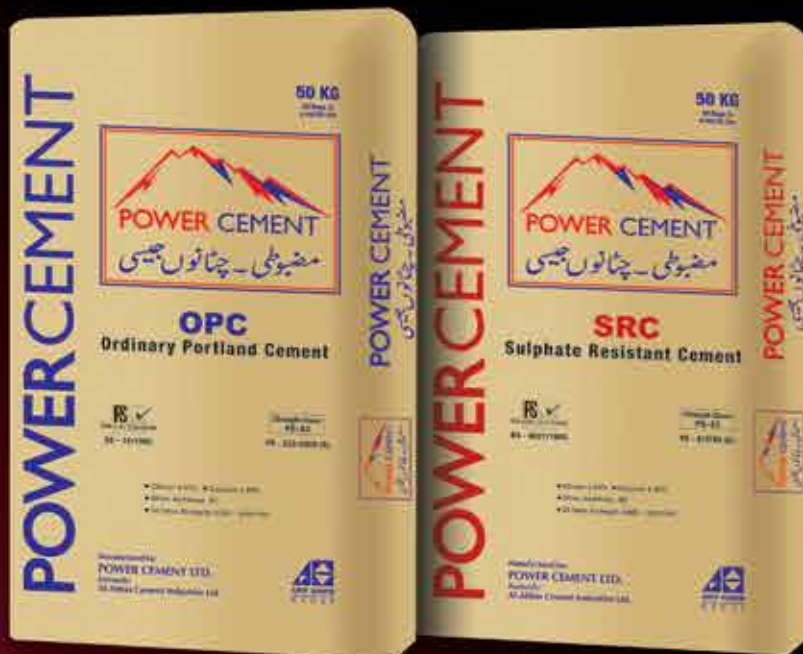


Annual Report 2014

Power behind Construction



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Corporate Information

Board of Directors

Nasim Beg	Chairman
Muhammad Kashif Habib	CEO
Samad A. Habib	Director
Muhammad Ejaz	Director
Muhammad Yousuf Adil	Director
Syed Salman Rashid	Director
Muhammad Yahya Khan	Director

Audit Committee

Muhammad Yousuf Adil	Chairman
Nasim Beg	Member
Muhammad Yahya Khan	Member
Syed Salman Rashid	Member

HR & Remuneration Committee

Muhammad Ejaz	Chairman
Muhammad Kashif Habib	Member
Samad A. Habib	Member
Syed Salman Rashid	Member

Chief Financial Officer & Company Secretary

Abdul Hamid Bhombal

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Cost Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Usmani & Iqbal
Advocate & Solicitors

Tax Advisor

Hyder Bhimji & Co.
Chartered Accountants

Share Registrar

Technology Trade (Private) Limited

Principal Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
United Bank Limited

Registered Office

Arif Habib Centre,
23 M.T. Khan Road, Karachi

Website

www.powercement.com.pk

Email Address

corporate@powercement.com.pk

Contact Number

021-32468231-32
021-32468351-52

Factory

Nooriabad Industrial Area,
Kalo Kohar District, Jamshoro, Sindh

Vision

Power Cement Limited aims to be recognized nationally and internationally as a successful cement producer with a strong satisfied customer base.

Mission

To become a profitable organization and exceed the expectations of our customers and stakeholders by producing and marketing competitive and high quality products through concentration on quality, business values and fair play.

To promote best use and development of human talent in a safe environment, as an equal opportunity employer and use advance technology for efficient and cost effective operation.

Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of Power Cement Limited (“the Company”) will be held at Beach Luxury Hotel, Molvi Tamizuddin Khan Road, Karachi on Saturday, 25th October 2014 at 06:00 p.m. to transact the following business:

1. To confirm the minutes of the 22nd Annual General Meeting of the shareholders held on 26th October 2013.
2. To receive, consider and adopt annual audited financial statements together with the Directors' and the Auditors' Reports thereon for the year ended 30th June 2014.
3. To appoint Auditors for the year ending 30th June 2015 and to fix their remuneration. The Board of Directors have recommended for reappointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants as external auditors.
4. To consider any other business with the permission of the Chair.

By order of the Board



Abdul Hamid Bhombal
Company Secretary

Karachi; 3rd October 2014

Notes:

1. Share transfer books of the Company will remain closed from 17th October 2014 to 25th October 2014 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s Technology Trade (Pvt) Limited, Dagia House, 241-C, Block -2, P.E.C.H.S, Off Shahrah-e-Quaideen, Karachi up to the close of business on Thursday, 16th October 2014 will be considered in time for the determination of entitlement of shareholders to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
3. Procedure including the guidelines as laid down in Circular No. I- Reference No. 3(5-A) Misc/ARO/LES/96 dated 26th January 2000 issued by Securities & Exchange Commission of Pakistan:
 - (i) Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting.
 - (ii) In the case of a corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.
 - (iii) In order to be effective, the proxy forms must be received at the office of our registrar not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
 - (iv) In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - (v) In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted alongwith proxy form.
4. Members are requested to promptly notify any change in address by writing to the office of the registrar.

Directors' Report

The Directors of the Company present herewith the annual report of your Company together with the audited financial statements for the year ended 30th June 2014.

Overview

The Pakistan Cement Industry witnessed a modest growth of 2.54% and south zone, where your Company is situated, noticed a decrease of 5.3% in domestic demand at the close of the financial year ended 30th June 2014. The domestic demand in south zone stood 4.5 million tons as compared to 4.7 million tons in the last year. Overall south zone registered a slight increase 0.6%, which has contributed by exports market.

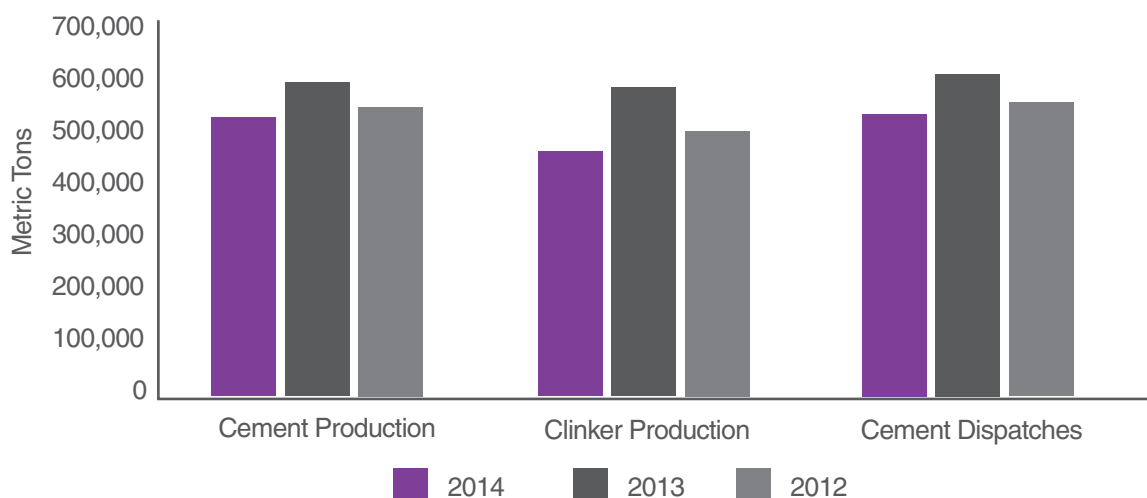
Business Performance

Production & Sales Volume Performance

The production and sales volume statistics (in tons) for the year of your Company together with the comparative figures is as under:

Particulars	2014	2013	2012
	in Tons		
Cement production	525,722	587,980	546,647
Clinker production	458,900	577,160	498,997
Cement dispatches	535,022	607,414	551,933

During the year under review, the production of cement and clinker decreased by 62,258 MT and 118,260 MT respectively, resulting in decreased capacity utilized of 51% as compared to 64% in comparison of the last financial year. Decrease in production is because of planned shutdowns due to maintenance of plant and process improvements. A graphical analysis is as under:



Financial Performance

A comparison of the key financial results of your Company for the year ended 30th June 2014 is as under:

Particulars	2014	2013
	Rs. in '000	
		<i>Restated</i>
Sales revenue	3,496,103	3,511,774
Gross profit	344,837	722,808
Operating profit	237,057	804,312
(Loss) / Profit before tax	(140,271)	434,854
Net (Loss) / Profit after tax	(73,909)	370,222
(Loss) / Earnings per share (Rupee)	(0.20)	1.01

Sales Revenue Analysis

During the financial year ended 30th June 2014, company's revenue experienced a minor decrease of 0.45% due to decrease in sale of cement by 12%, which was partially adjusted because of the positive revision in prices and also the average retention of the company increased by 12%.

Cost Analysis

Your Company's cost of production jumped up during the first half of the financial year, due to the increase in the electricity prices by approximately 70%, which reduced the gross margins to 5% during the period, correspondingly prices of the cement recorded an increase in the month of January 2014, which improved the gross margins up to 9% in the third quarter, and was further improved to over 20% in the last quarter of the financial year 2014. Due to electricity prices, your company had to suffer a net loss of Rs.73.9 million during the current financial year.

Cash Flow Strategy

The Company effectively manages its cash flows by monitoring them on regular basis. Working capital requirements are planned and met through internal cash generations, short term borrowings and financial support from the Sponsor. Your Company generated comparatively lower cash from its operations during the current year, i.e. Rs. 152 million (2013 : Rs. 493 million), which was mainly due to the burden of increased cost of electricity prices and used in maintenance of the plant, long term repayments were made from the financial support of the Sponsors of the Company. During the period under review, sponsors of your Company have supported with interest free financing to smooth its operations and meet its working capital requirement.

Audit Committee

The Board of Directors has established an Audit Committee which comprises of four members all of which are non-executive directors. Composition of the Audit Committee has made in line with the requirements of CCG.

The audit committee reviews the quarterly, half yearly and annual financial statements before submission to the Board and their publications. The audit committee also reviews the internal auditor's findings and held separate meetings with internal and external auditors as required by the Code of Corporate Governance.

Code of Corporate Governance.

