Limited implements an environmental management system. The system has WWF- Pakistan Green Office Label.

30-09-2014

This diploma is valid for one year from the date of issue.

Hammad Naqi Khan
CEO

Anwar Nasim
Sr. Director Operations & CR

Ensuring Environment Friendly Operations, Products and Services

CERTIFICATE

TÜV AUSTRIA

Management System as per
EN ISO 9001 : 2008

In accordance with TÜV AUSTRIA HELLAS procedures, it is hereby certified that

Pioneer Cement Limited
P.O. Box # 50 Jauharabad, Chenki District - Khushab
Pakistan.

Applies a Quality Management System in line with the above Standard for the following Scope

Manufacturing of Port Land Cement.

Certificate Registration No.: 01013475

Valid until: 2016-01-16
Initial certification: 2013-01-17

Certification Body
at TÜV AUSTRIA HELLAS

Athens, 2013-07-15

This certification was conducted in accordance with TÜV AUSTRIA HELLAS auditing and certification procedures and is subject to regular surveillance audits.

TÜV AUSTRIA HELLAS
429, Mesogeion Ave.
GR-153 43 Athens, Greece
www.tuvaustriahellas.gr

TÜV AUSTRIA GROUP

CERTIFICATE

TÜV AUSTRIA

Management system as per
EN ISO 14001:2004

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

Pioneer Cement Limited

Chenki Jauharabad, District Khushab
Jauharabad - Pakistan

applies a management system in line with the above standard for the following scope

manufacturer of ordinary portland and sulphate resistant cement

Certificate Registration No. 20 104 14162975

Valid until 2017-12-21

Certification Body
at TÜV AUSTRIA CERT GMBH

Vienna, 2014-12-13

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.
TÜV AUSTRIA CERT GMBH Krugerstraße 16 A-1015 Wien www.tuv.at

SOCIAL OBLIGATIONS

PCL has been giving due importance to its social obligations particularly in areas surrounding the plant.

Primary schools for boys and girls were constructed and are being managed by the Company.

A dispensary was established to cater the medical needs of the workers as well as villagers residing in the vicinity of the plant.

A mosque has been constructed in Chenki village and is being maintained by the Company.

A 15 km metal road was widened for the convenience of residents of Jabbi and Chenki villages.

Donations were extended for construction of educational block in District Public School, Khushab and Divisional Public School, Jauharabad. We also provide technical support to Vocational Training Institute, Quaidabad

PCL plays an active role in Khushab District Industrial Association.

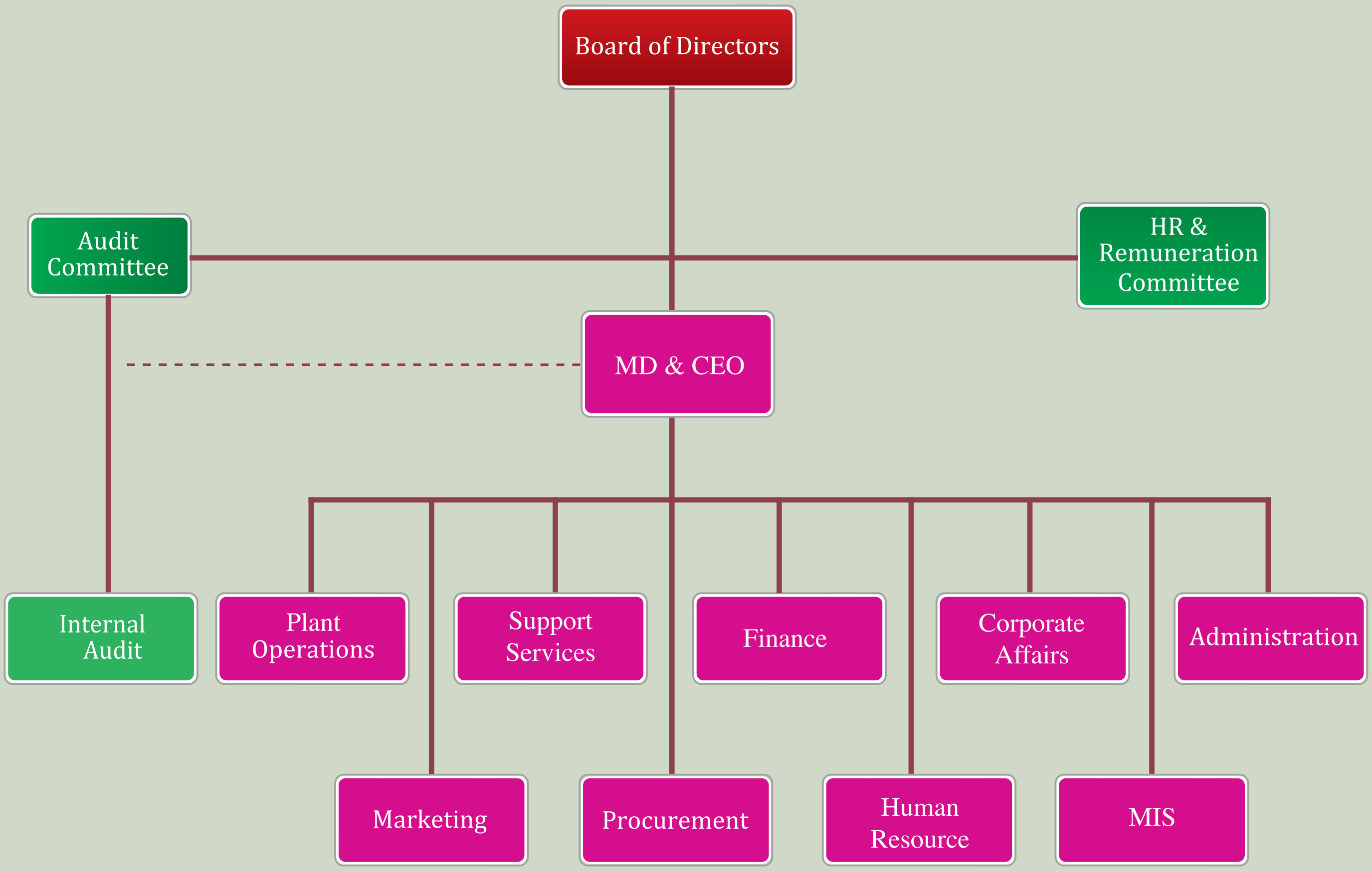
In addition to fulfilling social obligations in the adjoining areas, the Company also made donations to organizations like TB Centre, Family Support Programs, Emergency Response Centre and SOS schools.

We have fulfilled our commitment and have contributed towards the construction of a new visiting faculty residence at the Institute of Business Administration, Karachi.

Pioneer Cement Limited has been Giving Due Importance to its Social Obligations Particularly in Areas Surrounding the Plant


PIONEER
CEMENT LTD

ORGANIZATION STRUCTURE



BOARD OF DIRECTORS

From Left to Right

Sitting:

Mr. Rafique Dawood
Mr. Shafiuddin Ghani Khan
Mr. Jamal Nasim

Standing:

Mirza Ali Hassan Askari
Shaikh Javed Elahi
Syed Mazher Iqbal
Mr. Mohammad Aftab Alam
Mr. Faisal Imran Hussain Malik

AUDIT COMMITTEE

Mr. Rafique Dawood | Mr. Shafiuddin Ghani Khan | Mr. Jamal Nasim | Mr. Mohammad Aftab Alam

HR & REMUNERATION COMMITTEE

Mr. Shafiuddin Ghani Khan | Syed Mazher Iqbal | Mr. Mohammad Aftab Alam

DIRECTORS' REPORT

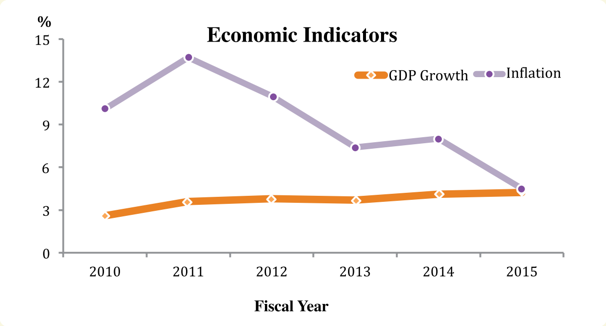
In the name of Allah, the most Gracious, the most Merciful.

The directors are pleased to present the annual report of your company and its audited financial statements for the year ended June 30, 2015.

THE ECONOMY

The economy of Pakistan performed well during the fiscal year 2014-15 despite some on-going challenges of scarcity of energy and security matters. Some positive developments were:

- Inflation reduced to 3.25% in June 2015 verses 8.2% in June 2014.
- Credit rating of Pakistan upgraded by international rating agencies.
- State Bank discount rate reduced to 7% is the lowest in last 42 years.
- Current account deficit curtailed to USD 1.364 billion during July 2014 – April 2015 against USD 2.931 billion in the corresponding period last year.
- Foreign exchange reserves increased to USD 18,706 million which were hovering at USD 14,141 million at the start of the fiscal year.



THE CEMENT INDUSTRY

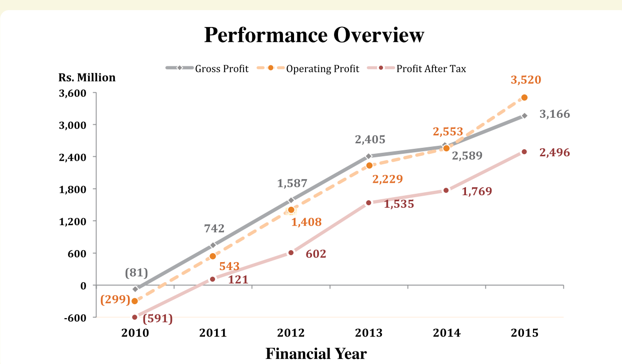
Cement sector of Pakistan achieved a modest volumetric growth of 3.2% with total dispatches of 35.4 million tons compared to 34.3 million tons sold last year. Domestic dispatches of cement have increased by 7.9%, achieving sales volume of 28.2 million tons. However exports declined to 7.2 million tons versus 8.14 million tons achieved last year mainly due to declining demand and prices in Afghanistan.

	2015	2014	Variance	
	.....Million Tons.....			%
Local	28.2	26.2	2	7.9
Export	7.2	8.1	(0.9)	(11.1)
Total	**35.4**	**34.3**	**1.1**	**3.2**

COMPANY PERFORMANCE

Alhamdolillah, the dedicated employees of your company have contributed to commendable financial results for the last three years, consistently improving the performance on a sustainable basis. This year also, the bar has been raised further, reporting best financial results in Pioneer's history vividly shown in the graph below.

Your company achieved gross revenue of Rs. 10,614.9 million, earned gross profit of Rs. 3,165.5 million and before tax profit of Rs. 3,501.5 million which resulted in growth of 5.8%, 22.3% and 44.1% respectively over last year. The net profit after tax for the year of Rs. 2,496.1 million is 41.1% higher than Rs. 1,768.9 million earned last year.



Production and Sales Volume

In line with the market demand and declining exports, clinker production was reduced by 14.7% over last year while the plant capacity utilization remained at 50.8%. Cement production of 1,210,345 tons this year was slightly higher than last year. The domestic shipments increased to 1,143,411 tons registering an increase of 9.1%. However exports declined from 141,834 tons last year to 68,241 tons this year due to waning demand and slackening export prices in Afghanistan.

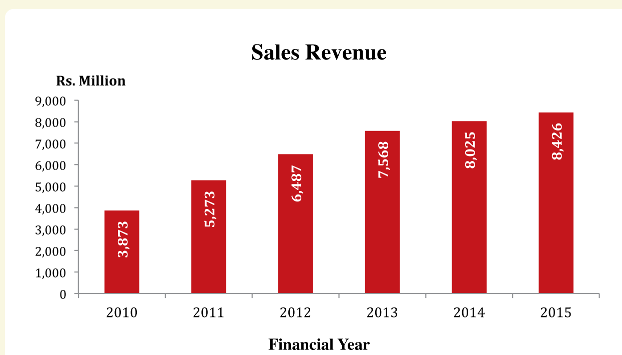
A summary of the production and sales volume is given below:

	2015	2014	Variance	
	...............Tons...............			%
Production Capacity	1,995,000	1,995,000	-	-
Clinker Production	1,014,240	1,188,725	(174,485)	(14.7)
Cement Production	1,210,345	1,194,360	(15,985)	1.3
Domestic Sales	1,143,411	1,048,378	95,033	9.1
Exports	68,241	141,834	(73,593)	(51.9)
Total Sales	**1,211,652**	**1,190,212**	**21,440**	**1.8**

Revenue and Production Cost

The gross sales revenue of Rs. 10,614.9 million is 5.8% higher than last year. Similarly, net sales revenue of Rs. 8,425.8 million is an increase of 5% over Rs. 8,024.8 million achieved last year mainly due to 9.1% increase in domestic sales volume.

	2015	2014	Variance	
	....Rupees '000'....			%
Net Sales Revenue	8,425,768	8,024,777	400,991	5.0
Cost of Sales	5,260,265	5,435,809	(175,544)	(3.2)



The cost of sales of Rs. 5,260.3 million is an overall reduction of 3.2% over last year's cost of sales of Rs. 5,435.8 million. This year cost per ton of cement produced was Rs. 4,341 which is 5% less than last year. This reduction was attributable to control on production expenses as well as decline in coal prices and improved efficiency in utilization of coal.