The Directors' of your Company review the Company's strategic direction and business plans on regular basis. The Audit Committee is empowered for effective compliance of Code of Corporate Governance. We are taking all necessary steps to ensure Good Corporate Governance in your Company as required by the Code. As part of the compliance, we confirm the following:

- The financial statements prepared by the management of the Company, present fairly the Company's state of affairs, the result of operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standard as applicable in Pakistan has been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern. Further the Company is paying all debts and no default is made on the part of Company to repay its debts to the banks.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- All outstanding statutory payments are of nominal and routine nature.
- The Company operates funded gratuity scheme for its employess as disclosed in relevant note to the financial statements. Further, fund is in the process of investing the surplus contributions made to the fund.

Board of Directors

During the year under review, four Board of Directors (BOD) meetings and four Audit Committee (AC) meetings were held and attendance of each director is as under:

Name of director	BOD Meetings attended	AC Meetings Attended
Mr. Muhammad Kashif Habib	4	N/A
Mr. Muhammad Yahya Khan	0	0
Mr. Muhammad Yousuf Adil	2	3
Mr. Nasim Beg	3	1
Syed Salman Rashid	4	4
Mr. Muhammad Ejaz	1	N/A
Mr. Samad Habib	4	N/A

Leave of absences were granted to directors who could not attend the meetings due to their pre-occupations.

Training Programs Attended By Directors

During the year, the board arranged 2 (Two) training session for its directors. The Board already consists of certain directors who are exempted from the directors' training program in accordance with regulation No.35 (xi) of Listing Regulations of the Stock Exchanges due to having minimum of 14 years of education and 15 years of experience on the board of a listed company. The Company is committed to get all those directors of its Board acquire the certification under the directors' training program by 30th June 2016 which require such certification in accordance with the subject Regulations.

Auditors Observation

"We draw attention to note 9.1 and 18.1.5 to the financial statements which state the reasons for recording an asset in relation to a refund claim of excise duty amounting to Rs.182.604 million and reversal of loan from previous sponsors amounting to Rs.115.927 million in the financial statements. Our opinion is not qualified in respect of these matters."

Note 9.1 of the Financial Statements is reproduced as under:

From 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs. 182.604 million.

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated 19 March 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated 24 January 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the Learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated 23 May 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated 19 March 2009 and order number 02 of 2009 dated 24 January 2009 were set aside by ATIR and appeal was allowed.

Based on the decision by ATIR and the tax adviser's opinion that the refund claim is allowed to the Company, the Company has recorded the refund claim receivable with a corresponding credit to the profit & loss account. The matter has been challenged by the Tax department in the High Court. However, the management based on legal advisor's opinion is confident of a favourable outcome. The Company is actively pursuing the matter for the settlement of the said refund claim.

Note 18.1.5 of the Financial Statements is reproduced as under:

During the year ended 30th June 2013, the Company reversed liability amounting to Rs. 115.927 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

The management of the Company was taken over by purchasing controlling shareholding during the year 2005. One of the conditions of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and/or unrecorded liabilities. However, due to dispute regarding existence of certain assets, unrecorded liabilities etc., the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous

sponsors. The amount outstanding as at 30 June 2012 amounted to Rs. 115.927 million i.e. Rs. 234.076 million net off with unavailable stores and spares of Rs. 118.149 million.

In 2013, the arbitrator decided in favour of the Company and determined an amount of Rs. 0.735 million to be paid by the Company. The award has been sent to the Registrar High Court of Sindh for making the award a rule of Court. The management, based on its lawyers' advice is of the opinion that despite of objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability with a corresponding credit in the profit & loss account. However, as previous sponsors have filed objections to the award, the matter has been disclosed as a contingent liability in these financial statements.

Future Outlook

Domestic demand for cement is expected to increase in the coming year in light of sizeable allocation of funds towards developmental projects by the Federal and Provincial Governments. Also commencement of construction activities of Khanki Barage, Basha Dam, Islamabad / Rawalpindi Mass Transit and especially the projects in south zone like Karachi Mass Transit and various sizeable housing projects in and in the vicinity of Karachi, power projects in Sindh, construction activities at ports of Karachi and the reconstruction activity emanating from the recent floods in the country are also expected to positively affect the industry wide demand.

Your company's major cost factors such as coal and electricity prices are expected to remain range bound in the coming year, taking into account Government's plans to generate energy at cheaper rates and also that the electricity tariff has already substantially increased during the current year.

Planned maintenance and process improvements made during the current year are expected to reap benefits in the coming year in terms of improved capacity utilization and fuel and power consumption efficiencies.

Corporate Social Responsibility

Power Cement Limited has the culture and history of undertaking social and philanthropic activities which reflects the commitment of its Directors and Sponsors towards the social uplift of the down trodden.

The Company regularly pays to welfare trust engaged in spending Islamic education. During the year, the company has disbursed Rs. 0.975 million as donation to different trusts, charity institutions and welfare organizations. During the year, your Company contributed Rs.868.1 million towards the national exchequer under various modes.

Auditors

The auditors, M/s. KPMG Taseer Hadi and Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company, for the financial year 2014-15, in the 23rd Annual General Meeting.

Acknowledgement

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every member of the Company in the area of expertise. We would also like to express our thanks to the customers for their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Karachi Stock Exchange, Lahore Stock Exchange, Competition Commission of Pakistan, Central Depository Company of Pakistan Limited for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the years ahead.

For and on behalf of the Board



Muhammad Kashif Habib - CEO
25th September 2014

Pattern of Shareholding

As at 30th June 2014

Number of Shareholders	Shareholdings		Total Shares Held
	From	To	
533	1	100	15,315
498	101	500	154,165
428	501	1000	395,322
846	1001	5000	2,486,162
316	5001	10000	2,692,351
111	10001	15000	1,465,033
86	15001	20000	1,606,773
56	20001	25000	1,312,651
32	25001	30000	908,412
16	30001	35000	526,502
20	35001	40000	772,501
9	40001	45000	388,700
23	45001	50000	1,146,000
8	50001	55000	419,500
11	55001	60000	646,500
7	60001	65000	441,651
9	65001	70000	613,950
11	70001	75000	804,555
3	75001	80000	235,500
4	80001	85000	331,400
2	85001	90000	177,500
3	90001	95000	281,000
13	95001	100000	1,291,500
1	100001	105000	102,500
5	105001	110000	542,500
3	110001	125000	366,887
1	125001	130000	128,500
5	130001	145000	706,500
6	145001	185000	989,000
1	185001	190000	190,000
5	190001	200000	1,000,000
6	200001	240000	1,384,521
5	240001	300000	1,384,500
2	300001	335000	653,000
2	335001	370000	714,500
7	370001	500000	3,066,500
2	500001	630000	1,090,000
1	630001	805000	676,169
1	805001	890000	860,458
7	890001	1135000	7,198,032
1	1135001	1550000	1,546,500
2	1550001	1850000	3,450,000
2	1850001	3495000	5,497,883
1	3495001	5000000	5,000,000
1	5000001	7020000	7,018,545
1	7020001	10005000	10,000,500
1	10005001	10700000	10,700,000
1	10700001	21996000	21,996,000
1	21996001	25019000	25,019,000
1	25019001	235295030	235,295,030
3,117			365,689,968

Pattern of Shareholding

As at 30th June 2014

Shareholders' Category	Number of shareholders	Number of Shares Held	Percentage %
Directors, Chief Executive Officer, and their Spouse and Minor Children	9	32,725,545	8.95
Associated Companies, Undertaking and Related Parties.	2	237,842,913	65.04
NIT and ICP	1	607	0.00
Public Sector Companies and Corporations	1	110	0.00
Banks Development Financial Institutions, Non Banking Financial Institutions.	23	2,169,398	0.59
Insurance Companies	1	676,169	0.18
Foreign	5	188,396	0.05
Modarabas and Mutual Funds	3	157	0.00
General Public Local	3,046	42,262,976	11.56
Others	26	49,823,697	13.63
	3,117	365,689,968	100.00

Details of Shareholders Categories

As at 30th June 2014

Directors, Chief Executive Officer, and their Spouse and Minor Children	Number Of Shares Held	Percentage %
Syed Salman Rashid	10,700,000	2.93
Muhammad Kashif Habib	10,000,500	2.73
Syed Saad Salman	7,018,545	1.92
Rehana Salman	5,000,000	1.37
Muhammad Yahya Khan	2,000	0.00
Nasim Beg	2,000	0.00
Samad A. Habib	1,000	0.00
Muhammad Yousuf Adil	1,000	0.00
Muhammad Ejaz	500	0.00
	32,725,545	8.95
Associated Companies, Undertaking and Related Parties.		
Arif Habib Corporation Limited	235,295,030	64.34
Arif Habib Limited	2,547,883	0.70
	237,842,913	65.04
NIT and ICP		
M/s. Investment Corp.of Pakistan (ICP)	607	0.00
	607	0.00
Public Sector Companies and Corporations		
Lahore Stock Exchange Limited	110	0.00
	110	0.00

Details of Shareholders Categories

As at 30th June 2014

Banks, Development Financial Institutions and Non Banking Financial Institutions	Number of Shares held	Percentage %
J.P.Morgan Clearing Corp. Clearing A/c	1,850,000	0.51
Habib Bank AG Zurich, Deira Dubai	124,500	0.03
Rafi Securities (Pvt.) Limited	87,500	0.02
Cma Securities (Pvt.) Limited	25,000	0.01
Islamic Investment Bank Limited	20,203	0.01
Standard Capital Securities (Pvt.) Limited	15,000	0.00
Capital Vision Securities (Pvt.) Limited	14,000	0.00
Moosani Securities (Pvt.) Limited	13,000	0.00
Darson Securities (Pvt.) Limited	5,000	0.00
Shajar Capital Pakistan (Pvt.) Limited	5,000	0.00
M/s. Islamic Investment Bank Limited	2,020	0.00
Time Securities (Pvt.) Limited	1,671	0.00
M/s. Naeem Security (Pvt) Limited	1,512	0.00
Akhai Securities (Pvt.) Limited	1,500	0.00
Escorts Investment Bank Limited	1,000	0.00
Prudential Securities Limited	630	0.00
National Bank Of Pakistan	1,054	0.00
Nh Securities (Pvt.) Limited	300	0.00
H M Investments (Pvt.) Limited	232	0.00
M/s. Royal Bank of Scotland	115	0.00
M/s. Crescent Investment Bank	110	0.00
M/s. Trust Securities	50	0.00
Azee Securities (Pvt.) Limited	1	0.00
	2,169,398	0.59
Insurance Companies		
State Life Insurance Corp. of Pakistan	676,169	0.18
	676,169	0.18
Modarabas And Mutual Funds		
first Interfun Modaraba	122	0.00
Industrial Capital Modaraba	14	0.00
Asian Stock Fund Limited	21	0.00
	157	0.00

Financial Highlights

Six Years at a Glance

		30 th June					
INVESTMENT MEASURE		2014	2013	2012	2011	2010	2009
Ordinary Share Capital	Rs in '000	3,656,900	3,656,900	3,656,900	3,656,900	1,828,450	1,828,450
Reserves	Rs in '000	(1,314,133)	(1,247,304)	(1,617,265)	(1,770,696)	(831,629)	80,000
Ordinary Share Holders' Equity	Rs in '000	1,428,542	1,495,371	1,125,410	971,979	996,821	1,908,450
Dividend on Ordinary Shares	Rs in '000	-	-	-	-	-	-
Dividend per Ordinary Share	Rs.	-	-	-	-	-	-
Profit / (loss) before taxation	Rs in '000	(140,271)	434,854	292,672	(755,625)	(746,498)	(41,973)
Profit / (loss) after taxation	Rs in '000	(73,909)	370,222	153,431	(926,670)	(720,616)	121,813
Earning / (loss) per share	Rs.	(0.20)	1.01	0.42	(4.27)	(3.94)	0.67
MEASURE OF FINANCIAL RATIOS							
Current Ratio	x:1	0.62	0.60	0.40	0.45	0.34	0.93
Gearing Ratio	x:1	0.59	0.56	0.60	0.76	0.76	0.50
Acid Test Ratio	x:1	0.25	0.25	0.09	0.15	0.11	0.29
Number of days stock	In days	29	36	23	19	50	57
MEASURE OF PERFORMANCE							
Profit / (loss) after taxation as % of Capital Employed	%	(2.06)	11	5.22	(20.28)	(17.70)	2.76
Sales	Rs in '000	3,496,103	3,511,774	2,930,152	2,220,360	2,198,443	2,982,686
Cost of Sales as % of Sales	%	90.14	79.42	89.87	102.61	96.90	76.52
Profit / (Loss) before taxation as % of Sales	%	(4.01)	12.37	9.99	(34.03)	(33.96)	(1.41)
Profit / (Loss) after taxation as % of Sales	%	(2.11)	10.54	5.24	(41.74)	(32.78)	4.08
Asset turnover	In times	0.60	0.63	0.57	0.44	0.42	0.50



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Review report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Power Cement Limited ("the Company") for the year ended 30th June 2014 to comply with the requirements of Listing Regulation No 35 of the Karachi and Lahore Stock Exchanges.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

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

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

Date: 25th September 2014

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with the Code of Corporate Governance

Power Cement Limited
30th June 2014

This statement is being presented to comply with the requirements of Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi and Lahore 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 CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Director	Mr. Muhammad Kashif Habib
Non Executive / Independent Directors	Mr. Muhammad Yahya Khan Mr. Muhammad Yousuf Adil
Non Executive Directors	Mr. Samad A. Habib Mr. Nasim Beg Mr. Muhammad Ejaz Syed Salman Rasheed

The independent directors meet the criteria of independence under clause I (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by stock exchange.
4. No casual vacancy occurred in the Board during the year ended 30th June 2014.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year, two directors attended directors' training certification program conducted by Pakistan Institute of Corporate Governance. The Board already consists of certain directors who are exempted from the directors' training program in accordance with regulation No.35 (xi) of Listing Regulations of the Stock Exchanges due to having minimum of 14 years of education and 15 years of experience on the board of a listed company. The Company is committed to get all those directors of its Board acquire the certification under the directors' training program by 30th June 2016 which require such certification in accordance with the subject Regulation.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
12. 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.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The Board has approved appointment of Chief Financial Officer and Company Secretary including remuneration and terms and conditions of employment were duly approved.
15. The board has formed an Audit Committee. It comprises 4 members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises 4 members, of whom 3 are non-executive directors and the chairman of the committee is a non executive director.
18. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
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 ICAP, 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 (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.



Muhammad Kashif Habib - CEO
25th September 2014



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Auditors' Report to the Members

We have audited the annexed balance sheet of **Power Cement Limited** ("the Company") as at 30th June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above statements said 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 misstatements. 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 the management, as well as, evaluating the overall presentation of the above said statements. We believed 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 further in accordance with accounting policies consistently applied except for the changes in accounting policies as stated in note 2.5.2 to these financial statements which we concur;
 - ii) The expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) The business conducted, investment 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 30th June 2014 and of the loss, its cash flows and changes in equity for the year then ended; and

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



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- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We draw attention to note 9.1 and 18.1.5 to the financial statements which state the reason for recording an asset in relation to a refund claim of excise duty amounting to Rs. 182.604 million and reversal of loan from previous sponsors amounting to Rs. 115.927 million in the financial statements. Our opinion is not qualified in respect of these matters.

Date: 25th September 2014

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Balance Sheet

As at 30th June 2014

	Note	2014	2013	2012
			<i>Restated</i>	
		(Rupees in '000)		
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	4	4,402,670	4,314,398	4,268,835
Long term deposits		19,635	19,635	19,635
		4,422,305	4,334,033	4,288,470
CURRENT ASSETS				
Stores, spares and loose tools	5	642,543	432,621	473,991
Stock-in-trade	6	177,302	324,979	219,062
Trade debts	7	143,038	138,445	44,010
Advances and other receivables	8	141,603	138,716	121,060
Trade deposits		7,818	7,436	4,969
Tax refunds due from government	9	245,730	238,862	27,921
Cash and bank balances	10	5,476	4,052	3,594
		1,363,510	1,285,111	894,607
		5,785,815	5,619,144	5,183,077
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital 400,000,000 (2013: 400,000,000) Ordinary shares of Rs. 10/- each		4,000,000	4,000,000	4,000,000
Issued, subscribed and paid-up capital 365,689,968 (2013: 365,689,968) Ordinary shares of Rs. 10/- each	11	3,656,900	3,656,900	3,656,900
Discount on issuance of right shares		(914,225)	(914,225)	(914,225)
General reserve		80,000	80,000	80,000
Accumulated loss		(1,394,133)	(1,327,304)	(1,697,265)
		1,428,542	1,495,371	1,125,410
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing	12	2,096,795	1,867,062	1,674,780
Deferred taxation	13	27,985	93,901	-
Deferred liabilities	14	33,164	30,810	141,851
		2,157,944	1,991,773	1,816,631
CURRENT LIABILITIES				
Loan from previous sponsors	18.1.5	735	735	-
Trade and other payables	15	935,441	857,898	839,656
Mark-up accrued	16	13,019	15,248	46,002
Short-term borrowings	17	544,182	958,322	1,104,276
Current portion of long term financing	12	705,952	299,797	251,102
		2,199,329	2,132,000	2,241,036
CONTINGENCIES AND COMMITMENTS				
	18	5,785,815	5,619,144	5,183,077

The annexed notes from 1 to 36 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Profit and Loss Account

For the year ended 30th June 2014

	Note	2014	2013 <i>Restated</i>
(Rupees in '000)			
Sales - net	19	3,496,103	3,511,774
Cost of sales	20	(3,151,266)	(2,788,966)
Gross profit		344,837	722,808
Distribution cost	21	(260,489)	(137,966)
Administrative expenses	22	(68,882)	(54,820)
Other income	23	239,599	319,999
Other operating expense	24	(18,008)	(45,709)
		(107,780)	81,504
Operating profit		237,057	804,312
Finance cost	25	(377,328)	(369,458)
(Loss) / Profit before taxation		(140,271)	434,854
Taxation	26	66,362	(64,632)
(Loss) / Profit after taxation		(73,909)	370,222
			(Rupee)
(Loss) / Earning per share - Basic and diluted	27	(0.20)	1.01

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

For the year ended 30th June 2014

	2014	2013 <i>Restated</i>
	(Rupees in '000)	
(Loss) / Profit for the year	(73,909)	370,222
Other comprehensive income		
<i>Items that will never be reclassified to profit or loss:</i>		
Actuarial gain / (loss) on defined benefit obligations	1,466	(371)
Related deferred tax (reversal) / charge	(446)	110
	1,020	(261)
Total comprehensive (loss) / income for the year	(72,889)	369,961

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Cash Flows Statement

For the year ended 30th June 2014

	Note	2014	2013
			<i>Restated</i>
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	30	152,534	493,354
Gratuity paid		(8,550)	(7,481)
Income tax paid		(25,442)	(12,361)
Finance cost paid		(91,786)	(413,720)
		(125,778)	(433,562)
Net cash generated from operating activities		26,756	59,792
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(186,753)	(154,672)
Acquisition of intangible assets		(899)	-
Proceeds from sale of fixed asset		960	315
Net cash used in investing activities		(186,692)	(154,357)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finance		(250,000)	(259,023)
Loan from related party - net		(577,500)	899,500
Loan from sponsors - net		1,013,500	(500,000)
Net cash generated from financing activities		186,000	140,477
Net increase in cash and cash equivalents		26,064	45,912
Cash and cash equivalents at the beginning of the year		(554,770)	(600,682)
Cash and cash equivalents at the end of the year	31	(528,706)	(554,770)

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

For the year ended 30th June 2014

	Capital Reserve		Revenue Reserve		Total
	Share Capital	Discount on issuance of right share	General	Accumulated loss	
	------(Rupees in '000)-----				
Balance as at 30 th June 2012	3,656,900	(914,225)	80,000	(1,697,265)	1,125,410
<i>Total comprehensive income for the year</i>					
Profit after taxation - <i>restated</i>	-	-	-	370,222	370,222
Other comprehensive income - <i>restated</i>	-	-	-	(261)	(261)
	-	-	-	369,961	369,961
Balance as at 30 th June 2013	3,656,900	(914,225)	80,000	(1,327,304)	1,495,371
<i>Total comprehensive income for the year</i>					
Loss after taxation	-	-	-	(73,909)	(73,909)
Other comprehensive income	-	-	-	1,020	1,020
	-	-	-	(72,889)	(72,889)
<i>Transactions with owners recorded directly in equity</i>					
Tenderable gain from Parent company	-	-	-	6,060	6,060
Balance as at 30th June 2014	3,656,900	(914,225)	80,000	(1,394,133)	1,428,542

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

For the year ended 30th June 2014

1. STATUS AND NATURE OF BUSINESS

- 1.1 Power Cement Limited (the Company) was established as a private limited company on 1 December 1981 and was converted into a Public Limited Company on 9 July 1987 and is listed on Karachi and Lahore Stock Exchanges. The Company is a subsidiary of Arif Habib Corporation Limited (Parent Company). The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi and its undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani rupee which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupee has been rounded to nearest thousand.