Operating and Financing Costs

The distribution cost of Rs. 56.9 million is an increase of 7.2% over last year, while administration cost of Rs. 71.0 million is 11.2% higher than last year. This mainly represents increase in salaries and general inflation.

Other operating expenses mainly comprise contributions to workers profit participation and workers welfare funds. Both expenses increased in proportion to increase in profit for the year. Included in other operating expenses is a write off of Rs. 50.7 million on upgradation of grate cooler and replacement of kiln burner.

The financing cost of Rs. 56.3 million is a 63.7% reduction over Rs. 155.2 million incurred last year. This reduction was due to repayment of foreign currency loans, lower interest rates and efficient working capital management.

Profitability

Gross profit for the year of Rs. 3,165.5 million is an increase of 22.3% over Rs. 2,589.0 million earned last year. This was made possible by higher domestic sales volume, better retention prices and well managed cost of production. The operating profit of Rs. 3,520.3 million is an increase of 37.9% over last year's operating profit of Rs. 2,553.2 million. It includes a one-time gain of Rs. 557.9 million on final settlement of long outstanding foreign currency loans.

Your company earned a net profit after tax of Rs. 2,496.1 million, an increase of 41.1% over Rs. 1,768.9 million earned last year.

A summary of the profitability of PCL is shown below:

	2015	2014	Variance	
	....Rupees '000'....			%
Gross Profit	3,165,503	2,588,968	576,535	22.3
Operating Profit	3,520,299	2,553,204	967,095	37.9
Net Profit	2,496,135	1,768,859	727,276	41.1
Earnings Per Share (Rs.)	10.99	7.79	3.2	41.1

Earnings Per Share

Based on the net profit after tax of Rs. 2,496.1 million for the year, earning per share is at all times high of Rs. 10.99 compared with Rs. 7.79 last year.

Dividends

The Board of Directors in its meeting on September 17, 2015 has recommended a final cash dividend of 40% (Rs. 4.00 per share) for the year. This is in addition to the interim cash dividend of 22.5% (Rs. 2.25 per share) paid earlier by the Company resulting in an aggregate cash dividend of 62.5% (Rs. 6.25 per share).

THE BOARD

The Board comprises of six non-executive directors including the Chairman and two executive directors including the CEO. The position of the Chairman and the CEO are kept separate in line with the recommendation of the Code of Corporate Governance.

Board of Directors Meetings

During the year the Board of Directors held four meetings. The number of meetings attended by each director is summarized below:

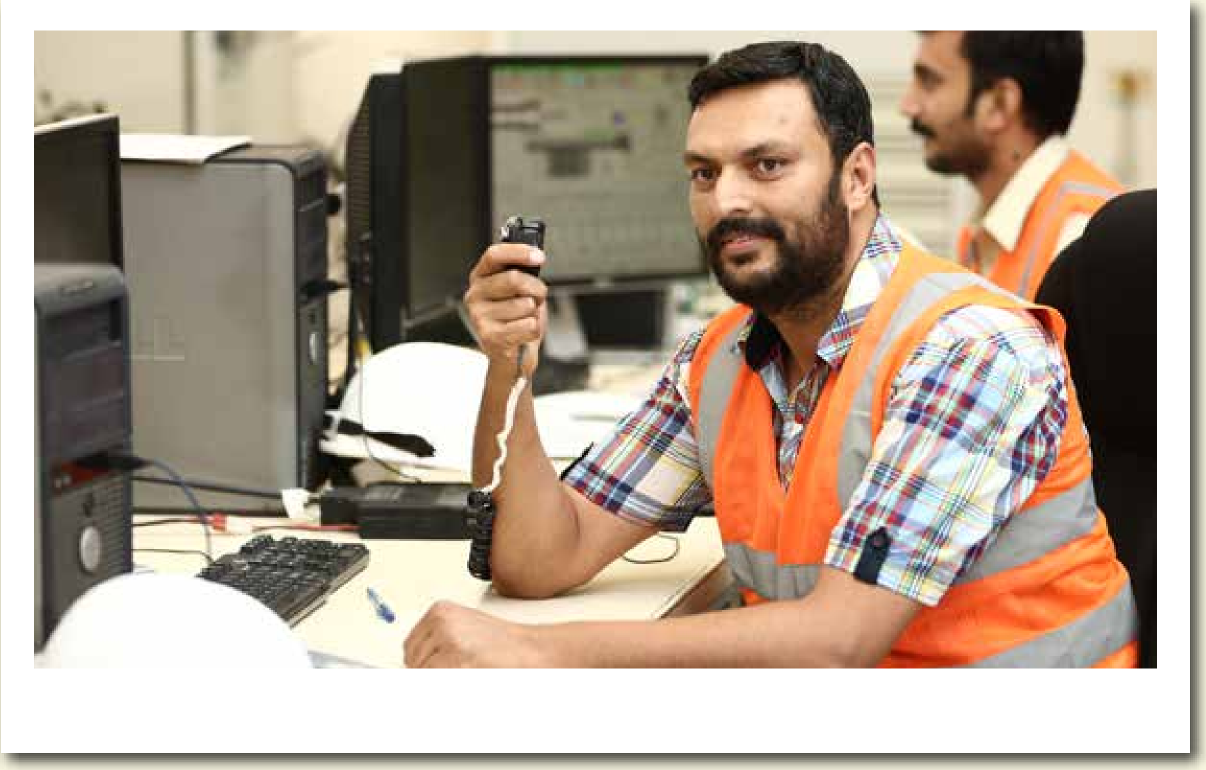
Name of Director	Attendance
Mr. Shafiuddin Ghani Khan (Chairman)	4
Syed Mazher Iqbal (CEO)	4
Mr. Mohammad Aftab Alam	3
Mr. Jamal Nasim	3
Mr. Faisal Imran Hussain Malik	2
Mr. Rafique Dawood	4
Mirza Ali Hassan Askari	2
Shaikh Javed Elahi	3
Syed Anwer Ali *	2
Mr. Muhammad U. Vawda **	2
Mr. Zubair Ahmed - NBP *	1

* Retired on October 30, 2014

** Alternate Director for Mr. Cevdet Dal who also retired on October 30, 2014

Board Committees

In line with the requirements of the Code of Corporate Governance, the Board of Directors has formed two committees; these are the Audit Committee and the Human Resource & Remuneration Committee.



Audit Committee

The Audit Committee comprises of four non-executive directors. During the year four meetings were held and the number of meetings attended by each member is given below:

Name of Member	Attendance
Mr. Rafique Dawood (Chairman)	4
Mr. Shafiuddin Ghani Khan	4
Mr. Mohammad Aftab Alam	3
Mr. Jamal Nasim	3
Mr. Zubair Ahmed *	1

* Retired during the year

HR & Remuneration Committee

The Committee is responsible for recommending the human resource management policies to the Board. It also assists the Board in the selection and performance evaluation of CEO, CFO, Company Secretary and the Head of Internal Audit and in determining their compensation.

The Committee consists of two non-executive directors and one executive director as follows:

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board reviews the strategic direction of the company on regular basis. The business plan and budgetary targets set by the Board are also reviewed regularly. The Board is committed to maintaining a high standard of corporate governance and ensures comprehensive compliance of the Code of Corporate Governance of the Securities and Exchange Commission of Pakistan.

The Board is pleased to confirm the following:

a) The financial statements prepared by the management of PCL present fairly its state of affairs, the result of its operations, its cash flows position and changes in its equity.

b) Proper books of account have been maintained.

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

d) International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements and any departure from the Standards has been adequately disclosed.

e) The existing system of internal controls and procedures is regularly reviewed. This is formulized by the Board's Audit Committee and is updated when required.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance.

h) The Statement of Ethics and Business Strategy is prepared and circulated amongst the directors and employees.

i) The Board has adopted a mission statement and a statement of overall corporate strategy.

j) As required by the Code of Corporate Governance, statements regarding the following are annexed:

   i. Key operating and financial data for six years
   ii. Statement of Pattern of Shareholding
   iii. Statement of shares held by associated companies, entities and related persons
   iv. Statement of other information

CORPORATE SOCIAL RESPONSIBILITY

Quality Assurance

Our continuous focus on maintaining high standard of work was recognized by TUV Austria Group. Based on the audit of our production facilities at the Chenki plant, we were awarded two certificates ISO 9001 : 2008 for quality management system and ISO 14001

: 2004 for environmental management system. Plans are in place to ensure that we fulfill occupational health and safety management system requirements of the International Organization for Standardization (ISO) when it issues ISO 45001 in 2016.

Also, in September 2014 we were awarded Green Office Diploma of WWF Pakistan after complying with the criteria set for reducing the consumption of natural resources.

Gaseous and Dust Emission

The Company is dedicated to maintaining 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

PCL provides employees the required tools and devices for protection from the inherent noises at the plant. A separate Safety Department exists to promote compliance with the safety related rules and practices. It also ensures adherence to these rules. Such rules and practices are reviewed and evaluated periodically and all necessary measures are taken to avoid any undesired event.

Community Welfare

As a responsible corporate citizen, your company is constantly contributing towards the welfare of the society by playing an active role in various community development programs. These include, inter alia, running of a medical dispensary and a primary school at the Chenki village and assistance to the Divisional Public School at Jauharabad.

We are also actively participating in meeting the socio-economic needs of our local communities. During the year we have fulfilled our commitment and have contributed towards the cost of expansion of the Institute of Business Administration – a premier business educational institution in Pakistan.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 3,020.3 million (2014: Rs. 2,099.8 million) into the Government Treasury on account of income taxes, levies, sales tax and excise duty.

EMPLOYEE WELFARE

Provident Fund and Gratuity

The Company operates a funded Provident Fund Scheme for all permanent employees. The contracted employees below the age of 60 years are provided with an unfunded Gratuity Scheme. The un-audited fair value of the investments of the Provident Fund at June 30, 2015 was Rs.128.3 million (2014: Rs.108.6 million - audited).

Medical Care

In line with our policy, all eligible employees, their spouse(s) and children are provided full medical care including hospitalization facilities. This assistance provides them peace of mind and allows them to concentrate on discharging their professional duties with zest and zeal.

Human Capital

The Company recognizes its human resource as one of its valuable assets. Employees with high performance are recognized for their hard work to create a conducive environment and to motivate other employees for better performance. Multiple in-house seminars and conferences were arranged during the year to promote HR policies and objectives and to educate the employees in this regard.

DIRECTORS' TRAINING

The Code of Corporate Governance requires us to make appropriate arrangements to conduct orientation and training courses for their directors. The Chairman of the Board attended directors' training program conducted by the Pakistan Institute of Corporate Governance.

AUDITORS

Messrs Grant Thornton Anjum Rahman chartered accountats retire and offer themselves for reappointment. The Borad has recommended the appointment of Messrs Grant Thornton Anjum Rahman as suggested by Audit Committee.

FUTURE OUTLOOK

The GDP is expected to grow 5.5% in fiscal year 2015-16 and continue its trajectory to achieve 7% growth in fiscal year 2017-18. Falling oil prices in the international market is a boon and appropriate Government measures to restrict inflation shall help in achieving such targets. However, any law and order situation and power shortages may hinder in the achievement of these goals.

The cement sector of Pakistan is fairly optimistic about the Government announced mega projects, including Pakistan – China Economic Corridor, Karachi – Lahore motorway and Bhasha and Bunji dams. Stable political and economic environment will help in yielding economic benefits to the industry and the nation at large.

Your company is committed to continue to improve the efficiency of the plant through rationalization and optimization of production facilities. After installing this year an improved grate cooler and an improved burner along with other equipment, we are reviewing other opportunities for further improving the production cycle.

The Company has also signed an agreement with CITIC Heavy Industries Company Limited of China for the procurement and installation of a 12MW Waste Heat Recovery Power Plant. This plant will not only provide low cost power but will also help to reduce the Company's dependence on the National Grid.

ACKNOWLEDGEMENT

The directors would like to take this opportunity to express their gratitude to all the stakeholders including our customers, financial institutions, sponsors and the shareholders for their trust and cooperation.

The Board also recognizes the devotion and efforts of the employees which made the record financial results possible and expects the same zeal and conviction in the future to take PCL to new horizons.