2.4 Use of Estimates and Judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Notes to the Financial Statements

For the year ended 30th June 2014

a) Fixed assets

The Company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The Company also reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

b) Trade debts

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

c) Stock in trade and stores and spares

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

d) Income taxes

In making the estimates for income taxes currently payable the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

e) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in these financial statements for actuarial valuation of present value of defined benefit obligations. Change in these assumptions in future years may affect the liability under the scheme in those years.

2.5 New or amendments to existing standard / interpretation and forthcoming requirements

2.5.1 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to standards or new interpretations become effective. However, except for IAS 19, "Employee Benefits" and IAS 16, "Property Plant and Equipment", other amendments were not relevant or did not have any material effect on the financial statement of the company.

Notes to the Financial Statements

For the year ended 30th June 2014

2.5.2 Change in Accounting Policy

IAS 19 (revised) 'Employee benefits'

IAS 19 (revised) 'Employee benefits' amends the accounting for employment benefits which became effective to the company from 1 January 2013. The change introduced by the IAS 19 (revised) are as follows:

- a) The standard requires past service cost to be recognised in profit or loss;
- b) The standard replaces the interest cost on defined benefit obligation and the expected return on plan assets with the net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year;
- c) There is new term "remeasurement". This is made up of actuarial gain and losses, the difference between actual investment return and return implied by the net interest cost; and
- d) The amendment requires an entity to recognise remeasurement immediately in other comprehensive income. Actuarial gains or losses beyond corridor limit were previously required to be amortised over the expected future service of the employees.

The adoption of the revised standard has resulted in a change in the company's accounting policy related to recognition of actuarial gains and losses (note 3.8). Consequently, the Company now recognizes all actuarial gains and losses directly in other comprehensive income with no subsequent recycling through the profit and loss account. Previously, the Company was recognising all actuarial gains and losses in profit and loss account.

International Accounting Standard (IAS) 16 'Property, Plant and Equipment'

Annual Improvements to IFRS 2009 - 2011 amended International Accounting Standard (IAS) 16 'Property, Plant and Equipment' to clarify the accounting of spare parts, stand-by equipment and servicing equipment.

The definition of property, plant and equipment as in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, they are accounted for as consumable spares under IAS 2 'Inventories'. The change became effective to the Company from July 1, 2013 and is to be applied retrospectively.

As per the revised policy spare parts, stand-by equipment and servicing equipment which qualify as property, plant and equipment when an entity expects to use them during more than one year are classified as property, plant and equipment under category of major stores and spares and will be carried at cost less accumulated impairment, if any. These will be transferred to relevant operating assets category as and when such items are available for use.

This change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard (IAS 8) 'Accounting Policies, Change in Accounting Estimate and Errors' resulting in restatement of financial statements of prior periods.

The above changes has been applied retrospectively. The effect of the change in accounting policy on the

Notes to the Financial Statements

For the year ended 30th June 2014

current and prior period financial statements have been summarized below:

Effect of changes on balance sheet

As at June 30, 2012	As previously reported	Effect of change	Restated
	------(Rupees in '000)-----		
Fixed Assets	4,226,616	42,219	4,268,835
Stores, spares and loose tools	516,210	(42,219)	473,991
As at June 30, 2013			
Fixed Assets	4,250,180	64,218	4,314,398
Stores, spares and loose tools	496,839	(64,218)	432,621

Effect on Profit and Loss Account

	2013 (Rupees in '000)
As previously reported	369,961
Effect of change in accounting policy - net	261
As restated	<u>370,222</u>

Effect on Other Comprehensive Income

As previously reported	-
Effect of change in accounting policy	(261)
As restated	<u>(261)</u>

Effect on Earnings per share

As previously reported	1.01
Effect of change in accounting policy	-
As restated	<u>1.01</u>

Had the company not changed its accounting policy, the effect on the financial statements for the year ended 30 June 2014 would have been as follows:

- Fixed assets would have decreased and Stores, spares and loose tools would have increased by Rs. 42.608 million.
- Profit and Loss Account would have increased by Rs.1.02 million.
- Other Comprehensive Income would be Nil.
- Earnings per share would have increased by Re.0.003.

2.5.3 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

Notes to the Financial Statements

For the year ended 30th June 2014

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company’s financial statements.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) - (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Company’s financial statements.
- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.
- Amendments to IAS 19 “Employee Benefits” Employee contributions - a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company’s financial statements.
- IFRS 10 ‘Consolidated Financial Statements’ - (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 ‘Consolidated and Separate Financial Statements’.

IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called ‘Separate Financial Statements’ and will deal with only separate financial statements.

Notes to the Financial Statements

For the year ended 30th June 2014

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016.
- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.
- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:
 - IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

Notes to the Financial Statements

For the year ended 30th June 2014

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.
- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Fixed assets

a) Operating property, plant and equipment - owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for lease hold land, which is stated at cost.

Cost of lease hold land is not amortized since the lease is renewable at nominal price at the option of the lessee.

Depreciation on plant and machinery is charged using units of production method. The unit of production method results in depreciation charge based on the actual use or output.

Depreciation other than plant and machinery is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the company, at the rates specified in note 4. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month prior to disposal.

Notes to the Financial Statements

For the year ended 30th June 2014

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.

Normal repair and maintenance are charged to profit and loss as and when incurred. Gains and losses on disposal of assets, if any, are included in profit and loss currently.

b) Assets subject to finance lease

The Company accounts for property, plant and equipment obtained under finance leases by recording the asset and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments at inception of lease or fair value whichever is lower. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation on plant and machinery is charged on the unit of production method basis. Depreciation on assets other than plant and machinery is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in note 4. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month prior to disposal.

c) Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using the straight line method over assets estimated useful life at the rates specified in note 4.4 after taking into account residual value, if any. The residual values, useful lives and amortization methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortisation is charged in the month in which the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

d) Capital work-in-progress (CWIP)

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to fixed assets as and when assets are available for use.

e) Ijarah lease

Leased assets which are obtained under Ijarah agreement are not recognized in the Company's balance sheet and are treated as operating lease based on Islamic Financial Accounting Standard (IFAS) 2 issued by the Institute of Chartered Accountants of Pakistan and notified by Securities and Exchange Commission of Pakistan vide S.R.O. 43(1) / 2007 dated 22 May 2007. Ujrah payments under the agreement are charged to profit and loss account over the lease term.

f) Capitalisable stores and spares

Spare parts, stand-by equipment and servicing equipment which qualify as property, plant and equipment when an entity expects to use them during more than one year are classified as fixed assets under category of major stores and spares.

Notes to the Financial Statements

For the year ended 30th June 2014

3.2 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial assets

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3 Stores, spare parts and loose tools

These are valued at cost determined on moving average basis, less provision for obsolescence. Stores and spares in transit are valued at invoice value plus other charges incurred thereon as on balance sheet date.

3.4 Stock in trade

Stock of raw and packing materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost in relation to work in process and finished goods includes prime cost and appropriate proportion of production overheads incurred in bringing the inventory to their present location and condition. Stocks of raw and packing material are valued at moving average cost.

Stocks in transit are valued at cost comprising invoice value plus other charges directly attributable to the acquisition of related purchase incurred up to the balance sheet date.

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

Notes to the Financial Statements

For the year ended 30th June 2014

3.5 Trade debts

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

3.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances net of short term borrowings.

3.7 Taxation

Income tax on profit or loss for the year comprises current and deferred tax.

a) Current

The company falls under the presumptive tax regime under Section 115 (4) and 169 of the Income Tax Ordinance, 2001, to the extent of direct export sales. Provision for tax on other income and local sales is based on taxable income at the rates applicable for the current tax year, after considering the rebates and tax credits available, if any. The tax charge as calculated above is compared with turnover tax under Section 113 of the Income Tax Ordinance, 2001 and whichever is higher, is provided in these financial statements.

b) Deferred

Deferred taxation is recognized, using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of the realization or settlement of the carrying amount of assets and liabilities, using rates of taxation enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets, are reduced to the extent that they are no longer probable that the related tax benefit will be realized.

3.8 Staff retirement benefits

a) Defined benefit plan

The company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contribution are made to the fund in accordance with actuarial recommendations. The most recent valuation in this regard was carried out on 30 June 2014 by using the Projected Credit Unit Method for valuation of the scheme. The actuarial gains/losses are recognized in other comprehensive income in the year in which they arises.

Notes to the Financial Statements

For the year ended 30th June 2014

b) Compensated absences

The company accounts for liability in respect of un-availed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn gross salary.

3.9 Trade and other payables

These are recognized and carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.10 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 can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate.

3.11 Foreign currency transactions

Transaction in foreign currencies are translated into Pakistani rupees using the exchange rates prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in rupees using the exchange rates approximating those prevailing on the balance sheet date. All exchange differences are taken into profit and loss account.

3.12 Financial instruments

a) Initial recognition

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it.

b) Derecognition of financial liability

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

3.13 Offsetting of financial assets and financial liabilities

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

Notes to the Financial Statements

For the year ended 30th June 2014

3.14 Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognized in the balance sheet at estimated fair value with corresponding effect to profit and loss. Derivative financial instruments are carried as assets when fair value is positives and liabilities when fair value is negative.

3.15 Borrowing and finance costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of that asset.

Finance cost comprise interest expense on borrowings, if any, unwinding of the discount on provisions and bank charges. Mark up, interest and other charges on borrowings are charged to profit and loss in the period in which they are incurred.

3.16 Revenue recognition

- Revenue from sale of goods is measured at fair value of the consideration received or receivable. Domestic sales are recognized as revenue on dispatch of goods to customers. Export sales are recognized as revenue on the basis of goods shipped to customers.
- Profit on bank deposits is recorded on accrual basis.
- Gain / (loss) on sale of fixed assets is recorded when title is transferred in favour of transferee.
- Income from scrap is recorded on dispatch of scrap to the customers.
- Rebate on export is recognized after finalization of export documents.

3.17 Dividends and appropriations

Dividends and reserve appropriations are recognized in the period in which these are declared /approved. The distribution of dividend is subject to the covenant as mentioned in note 12.2.

3.18 Earnings per share

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

4. FIXED ASSETS	<i>Note</i>	2014	2013
		(Rupees in '000)	
Property, plant and equipment	4.1	4,275,940	4,250,159
Intangible assets	4.4	862	21
Capital work in progress	4.5	83,260	-
Capitalisable stores and spares	4.6	42,608	64,218
		<u>4,402,670</u>	<u>4,314,398</u>

Notes to the Financial Statements

For the year ended 30th June 2014

4.1 Property, plant and equipment

	2014			Rate	2014			Written down value as at 30 June 2014
	Cost				Accumulated depreciation			
	As at 1 July 2013	Additions / (disposals)	As at 30 June 2014		As at 1 July 2013	Charge for the year / (on disposal)	As at 30 June 2014	
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Owned assets								
Land - lease hold	3,025	-	3,025	-	-	-	-	3,025
Factory building on leased hold land	778,828	-	778,828	5%	285,924	24,645	310,569	468,259
Non-factory building on leased hold land	20,938	-	20,938	10%	10,377	1,056	11,433	9,505
Lease hold improvement	26,741	1,507	28,248	10%	1,337	2,667	4,004	24,244
Plant and machinery	4,700,314	115,014	4,815,328	Units of production	1,034,116	62,484	1,096,600	3,718,728
Factory and laboratory equipment	33,458	115	33,573	10%	9,897	2,367	12,264	21,309
Quarry equipments	11,819	-	11,819	15%	9,937	282	10,219	1,600
Office equipments	5,557	3,088	8,645	10%	3,119	298	3,417	5,228
Computer and peripherals	10,558	3,692	14,250	33%	6,622	2,163	8,785	5,465
Furniture and fixture	19,201	393	19,594	10%	8,854	1,056	9,910	9,684
Vehicles	27,606	1,294	27,910	20%	17,703	2,047	19,017	8,893
		(990)				(733)		
	5,638,045	125,103	5,762,158		1,387,886	99,065	1,486,218	4,275,940
		(990)				(733)		
	------(Rupees in '000)-----				------(Rupees in '000)-----			
	2013				2013			
	Cost			Rate	Accumulated depreciation			Written down value as at 30 June 2013
As at 1 July 2012	Additions / (disposals)	As at 30 June 2013	As at 1 July 2012		Charge for the year / (on disposal)	As at 30 June 2013		
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Owned assets								
Land - lease hold	3,025	-	3,025	-	-	-	-	3,025
Factory building on leased hold land	778,828	-	778,828	5%	259,982	25,942	285,924	492,904
Non-factory building on leased hold land	20,938	-	20,938	10%	9,204	1,173	10,377	10,561
Lease hold improvement	-	26,741	26,741	10%	-	1,337	1,337	25,404
Plant and machinery	4,608,888	91,426	4,700,314	Units of production	961,119	72,997	1,034,116	3,666,198
Factory and laboratory equipment	24,172	9,286	33,458	10%	8,161	1,736	9,897	23,561
Quarry equipments	11,444	375	11,819	15%	9,616	321	9,937	1,882
Office equipments	4,978	579	5,557	10%	2,882	237	3,119	2,438
Computer and peripherals	7,901	2,657	10,558	33%	5,126	1,496	6,622	3,936
Furniture and fixture	19,152	49	19,201	10%	7,709	1,145	8,854	10,347
Vehicles	26,878	1,560	27,606	20%	16,103	2,285	17,703	9,903
		(832)				(685)		
	5,506,204	132,673	5,638,045		1,279,902	108,669	1,387,886	4,250,159
		(832)				(685)		

4.2 Depreciation charge for the year has been allocated as follows:

	Note	2014 (Rupees in '000)	2013
Cost of sales	20	87,410	99,260
Distribution cost	21	2,914	2,352
Administrative expenses	22	8,741	7,057
		<u>99,065</u>	<u>108,669</u>

Notes to the Financial Statements

For the year ended 30th June 2014

4.3 The details of fixed assets disposed off during the year are as follows:

Particulars of assets	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Particulars of buyers
2014							
Vehicle	301	(177)	124	460	336	Negotiation	Mr. Muzammil
Vehicle	689	(556)	133	500	367	Negotiation	Mr. Muzammil
	<u>990</u>	<u>(733)</u>	<u>257</u>	<u>960</u>	<u>703</u>		
2013	<u>832</u>	<u>(685)</u>	<u>147</u>	<u>315</u>	<u>168</u>		

4.4 Intangible assets

The Company's intangible assets comprise computer softwares. The carrying amount is as follows:

	2014	2013
	(Rupees in '000)	
Cost	1,485	586
Accumulated amortization	(623)	(565)
	<u>862</u>	<u>21</u>
Carrying amount at the beginning of the year	21	314
Additions during the year	899	-
Amortization during the year	(58)	(293)
Carrying amount at the end of the year	<u>862</u>	<u>21</u>
Rate of amortization	<u>50%</u>	<u>50%</u>

4.5 Capital work in progress

	Cost as at 1 July 2013	Additions	Transferred to operating fixed assets	Cost as at 30 June 2014
	(Rupees in '000)			
Packing plant	-	62,698	-	62,698
Slag feeding system	-	3,451	-	3,451
Refuse derived fuel system	-	17,111	-	17,111
	<u>-</u>	<u>83,260</u>	<u>-</u>	<u>83,260</u>

4.6 Capitalisable stores and spares

	2014	2013
	(Rupees in '000)	
Opening balance	64,218	42,219
Additions during the year	81,531	101,267
Transferred to property, plant and equipment	(103,141)	(79,268)
Closing balance	<u>42,608</u>	<u>64,218</u>

Notes to the Financial Statements

For the year ended 30th June 2014

5. STORES, SPARES AND LOOSE TOOLS	Note	2014 (Rupees in '000)	2013
Stores		183,517	142,173
Coal	5.1	294,445	167,251
Spare parts		175,219	133,712
Loose tools		<u>2,881</u>	<u>3,004</u>
		<u>656,062</u>	<u>446,140</u>
Provision for slow moving / obsolete store and spares	5.2	<u>(13,519)</u>	<u>(13,519)</u>
		<u>642,543</u>	<u>432,621</u>
5.1	This includes coal in-transit amounting to Rs. 166.742 million (2013: Nil).		
5.2 Provision for slow moving / obsolete stores and spares			
Opening balance		13,519	13,519
Charge for the year		<u>-</u>	<u>-</u>
Closing balance		<u>13,519</u>	<u>13,519</u>
6. STOCK-IN-TRADE			
Raw material		33,306	17,080
Packing material		49,834	51,133
Work-in-process		67,732	220,453
Finished goods		<u>26,430</u>	<u>36,313</u>
		<u>177,302</u>	<u>324,979</u>
7. TRADE DEBTS - Considered good			
Secured against letter of credit		7,530	40,250
Unsecured			
- Due from related parties	7.1	15,099	1,889
- Others		<u>120,409</u>	<u>96,306</u>
		<u>143,038</u>	<u>138,445</u>
7.1	The related parties from whom the debts are due are as under:		
Javedan Corporation Limited		6,898	1,038
Safe Mix Concrete Products Limited		8,036	851
Aisha Steel Mills Limited		<u>165</u>	<u>-</u>
		<u>15,099</u>	<u>1,889</u>
7.2	The balances due from related parties are mark-up free. The aging analysis of these balances is as follows:		
Not past due		9,728	851
Past due 1-60 days		5,371	296
Past due 61 days -1 year		<u>-</u>	<u>742</u>
		<u>15,099</u>	<u>1,889</u>

Notes to the Financial Statements

For the year ended 30th June 2014

8. ADVANCES AND OTHER RECEIVABLES	Note	2014 (Rupees in '000)	2013
Advances			
To employees	8.1	8,453	4,204
To contractors and suppliers	8.2	49,481	46,715
Against letter of credit		13,469	24,392
Income tax		44,927	26,799
Other receivable			
Rebate receivable		5,421	4,554
Others	8.3	19,852	32,052
		<u>141,603</u>	<u>138,716</u>

8.1 This includes advances to executives amounting to Rs. 6.657 million (2013: Rs 2.852 million).

8.2 This includes advance against rent to Rotocast Engineering Company (Private) Limited (a related party) amounting to Nil (2013: Rs.2.264 million).

8.3 This include receivable against sale of scrap amounting to Rs. 12.936 million (2013: Rs. 22.048 million).

9. TAX REFUND DUE FROM GOVERNMENT

Income tax refundable		53,274	46,406
Sales tax refundable		2,989	2,989
Excise duty receivable	9.1 & 9.2	189,467	189,467
		<u>245,730</u>	<u>238,862</u>

9.1 From 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs. 182.604 million.

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated 19 March 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated 24 January 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the Learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated 23 May 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated 19 March 2009 and order number 02 of 2009 dated 24 January 2009 were set aside by ATIR and appeal was allowed.

Notes to the Financial Statements

For the year ended 30th June 2014

Based on the decision by ATIR and the tax adviser's opinion that the refund claim is allowed to the company, the company has recorded the refund claim receivable with a corresponding credit to the profit & loss account. The matter has been challenged by the Tax department in the High Court. However, the management based on legal advisor's opinion is confident of a favourable outcome. The Company is actively pursuing the matter for the settlement of the said refund claim.