On behalf of the Board

Syed Mazher Iqbal
Chief Executive Officer

September 17, 2015

CHENKI PLANT

EXECUTIVES AT HEAD OFFICE

EXECUTIVES AT PLANT

FINANCIAL HIGHLIGHTS

Six years at glance

	2015	2014	2013	2012	2011	2010
			Tons '000'			
Production and Sales						
Clinker Production	1,014	1,189	1,086	1,179	1,189	1,163
Cement Production	1,210	1,194	1,232	1,178	1,285	1,267
Cement / Clinker Dispatches						
Domestic Market	1,143	1,048	1,033	989	1,003	1,082
International Market	68	141	201	200	275	192
	1,211	1,190	1,234	1,189	1,278	1,274
Utilization of installed capacity	51%	60%	54%	59%	60%	58%
			Rs. 'Million'			
Financial Position						
Assets employed						
Property plant and equipment	7,330.7	7,575.7	7,860.7	8,131.2	8,614.0	8,937.9
Other long term assets	109.5	39.4	39.7	38.3	49.2	53.6
Current assets	4,674.2	4,262.0	3,701.8	1,941.0	1,184.2	1,334.0
Total Assets	12,114.4	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5
Financed by						
Shareholders' equity	6,720.3	5,134.8	4,442.7	3,136.5	2,466.6	2,218.2
Surplus on revaluation of fixed assets-net of tax	1,612.8	1,667.6	1,726.5	1,781.5	2,058.8	2,120.6
Long term liabilities	2,138.4	3,543.5	3,719.6	3,602.8	3,475.6	3,648.2
Other current liabilities	1,642.9	1,531.2	1,713.3	1,589.7	1,846.4	2,338.4
Total funds invested	12,114.4	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5
Turnover and profit / (loss)						
Net turnover	8,425.8	8,024.8	7,568.4	6,487.1	5,272.9	3,872.8
Gross profit / (loss)	3,165.5	2,589.0	2,405.4	1,587.0	741.7	(81.0)
Operating profit / (loss)	3,520.3	2,553.2	2,228.9	1,408.4	542.9	(299.2)
Profit / (loss) before taxation	3,501.5	2,430.0	2,248.4	924.3	71.8	(859.3)
Profit / (loss) after taxation	2,496.1	1,768.9	1,535.1	601.5	120.7	(590.9)
EBITDA	3,869.6	2,950.0	2,606.2	1,775.3	922.1	92.7
Earnings / (loss) per share (Rs.)	11.0	7.8	6.8	2.7	0.5	(2.9)
Breakup value per share (Rs.)	36.7	29.9	27.2	21.7	19.9	19.5
Cash flow summary						
Net cash generated from / (used) in operating activities	2,556.7	2,267.3	2,801.6	1,189.9	895.8	(121.8)
Net cash used in investing activities	457.1	(810.1)	(854.2)	(31.0)	(32.0)	(34.0)
Net cash outflow from financing activities	(1,812.3)	(2,031.5)	(751.5)	(1,040.2)	(769.4)	52.4
Increase / (decrease) in cash and cash equivalents	1,201.5	(574.4)	1,195.9	118.7	94.3	(103.4)
Cash and cash equivalents at beginning of the year	890.4	1,464.8	268.9	150.2	55.9	159.3
Cash and cash equivalents at end of the year	2,091.9	890.4	1,464.8	268.9	150.2	55.9

FINANCIAL PERFORMANCE
Financial Ratios

	2015	2014	2013	2012	2011	2010
			%			
Profitability ratios						
Gross profit / (loss) to sales	37.57	32.26	31.78	24.46	14.07	(2.09)
Operating profit / (loss) to sales	41.78	31.82	29.45	21.71	10.30	(7.72)
Net profit / (loss) before tax to sales	41.56	30.28	29.71	14.25	1.36	(22.19)
Net profit / (loss) after tax to sales	29.63	22.04	20.28	9.27	2.29	(15.26)
EBITDA to sales	45.93	36.76	34.44	27.37	17.49	2.39
Return on equity (after tax)	109.89	77.87	67.58	26.48	5.31	(26.53)
Return on capital employed	33.74	28.70	27.27	25.07	9.97	(5.52)
Liquidity ratios (Times)						
Current ratio	2.78:1	1.43:1	1.08:1	0.43:1	0.27:1	0.27:1
Acid test ratio	1.93:1	0.86:1	0.7:1	0.1:1	0.08:1	0.05:1
EBITDA to current Liabilities	2.30:1	0.99:1	0.76:1	0.4:1	0.21:1	0.02:1
Cash to current liabilities	1.24:1	0.3:1	0.43:1	0.06:1	0.03:1	0.01:1
Cash flow from operating activities to sales	0.30:1	0.28:1	0.37:1	0.18:1	0.17:1	(0.03):1
Activity / turnover ratios (Times)						
Inventory turnover	3.36	3.61	3.71	4.24	4.77	4.61
No. of days to inventory	108.66	101.13	98.33	86.04	76.46	79.26
Debtors turn over	173.40	180.57	235.26	323.69	238.03	143.54
No. of days in receivables	2.10	2.02	1.55	1.13	1.53	2.54
Creditors turnover	5.81	5.84	6.03	6.51	5.69	5.16
No. of days in payables	62.81	62.52	60.48	56.08	64.18	70.76
Operating cycle	47.95	40.63	39.40	31.09	13.82	11.04
Total assets turnover (%)	69.55	67.57	65.23	64.16	53.55	37.51
Fixed assets turnover (%)	113.85	105.93	96.28	79.78	61.21	43.33
Investment valuation ratios (Rs.)						
Earnings / (loss) per share	10.99	7.79	6.76	2.65	0.54	(2.87)
Price / earning ratio (Times)	7.76	5.99	4.34	3.47	10.22	(2.22)
Market value per share as on June 30	85.29	46.66	29.37	9.20	5.52	6.37
Cash dividend per share	6.25	4.25	4.00	-	-	-
Dividend payout ratio (%)	56.87	54.56	59.17	-	-	-
Capital structure ratios (Times)						
Debt / equity ratio	20:80	34:66	38:62	42:58	43:57	46:54
Interest coverage ratio	62.50	16.45	13.09	4.29	1.52	(0.76)
Financial leverage ratio (%)	17.34	17.62	17.27	6.91	9.32	10.44

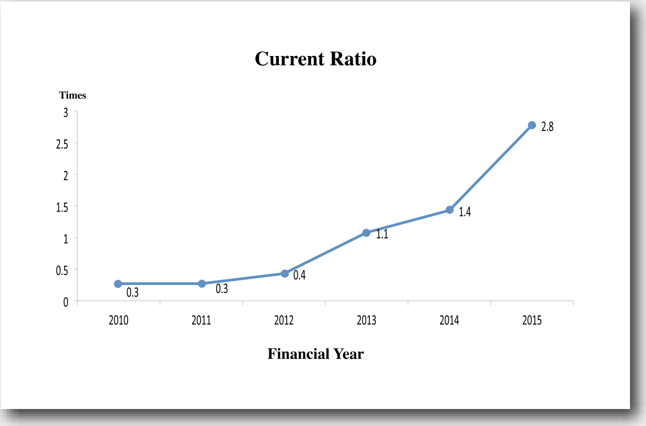
ANALYSIS OF BALANCE SHEET

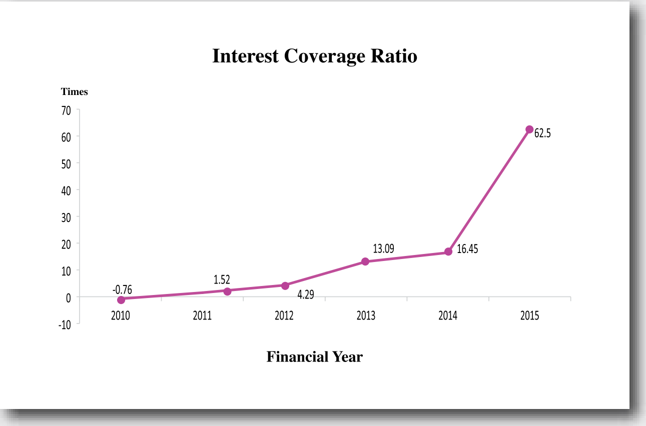
	2015	2014	2013	2012	2011	2010
			Rs. 'Million'			
Share capital and reserves	6,720.3	5,134.8	4,442.7	3,136.5	2,466.6	2,218.2
Surplus on revaluation of fixed assets	1,612.8	1,667.6	1,726.5	1,781.5	2,058.8	2,120.6
Long term liabilities	2,138.4	3,543.5	3,719.6	3,602.8	3,475.6	3,648.2
Current liabilities	1,642.9	1,531.2	1,713.3	1,589.7	1,846.4	2,338.4
Total equity and liabilities	12,114.4	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5
Non current assets	7440.2	7,615.1	7,900.4	8,169.5	8,663.2	8,991.5
Current assets	4674.2	4,262.0	3,701.8	1,941.0	1,184.2	1,334.0
Total assets	12,114.4	11,877.1	11,602.2	10,110.5	9,847.4	10,325.5
Vertical analysis			%			
Share capital and reserves	55.47	43.23	38.29	31.02	25.05	21.48
Surplus on revaluation of fixed assets	13.31	14.04	14.88	17.62	20.91	20.54
Long term liabilities	17.65	29.84	32.06	35.63	35.29	35.33
Current liabilities	13.56	12.89	14.77	15.72	18.75	22.65
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	61.42	64.12	68.09	80.80	87.97	87.08
Current assets	38.58	35.88	31.91	19.20	12.03	12.92
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis						
Cumulative						
Share capital and reserves	202.96	131.48	100.28	41.40	11.20	100
Surplus on revaluation of fixed assets	(23.95)	(21.37)	(18.58)	(15.99)	(2.92)	100
Long term liabilities	(41.38)	(2.87)	1.96	(1.25)	(4.73)	100
Current liabilities	(29.74)	(34.52)	(26.73)	(32.02)	(21.04)	100
Total equity and liabilities	17.33	15.03	12.12	(2.08)	(4.63)	100
Non current assets	(17.25)	(15.31)	(15.30)	(9.14)	(3.65)	100
Current assets	250.39	219.49	262.71	45.50	(11.23)	100
Total assets	17.33	15.03	12.12	(2.08)	(4.63)	100
Year vs Year						
Share capital and reserves	30.88	15.58	41.65	27.16	11.20	(7.60)
Surplus on revaluation of fixed assets	(3.28)	(3.42)	(3.09)	(13.47)	(2.92)	(2.76)
Long term liabilities	(39.65)	(4.73)	3.24	3.66	(4.73)	(16.08)
Current liabilities	7.29	(10.63)	7.77	(13.90)	(21.04)	64.77
Total equity and liabilities	2.00	2.37	14.75	2.67	(4.63)	(0.21)
Non current assets	(2.30)	(3.61)	(3.29)	(5.70)	(3.65)	(3.60)
Current assets	9.67	15.13	90.71	63.91	(11.23)	30.71
Total assets	2.00	2.37	14.75	2.67	(4.63)	(0.21)