- 9.2** The Company received an order from Additional Collector, Hyderabad vide order no. 22 of 2000 alleging that Central Excise Duty of Rs. 6.863 million was not paid on certain sales for the years 1995-1996 and 1996-1997. The said amount was paid by the Company, however, a corresponding receivable was recorded. The Company filed an appeal in Honourable Sindh High Court which was rejected vide order dated 29 May 2007. The Company then filed a petition in Honourable Supreme Court of Pakistan which was disposed off vide order dated 18 July 2011 with the permission to approach the Court of Civil jurisdiction. Accordingly, a civil suite was filed by the Company challenging the order of Deputy Collector of Customs, Central Excise & Sales Tax, Hyderabad. The management in consultation with its lawyer is confident that the outcome of the case would be in favour of the Company and that the amount deposited above would be recovered.

10. CASH AND BANK BALANCES	<i>Note</i>	2014	2013
		(Rupees in '000)	
Cash in hand		477	415
Cash with banks:			
- In current accounts		4,587	3,302
- In savings accounts	<i>10.1</i>	412	335
		<u>5,476</u>	<u>4,052</u>

- 10.1** These carry mark-up ranging from 9% - 12% (2013: 9% - 12%) per annum.

11. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2014	2013		2014	2013
(Number of Shares)			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
353,510,380	353,510,380	For cash	3,535,104	3,535,104
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
<u>365,689,968</u>	<u>365,689,968</u>		<u>3,656,900</u>	<u>3,656,900</u>

- 11.1** Shares held by the associated companies as at the balance sheet date were 237,842,913 (2013: 306,499,413).

- 11.2** In 2013, the Company in its Extra Ordinary General Meeting, held on 4 June 2013, approved capital restructuring through reduction of share capital of the Company to the extent of 50% i.e. from 365,689,968 shares to 182,844,984 shares of Rs. 10 each amounting to Rs. 1,828,449,840, subject to the approval of regulatory authorities and completion of all statutory and legal formalities.

Notes to the Financial Statements

For the year ended 30th June 2014

The proposed reduction in share capital will be done through cancellation of one share for every two shares held in the Company. Fraction shares arising as a result of capital restructuring will be consolidated and disposed off through stock exchange.

During the year, a petition has been filed with the High Court to confirm the reduction.

12. LONG TERM FINANCING	Note	2014 (Rupees in '000)	2013
Syndicated term finance - secured	12.1 & 12.2	1,629,757	1,666,859
Loan from related parties- unsecured	12.3	1,172,990	500,000
		<u>2,802,747</u>	<u>2,166,859</u>
Current maturity shown under current liability		<u>(705,952)</u>	<u>(299,797)</u>
		<u>2,096,795</u>	<u>1,867,062</u>

12.1 This represents syndicated term finance facility arranged by the Company with a syndicate of local commercial banks (the Syndicate). In 2012, the Company entered into a revised restructuring agreement with the Syndicate dated 23 December 2011. As per the revised restructuring agreement the principal is payable in nine half yearly instalments from 23 December 2011 to 23 December 2015.

The mark up charged during first 3.5 years i.e. from 23 June 2010 to 22 December 2013 is 6 month KIBOR + 0% and after 3.5 years i.e. 23 December 2013 to 23 December 2015, the mark up will be charged at 6 month KIBOR + 1.75%. Mark-up outstanding at the time of restructuring and mark up accrued from restructuring date till the date of final settlement of principal will then be paid in half yearly instalments of Rs. 250 million each commencing from 23 June 2016.

The loan is secured by way of mortgage over property worth PKR 3.33 billion and hypothecation charge over assets worth PKR 3.33 billion.

12.2 The revised restructuring mentioned above resulted in substantial modification of the financing terms, accordingly the original liability was extinguished and new liability was recognised at fair value. The difference between the carrying amount of the liability extinguished and the fair value of the new liability was recognised in profit and loss account which is being amortised on effective interest rate over the remaining tenor of the loan. The facility contains a covenant that company can not pay dividend to its shareholders until it is upto date to its debt obligation including mark-up payments to syndicate.

12.3 This represents mark up free long term loans of Rs. 1,325 million obtained during the year from related parties, recorded at fair value (2013: Rs. 500 million at the mark-up rate of 3 months KIBOR plus 2.5%). The difference between the carrying value of the liability and the fair value is recognized in profit and loss account which is being amortized on effective interest rate over the remaining tenor of the loan.

	2014 (Rupees in '000)	2013
Unsecured:		
Loan from related party - recorded at fair value	1,325,500	500,000
Less : discounted to fair value	<u>(230,836)</u>	-
	1,094,664	500,000
Add : unwinding of discount on fair value of long term loan	<u>78,326</u>	-
	<u>1,172,990</u>	<u>500,000</u>

Notes to the Financial Statements

For the year ended 30th June 2014

13. DEFERRED TAXATION

2014 2013
(Rupees in '000)

Deferred tax asset / (liability) comprises of temporary differences as follows:

Deductible temporary differences

Provision for gratuity	7,545	7,010
Provision for stores and spares	3,076	3,076
Provision for leave encashment	2,595	2,703
Carry forward tax losses	593,913	615,215
Loans from related parties	34,696	-
Minimum tax	-	-
	<u>641,825</u>	<u>628,004</u>

Taxable temporary differences

Accelerated tax depreciation	(669,810)	(637,513)
Long term financing	-	(84,392)
Recognition of liability	-	-
	<u>(27,985)</u>	<u>(93,901)</u>

13.1 Movement of deferred tax (asset) / liability

	2014			Balance at 30 June 2014
	Balance at 1 July 2013	Recognized in profit and loss	Recognized in other comprehensive income	
	(Rupees in '000)			
Deductible temporary differences				
Provision for gratuity	(7,010)	(981)	446	(7,545)
Provision for stores and spares	(3,076)	-	-	(3,076)
Provision for leave encashment	(2,703)	108	-	(2,595)
Carry forward tax losses	(615,215)	21,302	-	(593,913)
Loans from related parties	-	(34,696)	-	(34,696)
	<u>(628,004)</u>	<u>(14,267)</u>	<u>446</u>	<u>(641,825)</u>
Taxable temporary differences				
Accelerated tax depreciation	637,513	32,297	-	669,810
Long term financing	84,392	(84,392)	-	-
	<u>93,901</u>	<u>(66,362)</u>	<u>446</u>	<u>27,985</u>
	2013			Balance at 30 June 2013
	Balance at 1 July 2012	Recognized in profit and loss	Recognized in other comprehensive income	
	(Rupees in '000)			
	----- Restated -----			
Deductible temporary differences				
Provision for gratuity	(5,898)	(1,002)	(110)	(7,010)
Provision for stores and spares	(3,076)	-	-	(3,076)
Provision for leave encashment	(2,566)	(137)	-	(2,703)
Carry forward tax losses	(697,188)	81,973	-	(615,215)
	<u>(708,728)</u>	<u>80,834</u>	<u>(110)</u>	<u>(628,004)</u>
Taxable temporary differences				
Accelerated tax depreciation	595,051	42,462	-	637,513
Long term financing	98,395	(14,003)	-	84,392
	<u>(15,282)</u>	<u>109,293</u>	<u>(110)</u>	<u>93,901</u>
Deferred tax asset not recognised	15,282	(15,282)	-	-
	<u>-</u>	<u>94,011</u>	<u>(110)</u>	<u>93,901</u>

Notes to the Financial Statements

For the year ended 30th June 2014

14. DEFERRED LIABILITIES	Note	2014 (Rupees in '000)	2013
Provision for employees gratuity	14.1	<u>33,164</u>	<u>30,810</u>
14.1 Number of Employees under the scheme		2014	2013
		(Number)	
The number of employees covered under scheme are:		<u>274</u>	<u>267</u>
14.2 The amounts recognised in these financial statements, based on the actuarial valuation carried out by Nauman Associates as at 30 June are as follows:			
a) Significant actuarial assumptions		2014	2013
Financial assumptions			
Discount rate		13.25%	10.50%
Expected rate of eligible salary increase in future years		12.25%	9.50%
Demographic assumptions			
Mortality rate	SLIC 2001-2005		EFU 61-66
Withdrawal rate	Moderate		Moderate
Retirement assumption	Age 60		Age 60
		2014	2013
			<i>Restated</i>
b) Reconciliation of balance due to defined benefit plan		(Rupees in '000)	
Present value of defined benefit obligation		36,756	31,406
Fair value of plan assets		<u>(3,592)</u>	<u>(596)</u>
		<u>33,164</u>	<u>30,810</u>
c) Movement of the liability recognized in the balance sheet			
Liability recognised in the balance sheet as at 1 July		30,810	25,924
Charge for the year		12,370	11,996
Remeasurements chargeable in other comprehensive income		(1,466)	371
Contribution during the year		(8,550)	(7,481)
Liability recognised in the balance sheet as at 30 June		<u>33,164</u>	<u>30,810</u>
d) Change in present value of defined benefits obligations			
Present value of defined benefits obligation as at 1 July		31,406	26,007
Current service cost for the year		9,653	8,626
Interest cost for the year		2,927	3,381
Benefits paid during the year		(5,746)	(4,258)
Benefits due but not paid		(1,313)	-
Remeasurements:			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		-	-
Experience adjustments		(171)	(2,350)
Present value of defined benefits obligation as at 30 June		<u>36,756</u>	<u>31,406</u>
e) Changes in fair value of plan assets			
Fair value of plan assets as at 1 July		596	83
Contribution during the year		8,550	7,481
Expected return on plan assets		210	11
Benefits paid / discharged during the year		(5,746)	(4,258)
Benefits due but not paid		(1,313)	-
Actuarial loss on plan assets		1,295	(2,721)
Fair value of plan assets as at 30 June		<u>3,592</u>	<u>596</u>

Notes to the Financial Statements

For the year ended 30th June 2014

	Note	2014	2013 <i>Restated</i>			
f) Expenses recognized in the profit and loss account						
		(Rupees in '000)				
Current service cost		9,653	8,626			
Interest cost		2,927	3,381			
Return on plan assets		(210)	(11)			
		<u>12,370</u>	<u>11,996</u>			
g) Remeasurements Chargeable in Other Comprehensive Income						
Remeasurements:						
Actuarial (gains)/losses from changes in demographic assumptions		-	-			
Actuarial (gains)/losses from changes in financial assumptions		-	-			
Experience adjustments		(171)	(2,350)			
		<u>(171)</u>	<u>(2,350)</u>			
Return on plan assets, excluding interest income		(1,295)	2,721			
Total Remeasurements Chargeable in Other Comprehensive Income		<u>(1,466)</u>	<u>371</u>			
h) Expected charge for the year ending 30 June 2015 is Rs. 14.676 million.						
i) Plan Assets as at 30 June 2014 comprise:		Amount	Percentage			
Cash and/or deposits		713	19.85%			
Other		2,879	80.15%			
		<u>3,592</u>	<u>100%</u>			
j) Sensitivity analysis						
Discount rate effect		Present value obligation	Rate effect			
Original liability		36,756	13.25%			
1% increase		34,244	14.25%			
1% Decrease		39,663	12.25%			
Salary increase rate effect						
Original liability		36,756	12.25%			
1% increase		39,713	13.25%			
1% Decrease		34,156	11.25%			
Maturity profile						
The average duration of defined benefit obligation is 7 years.						
k) Analysis of present value of defined benefits obligations and fair value of plan assets						
		2013-14	2012-13	2011-12	2010-11	2009-10
		----- (Rupees in '000) -----				
Present value of defined obligations		(36,756)	(31,406)	(26,007)	(18,495)	(18,627)
Fair value of plan assets		3,592	596	83	559	600
Deficit		<u>(33,164)</u>	<u>(30,810)</u>	<u>(25,924)</u>	<u>(17,936)</u>	<u>(18,027)</u>
l) Experience adjustments						
Experience adjustment arising on plan liabilities		(171)	(2,350)	(249)	(1,363)	2,871
		<u>(171)</u>	<u>(2,350)</u>	<u>(249)</u>	<u>(1,363)</u>	<u>2,871</u>
m) The charge for the year has been allocated as follows:	<i>Note</i>	2014	2013			
		(Rupees in '000)				
Cost of sales	20	9,850	9,355			
Distribution cost	21	1,799	1,080			
Administrative expenses	22	721	1,560			
		<u>12,370</u>	<u>11,995</u>			

Notes to the Financial Statements

For the year ended 30th June 2014

15. TRADE AND OTHER PAYABLES	Note	2014 (Rupees in '000)	2013
Trade creditors	15.1	177,573	180,607
Bills payable		444,933	288,956
Accrued liabilities		99,510	73,182
Royalty payable		18,044	16,761
Excise duty payable		6,176	5,802
Advances from customers	15.2	101,835	210,320
Retention money payable		1,312	1,323
Sales tax and federal excise duty payable		36,719	24,901
Unclaimed dividends		126	126
Withholding tax payable		2,011	1,732
Workers' Profit Participation Fund	15.3	25,530	23,334
Workers' Welfare Fund		8,867	8,867
Leave encashment payable		11,407	11,881
Others		1,398	10,106
		<u>935,441</u>	<u>857,898</u>

15.1 This includes Rs. 0.375 million (2013: Rs. 0.375 million) payable to Javedan Corporation Limited, a related party.

15.2 It includes Rs. Nil (2013: Rs. 0.458 million) received from Aisha Steel Mill Limited, a related party.

15.3 Workers' Profit Participation Fund

Balance as at 1 July		23,334	-
Mark-up on balance payable	25	2,196	-
Allocation for the year		-	23,334
		<u>25,530</u>	<u>23,334</u>
Payments made during the year		-	-
Balance as at 30 June		<u>25,530</u>	<u>23,334</u>

16. MARK-UP ACCRUED

On long term financing		-	4,511
On short term borrowings	16.1	13,019	10,737
		<u>13,019</u>	<u>15,248</u>

16.1 This includes amount due to Arif Habib Corporation Limited (parent company) amounting to Rs. 0.219 million (2013: Rs.0.577 million).

Notes to the Financial Statements

For the year ended 30th June 2014

17. SHORT TERM BORROWINGS	Note	2014 (Rupees in '000)	2013
From banking companies:			
Running finances	17.1	384,050	428,822
Foreign currency loan	17.2	20,132	-
Istisna	17.3	130,000	130,000
		534,182	558,822
From related parties:			
Short term finance from related party	17.4	10,000	87,500
Sponsor loan		-	312,000
		544,182	958,322

17.1 This represents short term running finance facilities from various banks amounting to Rs. 450 million (2013: Rs.550 million), which represents the aggregate of sale prices of all mark-up agreements between the Company and the banks. These carry mark up at the rate ranging between 3 months KIBOR plus 1.50% to 3 months KIBOR plus 2.5% (2013: 3 months KIBOR plus 1.50% to 3 months KIBOR plus 2.5%) per annum calculated on daily product basis. Mark-up on these facilities is payable quarterly. These facilities have various maturity dates up to June 2015 and are secured by first pari passu charge against current / fixed assets of the Company.

The aggregate amount of aforementioned facilities which have not been availed as at the balance sheet date amounts to Rs. 45.817 million (2013: Rs. 121.18 million). The facility is secured by first pari passu charge against fixed assets (excluding land and building) of the Company.

17.2 During the year Company availed the foreign currency loan facility from a bank amounting to Rs. 50 million (2013: Nil). The amount is repayable in 180 days from the date of disbursement and carries mark-up at the rate of LIBOR plus 2%. The facility is secured by first pari passu charge against present and future fixed assets of the company.

17.3 The amount is repayable in 90 days from the date of disbursement and carries mark-up at the rate of 3 months KIBOR plus 3%. The facility will mature on 2 July 2014 and is renewable.

17.4 The amount represents unsecured short term finance availed from Arif Habib Corporation Limited (parent company) amounting to Rs.500 Million (2013: Rs. 500 million). This carries mark-up at the rate of 3 months KIBOR + 2.5% per annum. The principal is repayable on demand whereas mark up is payable semi annually.

Notes to the Financial Statements

For the year ended 30th June 2014

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Company received an order from Central Excise and Land Custom on 28 October 1992 alleging that the Sales tax and CED amounting to Rs. 15.210 and Rs. 30.312 million respectively, were not paid on certain sales. Penalty of the Rs. 45.524 million was also levied in the said order on account of non payment of above amount. The company has however disputed the same on grounds of lack of jurisdiction as well as on the merits, the matter is sub-judice. The Honourable High Court of Sindh has granted stay against the said order and the case is currently pending with the Appellate Tribunal Inland Revenue, Karachi. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company and hence no provision is made in these financial statements.

18.1.2 The Competition Commission of Pakistan (the CCP) took Suo Moto action under Competition Commission Ordinance, 2007 and issued a Show Cause Notice on 28 October 2008 for increase in prices of cement across the country. Similar notices were also issued to All Pakistan Cement manufacturers Association (APCMA) and its member cement manufacturers. The Company filed a writ petition before the Honourable Lahore High Court (LHC), the LHC vide its order dated 24 August 2009 allowed the CCP to issue its final order. The CCP accordingly passed an order on 27 August 2009 and imposed a penalty of Rs. 87 million on the company. The Lahore High Court vide its order dated 31 August 2009 restrained the CCP from enforcing its order against the Company for the time being.

During the financial year ended 30 June 2009, the company has filed an appeal before the Honourable Supreme Court of Pakistan and Lahore High Court against the Order of the CCP dated 27 August 2009. The petition filed by the company and other cement manufacturers before the Lahore High Court are pending for adjudication meanwhile order passed by the Lahore High Court on 31 August 2009 is still operative. Management, based on the legal advice, believes that there are good legal grounds and is hopeful that there will be no adverse outcome for the company, accordingly no provision has been made in these financial statement

18.1.3 A customer has filed claim of Rs. 1.197 million before the Court of District & Session Judge Karachi (East), for recovery of financial loss due to sub-standard supply of cement. The Honourable Judge has decided the order in favour of the customer. Thereafter, the Company filed a revision application against the order before the Sindh High Court. The management based on the advice of the lawyer is confident that the outcome of the case would be in favour of the Company and hence no provision is made in these financial statements.

18.1.4 Section 113(2)(c) was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 7 May 2013, whereby it was held that the benefit of carry forward of minimum tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than minimum tax. Therefore, where there is no tax payable, inter alia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability.

The Company has carried forward minimum tax of current and previous years amounting to Rs. 70.814 million and the Company expect to adjust the amount against the future taxable profits. The Company's legal counsel is of the opinion that the Company has strong arguable case and at an appropriate stage the matter can be agitated before Supreme Court of Pakistan in case the adjustment is challenged by the tax authorities. In view of above, the Company is confident that the ultimate outcome in this regard would be favourable. Hence no provision in this respect has been made in these financial statements.

Notes to the Financial Statements

For the year ended 30th June 2014

- 18.1.5** During the year ended 30 June 2013, the Company reversed liability amounting to Rs. 115.927 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

The management of the Company was taken over by purchasing controlling shareholding during the year 2005. One of the condition of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and/or unrecorded liabilities. However, due to dispute regarding existence of certain assets, unrecorded liabilities etc., the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous sponsors. The amount outstanding as at 30 June 2012 amounted to Rs. 115.927 million i.e. Rs. 234.076 million net off with unavailable stores and spares of Rs. 118.149 million.

In 2013, the arbitrator decided in favour of the Company and determined an amount of Rs. 0.735 million to be paid by the Company. The award has been sent to the Registrar High Court of Sindh for making the award a rule of Court. The management, based on its lawyers' advice is of the opinion that despite of objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability with a corresponding credit in the profit & loss account. However, as previous sponsors have filed objections to the award, the matter has been disclosed as a contingent liability in these financial statements.