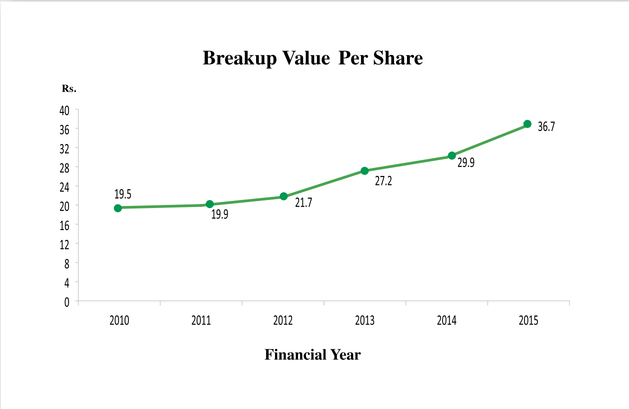
ANALYSIS OF PROFIT AND LOSS ACCOUNT

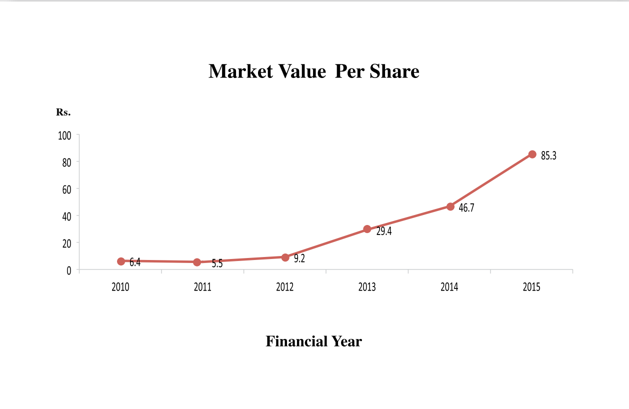
	2015	2014	2013	2012	2011	2010
	Rs. 'Million'					
Net turnover	8,425.8	8,024.8	7,568.4	6,487.1	5,272.9	3,872.8
Cost of sales	(5,260.3)	(5,435.8)	(5,163.0)	(4,900.2)	(4,531.2)	(3,953.8)
Gross profit / (loss)	3,165.5	2,589.0	2,405.4	1,587.0	741.7	(81.0)
Distribution cost	(57.0)	(53.1)	(90.0)	(78.8)	(150.6)	(158.8)
Administrative expences	(71.0)	(63.9)	(62.3)	(61.9)	(52.3)	(78.8)
Other income / (expences)	482.8	81.3	(24.2)	(37.9)	4.1	19.5
Operating profit / (loss)	3,520.3	2,553.2	2,228.9	1,408.4	542.9	(299.2)
Finance cost	(56.3)	(155.2)	(170.3)	(328.0)	(357.9)	(392.7)
Exchange gain / (loss)	37.5	32.0	189.7	(156.0)	(113.2)	(167.5)
Profit / (loss) before taxation	3,501.5	2,430.0	2,248.4	924.3	71.8	(859.3)
Taxation	(1,005.3)	(661.2)	(713.3)	(322.8)	48.8	268.4
Profit / (loss) after taxation	2,496.1	1,768.9	1,535.1	601.5	120.7	(590.9)
Vertical analysis	%					
Net turnover	100.0	100.00	100.00	100.00	100.00	100.00
Cost of sales	(62.4)	(67.74)	(68.22)	(75.54)	(85.93)	(102.09)
Gross profit / (loss)	37.57	32.26	31.78	24.46	14.07	(2.09)
Distribution cost	(0.7)	(0.66)	(1.19)	(1.21)	(2.86)	(4.10)
Administrative expences	(0.8)	(0.80)	(0.82)	(0.95)	(0.99)	(2.04)
Other income / (expences)	5.7	1.01	(0.32)	(0.58)	0.08	0.50
Operating profit / (loss)	41.78	31.82	29.45	21.71	10.30	(7.72)
Finance cost	(0.7)	(1.93)	(2.25)	(5.06)	(6.79)	(10.14)
Exchange gain / (loss)	0.4	0.40	2.51	(2.41)	(2.15)	(4.32)
Profit / (loss) before taxation	41.56	30.28	29.71	14.25	1.36	(22.19)
Taxation	(11.9)	(8.24)	(9.42)	(4.98)	0.93	6.93
Profit / (loss) after taxation	29.63	22.04	20.28	9.27	2.29	(15.26)
Horizontal analysis						
Cumulative						
Net turnover	117.56	107.21	95.42	67.50	36.15	100
Cost of sales	33.04	37.48	40.78	23.94	14.60	100
Gross profit / (loss)	3,808.99	3,097.05	2,870.34	1,859.69	815.94	100
Distribution cost	(64.13)	(66.54)	(43.36)	(50.39)	(5.20)	100
Administrative expences	(9.91)	(18.98)	(21.00)	(21.47)	(33.63)	100
Other income / (expences)	2,376.47	316.77	(224.19)	(294.22)	(79.15)	100
Operating profit / (loss)	1,076.72	753.45	645.06	370.78	81.47	100
Finance cost	(85.66)	(60.48)	(56.63)	(16.46)	(8.85)	100
Exchange gain / (loss)	(122.38)	(119.10)	(213.28)	(6.85)	(32.44)	100
Profit / (loss) before taxation	307.47	182.78	161.65	7.57	(91.64)	100
Taxation	(474.57)	(346.34)	(365.75)	(220.28)	(81.81)	100
Profit / (loss) after taxation	322.41	199.34	159.79	1.79	(79.58)	100
Year vs Year						
Net turnover	5.00	6.03	16.67	23.03	36.15	100
Cost of sales	(3.23)	5.28	5.36	8.14	14.60	100
Gross profit / (loss)	22.27	7.63	51.57	113.96	815.94	100
Distribution cost	7.20	(40.93)	14.16	(47.67)	(5.20)	100
Administrative expences	11.20	2.56	0.60	18.32	(33.63)	100
Other income / (expences)	494.20	(435.61)	(36.06)	(1,031.44)	(79.15)	100
Operating profit / (loss)	37.88	14.55	58.26	159.42	81.47	100
Finance cost	(63.70)	(8.87)	(48.09)	(8.35)	(8.85)	100
Exchange gain / (loss)	17.16	(83.14)	(221.61)	37.89	(32.44)	100
Profit / (loss) before taxation	44.09	8.08	143.24	1,186.95	(91.64)	100
Taxation	52.05	(7.30)	120.94	(761.17)	(81.81)	100
Profit / (loss) after taxation	41.12	15.22	155.21	398.56	(79.58)	100

GRAPHICAL PRESENTATION

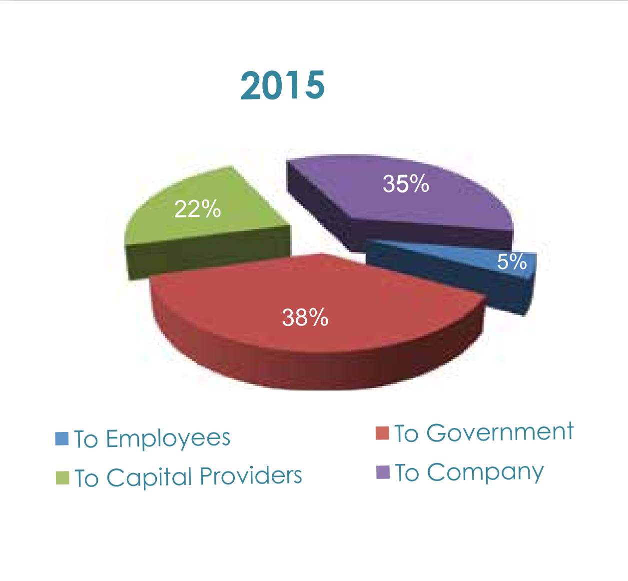


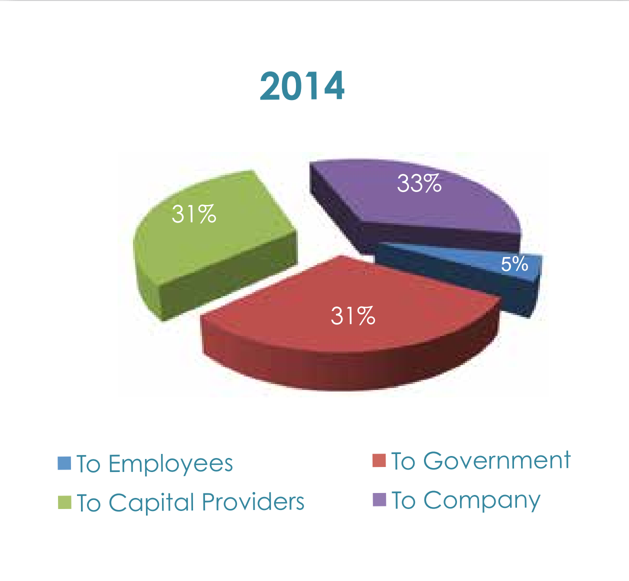






DISTRIBUTION OF WEALTH





PATTERN OF SHAREHOLDING

As at June 30, 2015

Number of Shareholders	------Shareholding------ From	To	Total
1,695	1	100	50,811
1,913	101	500	515,072
1,444	501	1,000	1,092,138
1,550	1,001	5,000	3,514,540
297	5,001	10,000	2,322,286
98	10,001	15,000	1,239,026
54	15,001	20,000	999,797
44	20,001	25,000	1,045,061
23	25,001	30,000	651,572
17	30,001	35,000	558,373
18	35,001	40,000	697,542
11	40,001	45,000	472,664
27	45,001	50,000	1,321,504
5	50,001	55,000	268,000
5	55,001	60,000	291,991
3	60,001	65,000	189,500
5	65,001	70,000	344,500
6	70,001	75,000	440,412
5	75,001	80,000	391,290
4	80,001	85,000	335,493
3	85,001	90,000	264,626
4	90,001	95,000	369,258
16	95,001	100,000	1,597,500
3	100,001	105,000	308,105
5	105,001	110,000	545,784
4	110,001	115,000	455,969
1	115,001	120,000	116,252
2	120,001	125,000	248,692
2	125,001	130,000	255,771
2	130,001	135,000	267,500
2	135,001	140,000	274,000
1	140,001	145,000	143,000
3	145,001	150,000	450,000
3	150,001	155,000	457,500
1	155,001	160,000	156,662
2	160,001	165,000	325,613
1	165,001	170,000	170,000
1	175,001	180,000	176,500
1	180,001	185,000	182,500
6	195,001	200,000	1,200,000
1	200,001	205,000	204,000
1	210,001	215,000	211,682
2	215,001	220,000	435,000
2	220,001	225,000	449,500
1	230,001	235,000	233,500
1	240,001	245,000	244,000
1	265,001	270,000	269,500
2	270,001	275,000	547,500
1	320,001	325,000	322,353

Number of Shareholders	------Shareholding------ From	To	Total
1	325,001	330,000	327,500
1	340,001	345,000	342,000
1	350,001	355,000	354,500
2	360,001	365,000	730,000
1	370,001	375,000	375,000
1	375,001	380,000	380,000
1	395,001	400,000	400,000
1	410,001	415,000	415,000
1	425,001	430,000	429,444
1	435,001	440,000	440,000
1	445,001	450,000	446,000
1	530,001	535,000	532,000
1	555,001	560,000	558,500
2	570,001	575,000	1,147,500
1	595,001	600,000	600,000
1	615,001	620,000	619,500
1	635,001	640,000	637,985
2	695,001	700,000	1,400,000
1	745,001	750,000	749,000
2	795,001	800,000	1,600,000
1	870,001	875,000	873,500
1	935,001	940,000	937,500
1	980,001	985,000	983,000
1	1,005,001	1,010,000	1,009,500
1	1,015,001	1,020,000	1,019,000
1	1,220,001	1,225,000	1,221,000
1	1,315,001	1,320,000	1,318,000
1	1,390,001	1,395,000	1,391,500
1	1,495,001	1,500,000	1,500,000
1	1,730,001	1,735,000	1,731,500
1	1,775,001	1,780,000	1,779,552
1	1,945,001	1,950,000	1,947,000
1	1,965,001	1,970,000	1,967,500
1	2,060,001	2,065,000	2,062,500
1	2,075,001	2,080,000	2,080,000
2	2,095,001	2,100,000	4,199,683
1	2,835,001	2,840,000	2,837,000
2	2,995,001	3,000,000	6,000,000
1	3,515,001	3,520,000	3,518,000
1	3,995,001	4,000,000	4,000,000
1	4,880,001	4,885,000	4,884,000
1	5,325,001	5,330,000	5,329,890
1	6,070,001	6,075,000	6,073,500
1	6,710,001	6,715,000	6,714,000
1	6,840,001	6,845,000	6,841,000
1	7,955,001	7,960,000	7,959,707
1	106,860,001	106,865,000	106,863,193
7,352			**227,148,793**

CATEGORY OF SHAREHOLDERS AND SHARES HELD

As at June 30, 2015

	Shares Held	Percentage
Directors, Chief Executive Officer, their spouses and minor childern	108,368	0.0477
Parent and associated companies, undertakings and related parties	-	-
NIT and ICP	38,597	0.0170
Banks, DFIs and NBFIs	12,139,970	5.3445
Insurance companies	119,000	0.0524
Modarabas and Mutual Funds	30,485,631	13.4210
Shareholders holding 10% or more	106,863,193	47.0455
General Public		
a. Local	40,446,704	17.8063
b. Foreign		
Others		
Leasing Companies	85,540	0.0377
Investment Companies	704,316	0.3101
Joint Stock Companies	17,103,245	7.5295
Pension Funds	872,752	0.3842
Foreign Companies	122,866,799	54.0909
Others	2,177,871	0.9588

OTHER INFORMATION
As at June 30, 2015

Name Wise Detail

		Shares Held	Percentage
Associated Companies, Undertakings and Related Parties		-	-
Mutual Funds			
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	26,500	0.0117
2	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	532,000	0.2342
3	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (CDC)	365,000	0.1607
4	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	2,100,000	0.9245
5	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	100,000	0.0440
6	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	109,000	0.0480
7	CDC - TRUSEE CROSBY DRAGON FUND (CDC)	78,000	0.0343
8	CDC -TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	200,000	0.0880
9	CDC -TRUSTEE FAYSAL ASSET ALLOCATION FUND - MT (CDC)	50,000	0.0220
10	CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND (CDC)	15,000	0.0066
11	CDC -TRUSTEE FAYSAL INCOME & GROWTH FUND - MT (CDC)	25,500	0.0112
12	CDC -TRUSTEE FAYSAL SAVING GROWTH FUND - MT (CDC)	68,500	0.0302
13	CDC -TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	20,000	0.0088
14	CDC - TRUSTEE FIRST HABIB INCOME FUND - MT (CDC)	47,000	0.0207
15	CDC - TRUSTEE FIRST HABIB STOCK FUND (CDC)	39,500	0.0174
16	CDC - TRUSTEE HBL MUSTAHKUM SARMAYA FUND 1 (CDC)	60,000	0.0264
17	CDC - TRUSTEE KASB ASSET ALLOCATION FUND (CDC)	110,000	0.0484
18	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	182,500	0.0803
19	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	1,391,500	0.6126
20	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	2,837,000	1.2490
21	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	216,000	0.0951
22	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	6,714,000	2.9558
23	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND (CDC)	354,500	0.1561
24	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I (CDC)	272,500	0.1200
25	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II (CDC)	85,000	0.0374
26	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND (CDC)	47,000	0.0207
27	CDC - TRUSTEE NAFA MULTI ASSET FUND (CDC)	204,000	0.0898
28	CDC - TRUSTEE NAFA STOCK FUND (CDC)	558,500	0.2459
29	CDC -TRUSTEE NATIOPNAL INVESTMENT (UNIT) TRUST (CDC)	429,444	0.1891
30	CDC -TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	110,000	0.0484
31	CDC - TRUSTEE PICIC GROWTH FUND (CDC)	6,073,500	2.6738
32	CDC - TRUSTEE PICIC INVESTMENT FUND (CDC)	3,518,000	1.5488
33	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND (CDC)	170,000	0.0748
34	CDC - TRUSTEE PICIC STOCK FUND (CDC)	155,000	0.0682
35	CDC - TRUSTEE PIML ISLAMIC EQUITY FUND (CDC)	14,000	0.0062
36	CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND (CDC)	61,500	0.0271
37	CDC - TRUSTEE PIML VALUE EQUITY FUND (CDC)	22,000	0.0097
38	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	415,000	0.1827
39	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	1,947,000	0.8571
40	CDC-TRUSTEE AL-AMEEN ISLAMIC RET, SAV. FUND-EQUITY SUB FUND (CDC)	130,000	0.0572
41	CDC-TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND (CDC)	22,500	0.0099
42	CDC-TRUSTEE NAFA ASSET ALLOCATION FUND (CDC)	446,000	0.1963
43	MCBFSL - TRUSTEE NAMCO BALANCED FUND (CDC)	100,000	0.0440
44	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	25,000	0.0110
45	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	25,000	0.0110

OTHER INFORMATION
As at June 30, 2015

		Shares Held	Percentage
Directors, their spouses and minor children			
1	SYED MAZHAR IQBAL	-	0.0000
2	MR. MOHAMMAD AFTAB ALAM (CDC)	100	0.0000
3	MIRZA ALI HASSAN ASKARI (CDC)	100	0.0000
4	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
5	MR. FAISAL IMRAN HUSSAIN MALIK (CDC)	3,550	0.0016
6	SHAIKH JAVED ELAHI	35,178	0.0155
7	MR. JAMAL NASIM (CDC)	50,000	0.0220
8	MR. RAFIQUE DAWOOD (CDC)	19,340	0.0085
Executives:		250	0.0001
Public Sector Companies & Corporations		-	-
Banks, DFIs, NBFCs, Insurance Companies, Modarabas and Pension Funds		13,230,449	5.8246%
Shareholders holding five percent or more voting intrests			
1	VISION HOLDING MIDLE EAST LIMITED (CDC)	106,863,193	47.0455

Trades in PCL shares by directors, executives including their spouses and minor children

	NAME	SALE	PURCHASE
1	MR. JAMAL NASIM (CDC)	50,000	-
2	MIRZA ALI HASSAN ASKARI (CDC)	-	100
3	MR. WAQAR NAEEM (Company Secretary)	2,000	-

STATEMENT OF COMPLIANCE

With Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the 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. PCL encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six non-executive directors.

   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
   Mirza Ali Hassan Askari

   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 PCL.

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. No casual vacancy occurred on the Board during the financial year.

5. The Company has prepared a Code of Conduct for its employees 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. 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 arranged when required.

10. There was no change in the position of the Company Secretary, Chief Financial Officer and Head of Internal Audit during the year.

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 the CEO and the 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 two independent and two non-executive directors. Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee members for compliance.

17. The Board has formed an HR & 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. 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 the 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.

S. M. Iqbal

SYED MAZHER IQBAL
Chief Executive Officer

September 17, 2015
Lahore

Grant Thornton
An instinct for growth™

Grant Thornton Anjum Rahman
1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.
T +92 42 37423 621-23, 37422 987-88
F +92 42 37425 485
www.gtpak.com

REVIEW REPORT TO THE MEMBERS

On Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2015 prepared by the Board of Directors of Pioneer Cement Limited (the Company) to comply with the Listing Regulation No. 35 of Karachi, Islamabad and Lahore Stock Exchanges 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 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 or 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 recommendations 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 requirement to the extent of approval of related party transactions by the Board of Directors upon recommendations 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 of Compliance 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 June 30, 2015.

Grant Thornton Anjum Rahman

CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Dated: September 17, 2015

CORPORATE INFORMATION

Company Secretary
Mr. Waqar Naeem

Chief Internal Auditor
Mr. Jamal-ud-Din

Statutory Auditors
Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors
Ale Imran & Co.
Chartered Accountants

Legal Advisor
Hassan & Hassan

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@pioneercement.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

Registered Office
135-Ferozepur Road, Lahore
Telephone: +92 (42) 37503570-2
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

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

Regional Offices

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

Multan Office
10-Officers Colony, Bosan Road,
Opp. Jinnah High School, Multan
Telephone: +92 (61) 6510404
Fax: +92 (61) 6510405

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

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

FINANCIAL STATEMENTS

Grant Thornton Anjum Rahman
1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.
T +92 42 37423 621-23, 37422 987-88
F +92 42 37425 485
www.gtpak.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pioneer Cement Limited ("the Company") as at June 30, 2015 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;

   (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 June 30, 2015 and of the profit, total 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.

e) The financial statements of the Company for the year ended June 30, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on September 18, 2014.

Grant Thornton Anjum Rahman

CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Dated: September 17, 2015

BALANCE SHEET

As at June 30, 2015

	Note	2015	2014
		Rupees in '000'	
ASSETS			
Non current assets			
Fixed assets			
Property, plant and equipment	5	7,330,673	7,509,383
Investment property	6	67,410	65,965
Intangible assets	7	2,805	329
		7,400,888	7,575,677
Long term deposits	8	39,323	39,368
		7,440,211	7,615,045
Current assets			
Stores, spare parts and loose tools	9	1,093,169	1,032,797
Stock in trade	10	331,586	674,265
Trade debts - unsecured	11	61,125	61,307
Loans and advances	12	17,771	15,659
Trade deposits and short term prepayments	13	2,390	1,087
Other receivables	14	70,011	4,721
Short term investments	15	1,006,176	1,581,784
Cash and bank balances	16	2,091,913	890,404
		4,674,141	4,262,024
TOTAL ASSETS		12,114,352	11,877,069
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	17	3,500,000	3,500,000
Issued, subscribed and paid-up share capital	18	2,271,489	2,271,489
Reserves		4,448,828	2,863,285
		6,720,317	5,134,774
Surplus on revaluation of fixed assets - net of tax	19	1,612,760	1,667,551
Non current liabilities			
Long term loans - secured	20	-	-
Long term financing - secured	21	337,369	562,304
Deferred liabilities	22	1,759,859	1,526,850
Long term deposits		3,930	3,450
		2,101,158	2,092,604
Current liabilities			
Trade and other payables	23	843,291	967,155
Accrued interest / mark up	24	8,778	303,648
Short term borrowings - secured	25	621,174	-
Current portion of non current liabilities	26	37,218	1,450,929
Provision for taxation - net		77,690	226,942
Sales tax payable		91,966	33,466
		1,680,117	2,982,140
		3,781,275	5,074,744
TOTAL EQUITY AND LIABILITIES		12,114,352	11,877,069
Contingencies and Commitments	27	-	-

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

PROFIT AND LOSS ACCOUNT
For the year ended June 30, 2015

	Note	2015	2014
		Rupees in '000'	
Sales - net	28	8,425,768	8,024,777
Cost of sales	29	5,260,265	5,435,809
Gross profit		3,165,503	2,588,968
Distribution cost	30	56,969	53,143
Administrative expenses	31	71,023	63,871
Other income	32	(808,977)	(271,580)
Other operating expenses	33	326,189	190,330
		(354,796)	35,764
Operating profit		3,520,299	2,553,204
Finance cost	34	56,323	155,177
Exchange gain - net		(37,481)	(31,992)
		18,842	123,185
Profit before taxation		3,501,457	2,430,019
Taxation	35	1,005,322	661,160
Profit after taxation		2,496,135	1,768,859
Basic and diluted earnings per share (Rs.)	36	10.99	7.79

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Statement of Comprehensive Income

For the year ended June 30, 2015

	2015	2014
	Rupees in '000'	
Profit after taxation	2,496,135	1,768,859
Other comprehensive income:		
Items that may be reclassified to profit and loss account	-	-
Items that will not be reclassified to profit and loss account subsequently	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2,496,135	1,768,859

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 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Cash Flow Statement
For the year ended June 30, 2015

	Note	2015	2014
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	3,778,791	2,464,579
Income tax paid		(932,593)	(66,362)
Paid to Workers' Profit Participation Fund		(280,506)	(118,337)
Gratuity and compensated absences paid		(8,962)	(12,595)
		(1,222,061)	(197,294)
Net cash flows from operating activities		2,556,730	2,267,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(291,594)	(110,879)
Intangible assets acquired		(3,228)	-
Proceeds from disposal of fixed assets		6,758	5,828
Decrease/ (increase) in long term deposits - net		525	(4,689)
Decrease/ (increase) in short term investments - net		744,665	(700,394)
Net cash flow from/ (used in) investing activities		457,126	(810,134)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term Musharaka finance repaid		(300,000)	(225,323)
Decrease in long term loans-net		(580,999)	-
Increase/ (decrease) in short term borrowings-secured-net		621,174	(497,086)
Finance cost paid		(505,109)	(243,961)
Dividend paid		(1,047,413)	(1,065,169)
Net cash used in financing activities		(1,812,347)	(2,031,539)
Net increase/ (decrease) in cash and cash equivalents		1,201,509	(574,388)
Cash and cash equivalents at the beginning of the year		890,404	1,464,792
Cash and cash equivalents at the end of the year	16	2,091,913	890,404

The annexed notes from 1 to 47 form an integral part of these financial statements.

V.M.Iqbal

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Changes in Equity

For the year ended June 30, 2015

	Issued, Subscribed and Paid-up Capital	Capital Reserve Share Premium	Revenue Reserve Accumulated Profit	Total Reserves	Total Equity
	-----	-----	Rupees in '000'	-----	-----
Balance as at July 01, 2013	2,271,489	197,517	1,973,677	2,171,194	4,442,683
Profit after taxation 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 dividend for the year ended June 30, 2014			(511,085)	(511,085)	(511,085)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	633,115	633,115	633,115
Surplus on revaluation of fixed assets realized-net	-	-	58,976	58,976	58,976
Balance as at June 30, 2014	2,271,489	197,517	2,665,768	2,863,285	5,134,774
Profit after taxation for the year	-	-	2,496,135	2,496,135	2,496,135
Final dividend for the year ended June 30, 2014	-	-	(454,298)	(454,298)	(454,298)
Interim dividend for the year ended June 30, 2015	-	-	(511,085)	(511,085)	(511,085)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,530,752	1,530,752	1,530,752
Surplus on revaluation of fixed assets realized-net	-	-	54,791	54,791	54,791
Balance as at June 30, 2015	2,271,489	197,517	4,251,311	4,448,828	6,720,317

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Notes to the Financial Statements

For the year ended June 30, 2015

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 manufacturing and sale of cement. The registered office of the Company is situated at 135, Ferozepur Road, Lahore . The Company's production facility is situated at Chenki, District Khushab in Punjab Province.

1.2 The Company commenced its operations with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons clinker per day. In financial year 2006, another production line of 4,300 tons per day 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 and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan. 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 4.4 & 4.10. 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 4.17);
b) determining the residual values and useful lives of property, plant and equipment (note 4.4);
c) post employment benefits (note 4.14);
d) impairment of inventories / adjustment of inventories to their net realizable value (note 4.8);
e) provision for doubtful debts / other receivables (note 4.9);
f) impairment of assets (note 4.24);
g) investment property (note 4.4.2) and
h) contingencies (note 27).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Standards, amendments or interpretations that became effective during the year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation		Effective Date
IFRS 2	Share Based Payment	July 01, 2014
IFRS 3	Business Combinations	July 01, 2014
IFRS 8	Operating Segments	July 01, 2014
IAS 16	Property, Plant and Equipment	July 01, 2014
IAS 19	Employee Benefits	July 01, 2014
IAS 24	Related Party Disclosures	July 01, 2014
IAS 27	Separate Financial Statements	January 01, 2014
IAS 32	Financial Instruments: Presentation	January 01, 2014
IAS 36	Impairment of Assets	January 01, 2014
IAS 38	Intangible Assets	July 01, 2014
IAS 40	Investment Property	July 01, 2014
IFRIC 21	Levies	July 01, 2014

The adoption of above amendments to IAS, IFRS and new interpretations did not have any significant effect on the financial statements.

4.2 Standards that are not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard		Effective Date
IFRS 5	Noncurrent Assets Held for Sale and Discontinued Operations	January 01, 2016
IFRS 7	Financial Instruments Disclosures	January 01, 2016
IFRS 10	Consolidated Financial Statements	January 01, 2015
IFRS 11	Joint Arrangements	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13	Fair Value Measurement	January 01, 2015
IAS 1	Presentation of Financial Statements	January 01, 2016
IAS 16	Property, Plant and Equipment	January 01, 2016
IAS 19	Employee Benefits	January 01, 2016
IAS 27	Separate Financial Statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures	January 01, 2015
IAS 34	Interim Financial Reporting	January 01, 2016
IAS 38	Intangible Assets	January 01, 2016
IAS 41	Agriculture: Bearer Plants	January 01, 2016

The Company is in process of assessing the impact of these Standards and amendments to the published standards on the financial statements of the Company.

4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

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

Standard		Effective Date
IFRS-9	Financial Instruments	January 1, 2018
IFRS-14	Regulatory Deferral accounts	January 1, 2016
IFRS-15	Revenue from Customers	January 1, 2018

The Company is in process of assessing the impact of these Standards on the financial statements of the Company.

4.4 Property, plant and equipment

4.4.1 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.

4.4.2 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 considering the effects of 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.

4.4.3 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks in current 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.

4.12 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets except investment property credited to the "Surplus on Revaluation of Fixed Assets account" 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 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.

4.13 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.

4.14 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 maximum liability 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.

4.15 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.

4.16 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.

4.17 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, tax losses, rebates and exemptions available, if any, or minimum taxation at the specified applicable rate for the turnover or Alternative Corporate tax, whichever is higher and tax paid on final tax regime. 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

4.22 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.

4.23 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.

4.24 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.

4.25 Dividend and appropriation reserves

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

4.26 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.

	Note	2015	2014
		Rupees in '000'	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	7,269,621	7,505,850
Capital work in progress	5.2	61,052	3,533
		7,330,673	7,509,383

5.1 Operating property, plant and equipment

	Note	COST / REVALUATION					DEPRECIATION				WRITTEN DOWN VALUE
		As at July 01 2014	Additions / transfers	Disposals / transfers	As at June 30 2015	Rate %	As at July 01 2014	Disposals / transfers	For the year	As at June 30 2015	As at June 30 2015
		----Rupees in '000'----					----Rupees in '000'----				
Owned											
Freehold land	5.1.1	68,328	-	-	68,328	-	-	-	-	-	68,328
Factory building on freehold land	5.1.1	1,830,295		(96,139)***	1,734,156	5	1,022,019	(27,196)***	73,718	1,068,541	665,616
Leasehold improvements		10,833		-	10,833	33.3	8,727	-	2,106	10,833	-
Roads and quarry development		56,008	-	-	56,008	20	56,008	-	-	56,008	-
Plant and machinery line I	5.1.1	4,217,360	8,504	-	4,225,864	Units of production method	2,663,652	-	109,916	2,773,568	1,452,296
Plant and machinery line II	5.1.1	5,615,776	53,927 144,725* 222,235**	(65,503)****	5,971,160	Units of production method	912,213	42,458** (12,805)****	138,368	1,080,234	4,890,926
Coal firing system	5.1.1	289,743	-	-	289,743	Units of production method	162,608	-	6,862	169,470	120,273
Furniture and fixture		25,430	1,364	(161)	26,633	10	21,129	(148)	1,183	22,164	4,469
Office equipment		43,235	1,356	(165)	44,426	10	16,689	(73)	3,638	20,254	24,172
Computers and accessories		20,046	4,244	(30)	24,260	33	18,565	(30)	1,221	19,756	4,504
Vehicles		61,743	19,956	(8,860)	72,839	20	32,953	(8,860)	9,708	33,801	39,038
		12,238,797	89,351 144,725* 222,235**	(170,858)	12,524,250		4,914,563	(49,112)	346,720	5,254,629	7,269,621
Assets subject to finance lease											
Plant and machinery line II	5.1.1	222,235	-	(222,235)	-	Units of production method	40,619	(42,458)**	1,839	-	-
Total - 2014-15		12,461,032	89,351 144,725* 222,235**	(393,093)	12,524,250		4,955,182	(49,112) (42,458)**	348,559	5,254,629	7,269,621

* Transferred from capital work-in-progress.
** Transferred from assets subject to finance lease.
*** This represents cost of raw material shed having book value of Rs.68.943 million, collapsed during the year due to storm and has been adjusted against claim receivable from insurance Company.
**** This represents assets amounting to Rs.52.698 million (WDV) which have been replaced during the year and included in stores and spares at their net realizable value.

	Note	COST / REVALUATION				Rate	DEPRECIATION				WRITTEN DOWN VALUE
		As at July 01 2013	Additions / transfers	Disposals / transfers	As at June 30 2014	Rate %	As at July 01 2013	Disposals / transfers	For the year	As at June 30 2014	As at June 30 2014
		Rupees in '000'					Rupees in '000'				
Owned											
Freehold land	5.1.1	68,328	-	-	68,328	-	-	-	-	-	68,328
Factory building on freehold land	5.1.1	1,830,295	-	-	1,830,295	5	930,504	-	91,515	1,022,019	808,276
Leasehold improvements		10,833	-	-	10,833	33.3	5,116	-	3,611	8,727	2,106
Roads and quarry development		56,008	-	-	56,008	20	56,008	-	-	56,008	-
Plant and machinery line I	5.1.1	4,189,962	27,398 *	-	4,217,360	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 51,096 *	-	5,615,776	Units of production method	764,560	-	147,653	912,213	4,703,563
Coal firing system	5.1.1	289,743	-	-	289,743	Units of production method	154,565	-	8,043	162,608	127,135
Furniture and fixture		25,465	135	(170)	25,430	10	20,068	(122)	1,183	21,129	4,301
Office equipment		41,080	2,254	(99)	43,235	10	13,221	(58)	3,526	16,689	26,546
Computers and accessories		18,729	1,317		20,046	33	17,795	-	770	18,565	1,481
Vehicles		49,709	19,183	(7,149)	61,743	20	33,265	(7,149)	6,837	32,953	28,790
		12,138,255	29,466 78,494 *	(7,418)	12,238,798		4,531,176	(7,329)	390,716	4,914,563	7,324,234
Assets subject to finance lease											
Plant and machinery line II	5.1.1	222,235	-	-	222,235	Units of production method	34,775	-	5,844	40,619	181,616
Total - 2013-14		12,360,490	29,466 78,494 *	(7,418)	12,461,033		4,565,951	(7,329)	396,560	4,955,182	7,505,850

* Transferred from capital work-in-progress.

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. During the year ended June 30, 2012, third revaluation of freehold land, factory and office building and plant & machinery has been carried out by M/s Surval (PBA approved valuer). 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:

	2015		2014
	----Rupees in '000'----		
	Cost	Net book value	Net book value
Freehold land	31,411	31,411	31,411
Factory building	1,268,391	340,347	431,640
Plant and machinery - line I	4,207,758	1,661,494	1,762,436
Plant and machinery - line II including leased items	3,502,974	2,796,265	2,709,795
Coal firing system	357,802	186,808	195,282
	9,368,336	5,016,325	5,130,564

5.1.3 Depreciation for the year has been allocated as follows:

	Note	2015	2014
		Rupees in '000'	
Cost of sales	29	340,159	387,184
Distribution cost	30	2,653	2,610
Administrative expenses	31	5,747	6,766
		348,559	396,560

5.1.4 The cost of operating fixed assets includes fully depreciated assets valuing to Rs. 122.155 million (2014: Rs. 113.662 million).

5.1.5 The following assets were disposed off during the year:

	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain	Disposal mode	Particulars of buyer
	---- Rupees in '000' ----						
Aggregate amount of assets disposed off having book value less than Rs. 50,000 each	9,216	9,111	105	6,758	6,653	Negotiation & Company policy	Various
2015	9,216	9,111	105	6,758	6,653		
2014	7,418	7,329	89	5,828	5,739		

		2015	2014
		Rupees in '000'	
5.2	**Capital work in progress**		
	Plant and Machinery:		
	Opening balance as at July 01	3,533	612
	Additions during the year	157,034	81,415
	Transferred to operating fixed assets	(144,725)	(78,494)
		15,842	3,533
	Advance for purchase of land	45,210	-
	Closing balance as at June 30	61,052	3,533
6.	**INVESTMENT PROPERTY**		
	Book value	3,980	3,015
	Surplus on revaluation	61,985	61,985
	Carrying amount as on July 01	65,965	65,000
	Fair value adjustment during the year	1,445	965
		67,410	65,965

6.1 The property was reclassified from owner-occupied property to investment property during financial year 2013 and comprises of an office building in Karachi leased out under operating lease agreement.

6.2 Investment property is stated at fair value, which has been determined based on valuations performed by M/s Surval, as at June 30, 2015.

6.3 Net profit arising from investment property amounts to Rs.3.943 million (2014: Rs. 3.435 million).

	2015	2014
	Rupees in '000'	
Breakup is given below:		
Rental income	5,373	4,307
Operating expenses	(1,430)	(872)
Net profit	3,943	3,435

7. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Written down
	As at July 01	Additions	As at June 30	%	As at July 01	For the year	As at June 30	value as at June 30
	--------- Rupees in '000' ---------				------------- Rupees in '000' -------------			
Computer softwares	1,098	3,228	4,326	20 - 33	769	752	1,521	2,805
Total- 2014-15	1,098	3,228	4,326		769	752	1,521	2,805
Computer software	1,098	-	1,098	20	549	220	769	329
Total- 2013-14	1,098	-	1,098		549	220	769	329

	Note	2015	2014
		Rupees in '000'	
7.1 The amortization charge for the year has been allocated as follows:			
Distribution cost		376	-
Administrative expenses		376	220
		752	220
8. LONG TERM DEPOSITS			
Security deposits - considered good			
- Utilities		35,741	35,741
- Others		3,582	3,627
	8.1	39,323	39,368

8.1 These are non-interest bearing and cover terms of more than one year.

	2015	2014
9. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	671,844	587,717
Spare parts	445,585	465,843
Loose tools	6,745	6,847
	1,124,174	1,060,407
Spare parts in transit	12,928	16,323
	1,137,102	1,076,730
Less : Provision for slow moving stores and spare parts	(43,933)	(43,933)
	1,093,169	1,032,797

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

	Note	2015	2014
		Rupees in '000'	

10. STOCK IN TRADE

		2015	2014
Raw material		25,341	33,696
Packing material		39,480	53,912
Work in process		202,999	513,380
Finished goods		63,766	73,277
		331,586	674,265

11. TRADE DEBTS - unsecured

	Note	2015	2014
Considered good	11.1	61,125	61,307
Considered doubtful	11.2	13,175	12,948
		74,300	74,255
Less: Provision for bad and doubtful debts	11.3	(13,175)	(12,948)
		61,125	61,307

11.1 As at June 30, 2015, the ageing analysis of trade debts is as follows:

	Total	Neither past due nor impaired	Past due but not impaired					Past due and more than 2 years
			Less than 30 days	30-90 days	90-180 days	180-365 days	1 to 2 years	
	Rupees in '000'							
2015	74,300	-	60,566	92	296	-	171	13,175
2014	74,255	-	60,896	16	2	17	376	12,948

	2015	2014
	Rupees in '000'	

11.2 Age analysis of impaired trade debts

	2015	2014
Not past due	-	-
Past due 0 - 365 days	-	-
1 - 2 years	-	-
More than 2 years	13,175	12,948
	13,175	12,948

		Note	2015	2014
			Rupees in '000'	
11.3	**Provision for bad and doubtful debts**			
	Opening balance		12,948	12,948
	Provision for the year		227	-
	Closing balance		13,175	12,948
12.	**LOANS AND ADVANCES**			
	Advances - unsecured & considered good			
	Employees		2,050	2,386
	Bank's margin against letter of credit		1,966	10,431
	Suppliers		4,030	1,593
	Contractors		636	502
	Service providers		9,089	747
			17,771	15,659

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

		Note	2015	2014
13.	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		9	9
	Short term prepayments		2,381	1,078
			2,390	1,087
14.	**OTHER RECEIVABLES**			
	Receivable from WAPDA	14.1	19,381	19,381
	Due from provident fund		17	-
	Profit on bank deposits		1,019	4,722
	Others	14.2	71,947	2,971
			92,364	27,074
	Less: Provision for doubtful receivables		(22,353)	(22,353)
			70,011	4,721

14.1 This represents rebate claim under incentive package for industries from Water and Power Development Authority (WAPDA) in accordance with their letter no. 677-97 / GMCS / DG (C) / DD (R&CP) / 57000 dated September 19, 2001. The Company is actively pursuing for the above recovery. However, provision of full amount has been made.

14.2 This includes insurance claim amounting to Rs. 68.943 million as referred in note 5.1.

15. SHORT TERM INVESTMENT

	2015	2014
	Rupees in '000'	
Held for trading:		
Meezan Sovereign Fund -		
Units nil (June 30, 2014: 11,078,763)	-	559,256
UBL Government Securities Fund -		
Units nil (June 30, 2014: 2,816,240)	-	282,677
ABL Government Securities Fund -		
Units 100,292,611 (June 30, 2014: 53,386,694)	1,006,176	536,066
Meezan Islamic Income Fund -		
Units nil (June 30, 2014: 4,061,875)	-	203,785
	1,006,176	1,581,784

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

16. CASH AND BANK BALANCES

	Note	2015	2014
		Rupees in '000'	
Cash in hand		697	1,269
Cheques in hand	16.1	196,358	256,798
		197,055	258,067
Balance with banks in:			
-Deposit accounts	16.2	1,858,899	477,020
-Current accounts		35,959	155,317
		1,894,858	632,337
		2,091,913	890,404

16.1 This represents sales collection in process.

16.2 These carry profits at rates ranging from 3.97 percent to 9.75 percent (2014: 6 percent to 8.75 percent) per annum.

17. AUTHORIZED SHARE CAPITAL

2015	2014		2015	2014
Number of shares in '000'			Rupees in '000'	
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

2015	2014		2015	2014
Number of shares in '000'			Rupees in '000'	
184,464	184,464	Issued for cash ordinary shares of Rs.10/- each	1,844,642	1,844,642
		Issued for consideration other than cash		
27,617	27,617	Ordinary shares of Rs.10/- each	276,165	276,165
		Issued as fully paid bonus shares		
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 (VHMEL) a company incorporated in British Virgin Island, held 106.863 million (47%) ordinary shares of Rs.10/- as on June 30, 2015 (2014: 106.863 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 it's 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.

19. SURPLUS ON REVALUATION OF FIXED ASSETS - net of tax

	Note	2015	2014
		Rupees in '000'	
Gross surplus			
Opening balance of surplus on revaluation of fixed assets	19.1	2,374,061	2,463,419
Transferred to un-appropriated profit in respect of incremental depreciation charged during the year		(81,778)	(89,358)
		2,292,283	2,374,061
Less: Deferred tax liability on:			
Opening balance of revaluation		706,510	736,892
Incremental depreciation charge on related assets		(26,987)	(30,382)
		679,523	706,510
Closing balance of surplus on revaluation of fixed assets		1,612,760	1,667,551

19.1 Includes surplus on revaluation of freehold land amounting to Rs. 36.917 million (2014: Rs. 36.917 million).

20. LONG TERM LOANS - secured

	Installments Number	Installments Commencing from	Rate of interest / mark-up	Note	2015	2014
					Rupees in '000'	
Foreign currency loans						
Asian Development Bank (ADB) - Japanese Yen	9 half yearly	15/11/2006	1.3% above 6 months LIBOR	20.1	-	835,218
Asian Finance & Investment Corporation (AFIC) - US Dollars	23 quarterly	31/03/2007	2.5% above 3 months LIBOR	20.1	-	320,722
Less: Current portion				26	-	1,155,940
					-	-

20.1 During the year, a final settlement agreement has been executed with ADB and an amount of Rs. 1,020,517,588 (US$ 664,883 and ¥ 1,018,000,000) has been paid as full and final settlement against principal, deferred mark up, mark up payable and liquidated damages due towards ADB and AFIC. Remaining unpaid liabilities of principal and liquidated damages amounting to Rs. 550.533 million and Rs. 7.352 million respectively have been recognized as other income.

21. LONG TERM FINANCING - secured

	Note	2015	2014
		Rupees in '000'	
Meezan Bank Limited	21.1	374,587	674,587
Less: Current portion	26	(37,218)	(112,283)
		337,369	562,304

21.1 The Company obtained a Sukuk Bai Muajjal facility of Rs. 900 million during the year 2013 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% (2014: 3 months KIBOR plus 0.25%) for a tenure of 5 months. This facility was converted into Diminishing Musharakah after expiry of 5 months. This facility is payable within 4.6 years in quarterly installments. The converted facility is secured against mark of lien over bank deposits inclusive of 5% margin over deposits of the outstanding financing amount.

22. DEFERRED LIABILITIES

	Note	2015	2014
		Rupees in '000'	
Deferred tax liability	22.1	1,679,779	1,457,797
Gratuity - vested contractual employees	22.2	80,080	69,053
Deferred interest / mark up			
Asian Development Bank / Asian Finance & Investment Corporation	20.1	-	182,226
		1,759,859	1,709,076
Less: Current portion	27	-	(182,226)
		1,759,859	1,526,850

		2015	2014
		Rupees in '000'	

22.1 Deferred tax liability

	2015	2014
Credit balance arising due to:		
- accelerated tax depreciation	1,098,935	1,108,661
- surplus on revaluation of fixed assets	679,523	706,510
	1,778,458	1,815,171
Debit balance arising due to:		
- available minimum tax losses	-	(250,524)
- employees benefits and others	(98,679)	(106,850)
	(98,679)	(357,374)
	1,679,779	1,457,797

22.2 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 4.14. The principal assumptions used in this valuation are as under:

	2015	2014
Discount rate	9.75%	13.25%
Expected rate of salary increase	8.75%	12.25%
Mortality rates	SLIC 2001-2005 Setback 1 year	
Retirement age assumptions	60 years	60 years

23. TRADE AND OTHER PAYABLES

	Note	2015	2014
		Rupees in '000'	
Creditors	23.1	105,019	174,869
Accrued expenses		380,664	319,347
Advances from customers		68,571	97,023
Deposits		13,694	12,499
Excise duty on cement		47,046	39,212
Royalty and excise duty		6,465	2,423
Withholding tax		2,224	1,241
Employees' compensated absences	23.2	18,762	17,906
Workers' profit participation fund	23.3	38,048	130,506
Workers' welfare fund	23.4	121,050	49,592
Unclaimed dividend		38,166	120,197
Others		3,582	2,340
		843,291	967,155

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

		2015	2014
		Rupees in '000'	
23.2	**Employees' compensated absences**		
	Opening balance	17,906	21,671
	Charge for the year	3,522	4,943
		21,428	26,614
	Payment made during the year	(2,666)	(8,708)
	Closing balance	18,762	17,906
23.3	**Workers' profit participation fund**		
	Opening balance	130,506	118,337
	Charge for the year	188,048	130,506
		318,554	248,843
	Payment made during the year	(280,506)	(118,337)
	Closing balance	38,048	130,506

23.4 The company has made provision amounting to Rs. 71.45 million (2014: Rs. 49.59 million) against Workers' Welfare Fund payable but no payment has been made since the matter is pending in High Court as fully disclosed in note 27.1.6 of these financial statements.

		Note	2015	2014
			Rupees in '000'	
24.	**ACCRUED INTEREST/ MARKUP**			
	Long term loans	20.1	-	286,082
	Long term financing		7,705	9,178
	Short term borrowing		1,073	8,388
			8,778	303,648
25.	**SHORT TERM BORROWINGS - secured**			
	Allied Bank Limited-Cash finance account	25.1	621,174	-
			621,174	-

25.1 The Company has obtained a short term cash finance and money market loan facility from Allied Bank Limited amounting to Rs.500 million which later on has been enhanced to Rs.1,000 million. Cash finance facility carries markup at the rate 3 months KIBOR + 0.25% per annum which shall be payable to the Bank on quarterly basis. While markup in respect of money market loan transaction would be advisable at the time of transaction. The facility is secured by lien on Company's investment in Government Securities Fund of ABL Asset Management Company with 10% margin.

	Note	2015	2014
		Rupees in '000'	

26. CURRENT PORTION OF NON CURRENT LIABILITIES

	Note	2015	2014
Long term loans - secured	20	-	1,155,940
Long term financing - secured	21	37,218	112,283
Liabilities against assets subject to finance lease		-	480
Deferred liabilities	22 & 20	-	182,226
		37,218	1,450,929

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 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. Later on, tax department filed an appeal to Appellate Tribunal Inland Revenue where case has also been decided in favour of the Company. However, same will be accounted for at the time of it's realization.

27.1.2 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.2.8 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.

27.1.3 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.

27.1.4 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.

27.1.5 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, 2009. 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 (APCMA) to increase cement prices by artificially restricting production.

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

27.1.6 The Company has not acknowledged accumulated liability of Rs. 57.336 million up to June 30, 2013 of Workers' Welfare Fund in the light of the decision of Honourable High Court Lahore dated 24 August 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.

27.1.7 The Company has filed writ petition before the Lahore High Court on the issue of chargeability of Alternative Corporate Tax (ACT) for the Tax Year 2014. The learned Judge allowed filing of return without payment of ACT on submission of post dated cheque amounting to Rs. 113.724 million with the Commissioner Inland Revenue (to the extent of ACT). The case is still pending in the Honourable Lahore High Court. However, related provision has already been made during 2014 which has been adjusted against tax liability for current year.

27.1.8 Commissioner Inland Revenue passed an order that during the tax period 2008-2009 its supplier namely M/s Al-Noor General Order Supplier allegedly did not deposit the tax paid by it on the supplies and therefore, the Company was not entitled to claim input tax in its monthly sales tax returns and a demand of Rs. 9.064 million was created. During the year, Appellate Tribunal Inland Revenue Lahore decided against the Company. The Company has filed an appeal against the said order in Lahore High Court. The matter is still pending in Lahore High Court. The management is confident that the outcome of this appeal will be in favour of the Company.

27.2 Commitments

27.2.1 Commitments in respect of outstanding letters of credit amount to Rs.15.926 million (2014: Rs. 267.890 million).

27.2.2 Cheque amounting to Rs. 113.724 million has been issued to Commissioner Inland Revenue as a collateral against Company's petition pertaining to chargeability of Alternative Corporate tax as discussed in detail in note 27.1.7.

27.2.3 Commitments in respect of purchase of land amount to Rs.95.9 million (2014: nil).

27.2.4 Commitments in respect of purchase of Waste Heat Recovery Power Plant amount to US $ 9.5 million equivalent to Rs. 966.15 million (2014: nil).

		Note	2015	2014
			Rupees in '000'	
28.	**SALES - net**			
	Local		10,271,542	9,330,310
	Export		343,418	700,291
			10,614,960	10,030,601
	Less:			
	Sales Tax		1,655,683	1,517,571
	Federal Excise duty		463,806	419,351
	Commission		69,703	68,902
			2,189,192	2,005,824
			8,425,768	8,024,777
29.	**COST OF SALES**			
	Raw material consumed	29.1	367,848	416,714
	Packing material consumed		521,156	483,437
	Fuel and power		3,173,365	4,006,550
	Stores and spare parts consumed		161,357	152,005
	Salaries, wages and benefits	29.2	289,807	273,614
	Travelling and conveyance		23,872	27,685
	Insurance		7,594	7,729
	Repairs and maintenance		37,211	41,231
	Depreciation	5.1.3	340,159	387,184
	Other manufacturing expenses		18,004	13,166
	Total manufacturing cost		4,940,373	5,809,315
	Work in process			
	Opening balance		513,380	163,395
	Closing balance	10	(202,999)	(513,380)
			310,381	(349,985)
	Cost of goods manufactured		5,250,754	5,459,330
	Finished goods			
	Opening balance		73,277	49,756
	Closing balance	10	(63,766)	(73,277)
			9,511	(23,521)
			5,260,265	5,435,809

		Note	2015	2014
			Rupees in '000'	
29.1	**Raw material consumed**			
	Opening balance		33,696	48,905
	Quarrying / transportation / purchases and other overheads		363,251	405,518
			396,947	454,423
	Closing balance		(25,341)	(33,696)
			371,606	420,727
	Duty drawback on exports		(3,758)	(4,013)
			367,848	416,714
29.2	**Includes employees' post employment benefits as follows:**			
	Defined contribution plan		4,592	4,112
	Gratuity - vested contractual employees		17,323	17,680
	Compensated absences		1,824	3,463
			23,739	25,255
30.	**DISTRIBUTION COST**			
	Salaries, wages and benefits	30.1	34,680	30,475
	Travelling and conveyance		553	1,091
	Vehicle running expenses		2,066	2,501
	Communication		1,412	1,523
	Printing and stationery		1,067	814
	Rent, rates and taxes		3,508	3,066
	Utilities		2,107	1,984
	Repairs and maintenance		797	928
	Legal and professional charges		744	1,323
	Insurance		354	328
	Fee and subscription		804	526
	Advertisements / sales promotion		2,040	1,388
	Freight and handling charges	30.2	2,385	3,546
	Entertainment		1,423	1,040
	Depreciation	5.1.3	2,653	2,610
	Amortization	7.1	376	-
			56,969	53,143
30.1	**Includes employees' post employment benefits as follows:**			
	Defined contribution plan		1,274	1,152
	Compensated absences		1,145	628
			2,419	1,780

30.2 It represents freight and handling charges against export sales.

31. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		Rupees in '000'	
Salaries, wages and benefits	31.1	44,361	36,570
Travelling and conveyance		1,029	1,259
Vehicle running expenses		2,091	2,001
Communication		1,318	1,285
Printing and stationery		2,499	1,969
Rent, rates and taxes		3,089	2,406
Utilities		23	16
Repairs and maintenance		1,831	1,384
Legal and professional charges		1,064	6,399
Insurance		322	354
Auditors' remuneration	31.2	4,775	1,706
Fee and subscription		2,071	1,116
Depreciation	5.1.3	5,747	6,766
Amortization	7.1	376	220
Entertainment		285	150
Others		142	270
		71,023	63,871

31.1 Includes employees' post employment benefits as follows:

	2015	2014
Defined contribution plan	1,507	1,244
Compensated absences	552	852
	2,059	2,096

31.2 Auditors' remuneration

	2015	2014
Annual audit fee	1,000	1,000
Fee for half yearly review	400	400
Special certifications and other advisory services	160	-
Taxation services	2,920	-
Out of pocket expenses	295	306
	4,775	1,706

31.2.1 During last year, taxation services amounting to Rs. 1.48 million has not been rendered by auditors of the Company.

		Note	2015	2014
			Rupees in '000'	
32.	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits		43,373	63,592
	Gain on disposal of short term investment		166,320	-
	Remeasurement gain on held for trading investment		2,738	105,642
	Liabilities written back	20.1	566,597	89,836
			779,028	259,070
	Income from non financial assets			
	Scrap sales		15,153	607
	Gain on disposal of fixed assets	5.1.5	6,653	5,739
	Fair value gain on investment property	6	1,445	965
	Rental income	6.3	5,373	4,307
	Others		1,325	892
			29,949	12,510
			808,977	271,580
33.	**OTHER OPERATING EXPENSES**			
	Workers' profit participation fund		188,048	130,506
	Workers' Welfare Fund		71,458	49,592
	Donation	33.1	15,758	10,200
	Loss on replacement of assets	5.1	50,698	-
	Others		227	32
			326,189	190,330

33.1 None of the directors were interested in the donee institutions.

		2015	2014
		Rupees in '000'	
34.	**FINANCE COST**		
	Mark-up on:		
	Long term loans - foreign currency	-	53,496
	Long term loans - Local currency	-	278
		-	53,774
	Profit on Musharaka finance	50,251	71,386
	Mark-up on:		
	Short-term borrowings / murabaha	2,383	17,428
	Workers' Profit Participation Fund	-	4,654
		2,383	22,082
	Fee, charges and commission		
	Service charges	-	620
	Guarantee Commission	136	3,878
	Bank charges	3,553	3,437
		3,689	7,935
		56,323	155,177
35.	**TAXATION**		
	Current	783,340	361,237
	Deferred	221,982	299,923
		1,005,322	661,160
35.1	**Numerical reconciliation between average effective tax rate and the applicable tax rate**		
	Accounting profit for the year before tax	3,501,457	2,430,019
	- Tax applicable rate of 33% (2014: Rate 34%)	1,155,481	826,206
	- Impact of deferred tax	221,982	299,923
	- Impact of ACT	(103,627)	103,627
	- Impact of super tax	86,624	-
	- Tax effect under lower rate of tax	(329,222)	(560,089)
	- Other	(25,916)	(8,507)
	Taxation	1,005,322	661,160
	Average effective tax rate	29%	27%

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilution effect on the basic earning per share of the Company, which is based on:

	2015	2014
Profit after taxation (Rupees in '000)	2,496,135	1,768,859
Weighted average number of ordinary shares in issue ('000')	227,149	227,149
Earnings per share - basic and diluted (Rupees)	10.99	7.79

37. TRANSACTIONS WITH RELATED PARTIES

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

	2015	2014
	Rupees in '000	
Entities having nominee director on the Company		
National Bank of Pakistan		
Finance cost	-	178,278
Payments to WPPF	280,506	118,337
Staff retirement contribution plan		
Contribution to staff provident fund	7,374	6,508

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 39 to the financial statements.

The related party status of outstanding receivables and payables, if any, as at June 30, 2015 are disclosed in respective notes to the financial statements.

38. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES

38.1 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, 2015.

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, capital and revenue reserves.

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.

38.2 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, 2015 and 2014.

38.3 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 positive cash flows in the future as well.

The table below summarizes the maturity profile of the Company's financial liabilities at June 30, 2015 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	-----------------	-----------------	---------Rupees in '000'---------	-----------------	-----------------	-----------------
June 30, 2015						
Long term financing	-	-	37,218	337,369	-	374,587
Liabilities against assets subject to finance lease	-	-	-	-	-	
Long term deposits	-	-	-	3,930	-	3,930
Deferred liabilities	-	-	-	80,080	-	80,080
Trade and other payables	55,735	730,746	38,048	18,762	-	843,291
Accrued interest / mark up	8,778		-	-	-	8,778
Short term borrowings		-	621,174	-	-	621,174
	64,513	730,746	696,440	440,141		1,931,840
June 30, 2014						
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	-	-	69,053	-	251,279
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	652,713	-	3,356,540

38.4 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 financing, short-term finances and bank balances in deposit accounts.

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

38.5 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 deposits with banks and profit before tax . 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.

	Increase / decrease in basis points	Effect on Bank deposits	Effect on profit before tax
	-------Rupees in '000'-------		
2015			
Pak Rupee	+100	18,949	(35,015)
Pak Rupee	-100	(18,949)	35,015
2014			
Pak Rupee	+100	6,323	(23,773)
Pak Rupee	-100	(6,323)	23,773

38.6 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 3,269.901 million (2014: Rs.2,578.071 million). The Company seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy.

	2015	2014
	Rupees in '000'	
Long-term deposits	39,323	39,368
Trade debts	61,125	61,307
Advances	2,050	2,386
Other receivables	70,011	4,721
Short term investments	1,006,176	1,581,784
Cheques in hand	196,358	256,798
Bank balances	1,894,858	632,337
	3,269,901	2,578,701

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	134,382	632,298
Banks having A1 rating- PACRA	-	37
Banks having A-1+ rating- JCR- VIS	1,760,476	-
Unrated	-	2
	1,894,858	632,337

38.7 Foreign exchange risk management

Foreign currency risk arises mainly where balances exists due to the transactions with foreign undertakings. The Company is exposed to foreign exchange risk with respect to foreign currency loans payable amounting to Nil (2014: Rs.1,155.939 million) as disclosed in note 20 to these financial statements and interest payable on foreign currency loans amounting to Nil (2014: Rs.459.946million). 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.

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, 2015:

	2015		2014	
	US Dollars	Japanese Yen	US Dollars	Japanese Yen
	---------------------- '000' ----------------------			
Foreign currency denominated monetary assets	-	-	-	-
Foreign currency denominated monetary liabilities	-	-	3,987	1,253,770

	Increase/ decrease in US dollar to Pak Rupee	Increase/ decrease in Japanese Yen to Pak Rupee	Effect on profit / (loss) before tax
	-------------- Percentage --------------		Rupees in '000'
2015	+5	+5	-
	-5	-5	-
2014	+5	+5	(80,794)
	-5	-5	80,794

38.8 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.

38.9 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.

38.10 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.

Assets measured at fair value

		Total	Level 1	Level 2	Level 3
		---------------- Rupees in '000' ----------------			
Held for trading					
Mutual fund units	**2015**	1,006,176	-	1,006,176	-
Mutual fund units	2014	1,581,784	-	1,581,784	-

As at June 30, 2015 and June 30, 2014, the Company held no liabilities that are measured at fair value or when value change from carrying value as a resulting remeasurement.

38.11 Financial instruments by categories

	Cash and cash equivalents	Loans and advances	Available for sale	Held for trading	Total
	----------------------		Rupees in '000'	----------------------	
June 30, 2015					
Financial Assets					
Long term deposits	-	39,323	-	-	39,323
Trade debts - unsecured	-	61,125	-	-	61,125
Loans and advances	-	2,050	-	-	2,050
Trade deposits	-	9	-	-	9
Short term investments	-	-	-	1,006,176	1,006,176
Other receivables	-	70,011	-	-	70,011
Cash and bank balances	2,091,913	-	-	-	2,091,913
	2,091,913	172,518	-	1,006,176	3,270,607
June 30, 2014					
Financial Assets					
Long term deposits	-	39,368	-	-	39,368
Trade debts - unsecured, considered good	-	61,307	-	-	61,307
Loans and advances	-	2,386	-	-	2,386
Trade deposits	-	9	-	-	9
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	107,791	-	1,581,784	2,579,979

	2015	2014
	Rupees in '000'	
Financial liabilities at Amortized cost		
Long term financing - secured	337,369	562,304
Deferred liabilities	80,080	1,709,076
Trade and other payables	843,291	967,155
Accrued interest / mark up	8,778	303,648
Short term borrowings - secured	621,174	-
	1,890,692	3,542,183

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

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

	CEO		Executive Director		Executives	
	2015	2014	2015	2014	2015	2014
Total number	1	1	1	1	33	21
	---Rupees in '000'---					
Basic Salary	7,082	6,070	3,586	3,932	30,025	20,763
Contribution to provident fund trust	708	607	-	-	2,568	1,677
Allowances & benefits:						
House Rent	3,187	2,732	1,612	1,769	13,511	9,344
Utilities	708	607	358	393	3,003	2,077
Others	3,652	3,175	2,175	1,879	17,958	13,500
	15,337	13,191	7,731	7,973	67,065	47,361

39.1 In addition, the chief executive officer, executive director 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.

39.2 No remuneration is paid / payable to the directors of the Company except meeting fee which is paid to each director at the rate of Rs. 15,000 per meeting attended.

40. NUMBER OF EMPLOYEES

	2015	2014
Number of employees at year end (including permanent and contractual)	772	771
Average number of employees during the year	764	782

41. 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 unaudited information of the fund is as follows:

	2015 Unaudited	2014 Audited
	Rupees in '000'	
Size of the fund	134,418	111,215
Cost of investment made	118,281	100,165
Fair value of investment	128,280	108,576
Percentage of investment made	88%	90%

		2015	2014
		Rupees in '000'	
41.1	**Breakup of investment**		
	Listed securities (Mutual Funds)	81,707	59,084
	Certificate of investment	38,975	39,313
	Term Finance Certificates	3,334	10,179
	Shares	4,264	-
		128,280	108,576
42.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	3,501,457	2,430,019
	Adjustments for non cash and other items:		
	Depreciation	348,559	396,560
	Amortization of intangible	752	220
	Provision for bad and doubtful debts	227	-
	Provision for compensated absences and gratuity	20,844	22,623
	Finance cost	56,323	155,177
	Gain on disposal of property, plant and equipment	(6,653)	(5,739)
	Gain on revaluation of investment property	(1,445)	(965)
	Workers' profits participation fund	188,048	130,506
	Workers' welfare fund	71,458	49,592
	Unrealized profit on bank deposits and rental income	(1,015)	(4,722)
	Gain on redemption of short term investment	(166,320)	-
	Unrealized gain on investment	(2,738)	(105,205)
	Liabilities written back	(566,635)	(89,836)
	Loss on replacement of fixed assets	50,698	-
	Exchange gain	(37,481)	(32,113)
		(45,378)	516,098
	Cash flows before working capital changes	3,456,079	2,946,117
	Movement in working capital		
	(Increase)/ decrease in current assets:		
	Stores , spare parts and loose tools	(58,372)	(42,603)
	Stock in trade	342,679	(359,337)
	Trade debts	(45)	(11,513)
	Loans and advances	(2,112)	5,554
	Deposits and short term prepayments	(1,303)	4,254
	Other receivables	4,666	9,312'
		285,513	(394,333)
	Increase/ (Decrease) in current liabilities:		
	Trade and other payables	(21,301)	(54,271)
	Sales tax payable	58,500	(32,934)
		37,199	(87,205)
		322,712	(481,538)
		3,778,791	2,464,579

	2015	2014
	Metric tons	

43. PRODUCTION CAPACITY

	2015	2014
Rated capacity - clinker		
- Line I (after optimization)	705,000	705,000
- Line II	1,290,000	1,290,000
	1,995,000	1,995,000
Actual production - clinker		
- Line I	275,060	319,900
- Line II	739,180	868,825
	1,014,240	1,188,725
Sales - cement		
- Local	1,143,411	1,048,378
- Exports	68,241	141,334
	1,211,652	1,189,712
Sales - clinker-export	-	500
	1,211,652	1,190,212

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

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 17, 2015.

45. 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.

46. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

Subsequent to the year ended June 30, 2015, the Board of Directors has proposed a final cash dividend in their meeting held on September 17, 2015 for the year ended June 30, 2015 of Rs. 4.00 per share (2014: Rs. 2.00 per share) for the approval of the members at the annual general meeting in addition to the interim dividend declared of Rs. 2.25 per share on February 23, 2015 aggregating to Rs. 6.25 per share for the year ended June 30, 2015 (2014: Rs. 4.25 per share). There is no need of tax liability on undistributed reserves as the requisite dividend would be distributed before/within prescribed time.

47. GENERAL

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

ANNUAL GENERAL MEETING 2015

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of Pioneer Cement Limited will be held at 135 Ferozepur Road, Lahore on Thursday, October 29, 2015 at 11:00 a.m. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on October 30, 2014.

2. To receive, consider and adopt the audited accounts for the year ended June 30, 2015 and the reports of the directors and auditors thereon.

3. To appoint auditors for the year ending June 30, 2016 and to fix their remuneration.

4. To approve the final dividend of Rs.4/- (i.e. 40%) 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.6.25 (i.e. 62.50%) per share for the year ended June 30, 2015.

5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

Lahore
September 17, 2015

WAQAR NAEEM
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from October 22, 2015 to October 29, 2015 (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, 2015 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.

4. 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 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 2015 effective July 1, 2015, 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	12.50%
(b)	Rate of income tax for non-filer of income tax returns	17.50%

   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.

FORM OF PROXY

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 29th Annual General Meeting of the Company to be held on Thursday, October 29, 2015 at 135 Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of __________________ 2015.

____
Signature of the Shareholder/ Appointer

WITNESSES

1. Name ____________________
   Address ____________________
   CNIC # ____________________

2. Name ____________________
   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

The Company Secretary
PIONEER CEMENT LIMITED
135-Ferozepur Road, Lahore
Tel : +92 (42) 37503570-2
Fax : +92 (42) 37503573-4
Email : pioneer@pioneercement.com
Web : www.pioneercement.com

PIONEER CEMENT LTD.

135-Ferozepur Road, Lahore, Pakistan.
Tel: +92 42 3750 3570-72 Fax: +92 42 3750 3573
Email: pioneer@pioneercement.com
www.pioneercement.com