18.2 Commitments

	2014	2013
	(Rupees in '000)	
Commitments against open letter of credit for:		
- Coal	-	77,271
- Stores and spares	<u>98,651</u>	<u>69,919</u>
	<u>98,651</u>	147,190
Other commitments		
- Ijarah Rentals	<u>2,557</u>	<u>3,918</u>
	<u>101,208</u>	<u>151,108</u>

19. SALES - NET

Local	3,871,509	3,702,337
Export	<u>467,378</u>	<u>527,725</u>
	<u>4,338,887</u>	4,230,062
Less :		
Sales tax	<u>(658,418)</u>	<u>(511,935)</u>
Federal excise duty	<u>(184,366)</u>	<u>(206,353)</u>
	<u>(842,784)</u>	<u>(718,288)</u>
	<u>3,496,103</u>	<u>3,511,774</u>

Notes to the Financial Statements

For the year ended 30th June 2014

20. COST OF SALES	Note	2014	2013 <i>Restated</i>
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	20.1	192,349	177,095
Raw materials consumed	20.2	188,116	206,281
Packing material consumed	20.3	232,165	223,014
Stores, spares and loose tools		134,561	106,807
Fuel and power		2,065,892	2,034,647
Insurance		10,558	8,506
Repairs and maintenance		42,627	30,822
Depreciation	4.2	87,410	99,260
Other production overheads		34,984	26,705
		<u>2,988,662</u>	<u>2,913,137</u>
Work in process			
Opening		220,453	117,901
Closing	6	(67,732)	(220,453)
		<u>152,721</u>	<u>(102,552)</u>
Cost of goods manufactured		<u>3,141,383</u>	<u>2,810,585</u>
Finished goods			
Opening		36,313	14,694
Closing	6	(26,430)	(36,313)
		<u>9,883</u>	<u>(21,619)</u>
		<u>3,151,266</u>	<u>2,788,966</u>
20.1	It includes Rs. 9.850 million (2013: Rs. 9.356 million) against staff retirement benefits.		
20.2 Raw materials consumed			
Opening stock of raw material		17,080	37,157
Purchases		204,342	186,204
		<u>221,422</u>	<u>223,361</u>
Closing stock of raw material	6	(33,306)	(17,080)
		<u>188,116</u>	<u>206,281</u>
20.3 Packing materials consumed			
Opening stock of packing material		51,133	49,310
Purchases		230,866	224,837
		<u>281,999</u>	<u>274,147</u>
Closing stock of packing material	6	(49,834)	(51,133)
		<u>232,165</u>	<u>223,014</u>

Notes to the Financial Statements

For the year ended 30th June 2014

21. DISTRIBUTION COST	Note	2014	2013 <i>Restated</i>
(Rupees in '000)			
Salaries, wages and other benefits including retirement benefits	21.1	20,119	13,220
Export expenses		135,374	109,680
Travelling and conveyance		266	1,446
Depreciation	4.2	2,914	2,352
Marking fee		2,823	2,902
Incentive and commission on local sales		95,755	6,633
Others		3,238	1,733
		<u>260,489</u>	<u>137,966</u>

21.1 It includes Rs. 1.799 million (2013: Rs. 1.080 million) against staff retirement benefits.

22. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits including retirement benefits	22.1	14,257	18,577
Travelling and conveyance		189	177
Printing and stationery		1,415	1,146
Repair and maintenance		5,665	4,508
Legal and professional charges		3,125	2,927
Auditor's remuneration	22.2	1,001	1,001
Rent, rates and taxes		12,607	5,934
Advertisement		5,710	1,891
Postage, telephone and telegram		2,299	1,801
Entertainment		1,526	1,673
Ujrah payments	22.3	1,318	1,209
Fees and subscription		3,568	2,527
Depreciation	4.2	8,741	7,057
Amortization	4.4	58	293
Charity and donation	22.4	975	487
Miscellaneous		2,755	3,612
Written off advances		3,660	-
Bad debts written off		13	-
		<u>68,882</u>	<u>54,820</u>

22.1 It includes Rs. 0.721 million (2013: Rs. 1.560 million) against staff retirement benefits.

22.2 Auditor's remuneration

Audit fees	600	600
Half yearly review fee	251	251
Fee for the review of compliance with Code of Corporate Governance	50	50
Out of pocket expenses	100	100
	<u>1,001</u>	<u>1,001</u>

Notes to the Financial Statements

For the year ended 30th June 2014

22.3 Ujarah payments

The Company has entered into Ujarah arrangements with Bank Islami Pakistan Limited for lease of 2 vehicles having monthly rentals for a total period of 4-5 years.

Total of future Ujarah payments under the agreement are as follows:

	<i>Note</i>	2014	2013
		(Rupees in '000)	
Not later than one year		1,298	1,310
Later than one year but not later than five years		1,259	2,608
		<u>2,557</u>	<u>3,918</u>

22.4 No directors or their spouses have any interest in any donee's fund to which donation were made.

23. OTHER INCOME

Gain on disposal of fixed assets		703	168
Rebate income		1,798	1,488
Scrap sales		5,692	19,256
Reversal of previous sponsors loan	<i>18.1.5</i>	-	115,193
Excise duty refundable	<i>9.1</i>	-	182,604
Gain on initial recognition of loan from related party	<i>12.3</i>	230,836	-
Others		570	1,290
		<u>239,599</u>	<u>319,999</u>

24. OTHER OPERATING EXPENSES

Workers' Welfare Fund		5,853	8,867
Exchange loss		12,155	13,508
Workers' Profit Participation Fund		-	23,334
		<u>18,008</u>	<u>45,709</u>

25. FINANCE COST

Mark-up on:			
- short term borrowings		56,459	64,319
- borrowings from related party		27,895	63,356
Mark-up on Workers' Profit Participation Fund		2,196	-
Unwinding of interest on long term finance		208,386	239,346
Unwinding of discount of loan from related party	<i>12.3</i>	78,326	-
Bank charges and commission		4,066	2,437
		<u>377,328</u>	<u>369,458</u>

26. TAXATION

Current year	<i>26.1</i>	-	-
Prior year		-	(29,379)
		-	(29,379)
Deferred	<i>13</i>	(66,362)	94,011
		<u>(66,362)</u>	<u>64,632</u>

Notes to the Financial Statements

For the year ended 30th June 2014

26.1 Minimum tax liability of Rs. 30.287 million has not been recognized in view of expectation of availability of sufficient future taxable profits resulting in tax liability under normal tax regime in next five years against which such liability would be adjusted.

26.2 The return of income have been filed up to tax year 2013 (corresponding to financial year ended 30 June 2013), while the income tax assessment have been finalized up to and including tax year 2012.

26.3 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001 (Ordinance). The movement in deferred taxation is mainly due to the availability of tax losses.

27. EARNINGS PER SHARE - BASIC AND DILUTED

	2014	2013 <i>Restated</i>
	(Rupees in '000)	
(Loss) / Profit after taxation	<u>(73,909)</u>	<u>370,222</u>
	(Number)	
Weighted average number of ordinary shares	<u>365,689,968</u>	<u>365,689,968</u>
	(Rupee)	
(Loss) / Earnings per share in rupee - basic and diluted	<u>(0.20)</u>	<u>1.01</u>

27.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

28. OPERATING SEGMENTS

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

28.2 Revenue from sale of cement represents 100% (2013 : 100%) of the total revenue of the company.

28.3 87% (2013: 85%) sales of the Company relates to customers in Pakistan.

28.4 All non-current assets of the Company at 30 June 2014 are located in Pakistan.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes to the Financial Statements

For the year ended 30th June 2014

29.1 Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

Management of credit risk

The Company's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors. The Company is not materially exposed to credit risk as its majority sales are on advance payment basis.

Credit risk is managed and controlled by the management of the company in the following manner:

- Credit rating and / or credit worthiness is taken into account along with the financial background so as to minimize the risk of default.
- Cash is held with reputable banks only.

The maximum exposure to credit risk at the reporting date is:

	2014	2013
	(Rupees in '000)	
Trade debts	143,038	138,445
Advances and other receivables	96,676	111,917
Deposits	27,453	27,071
Bank balances	4,999	3,637
	<u>272,166</u>	<u>281,070</u>

29.1.1 The maximum exposure to credit risk for trade debt at the balance sheet date by geographic region was as follows:

Domestic (Pakistan)	135,508	98,195
Exports	7,530	40,250
	<u>143,038</u>	<u>138,445</u>

29.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Dealer / distributor	17,776	62,016
End-user customers / exports	125,262	76,429
	<u>143,038</u>	<u>138,445</u>

Notes to the Financial Statements

For the year ended 30th June 2014

29.1.3 Impairment losses

The aging of trade debtors at the balance sheet date was:

	2014		2013	
	Gross (Rupees in '000)	Impairment	Gross (Rupees in '000)	Impairment
Not past due	86,115	-	116,156	-
Past due 1-60 days	24,588	-	7,289	-
Past due 61 days -1 year	31,369	-	7,989	-
More than one year	965	-	7,011	-
	<u>143,037</u>	<u>-</u>	<u>138,445</u>	<u>-</u>

29.1.4 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due do not require any impairment.

29.1.5 Credit Ratings

Details of the credit ratings of bank balances as at 30 June 2014 are as follows:

	Rating		Rating Agency	2014	2013
	Short term	Long term		(Rupees in '000)	
Allied Bank Limited	A1+	AA+	PACRA	184	164
Al-Baraka Islamic Bank	A1	A	PACRA	80	80
Bank Islami Pakistan Limited	A1	A	PACRA	1,529	1,732
Habib Bank Limited	A-1+	AAA+	JCR-VIS	45	69
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	964	-
Meezan Bank Limited	A-1+	AA	JCR-VIS	77	75
National Bank of Pakistan	A-1+	AAA	JCR-VIS	1,732	331
Summit Bank Limited	A-3	A-	JCR-VIS	136	857
Soneri Bank Limited	A1+	AA-	PACRA	8	8
United Bank Limited	A-1+	AA+	JCR-VIS	244	321
				<u>4,999</u>	<u>3,637</u>

29.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

Notes to the Financial Statements

For the year ended 30th June 2014

	2014					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five year	More than five years
	(Rupees in '000)					
Non-derivative liabilities						
Long term finance	2,802,747	(2,012,034)	(500,000)	(250,000)	(1,262,034)	-
Short term borrowings	544,182	(544,182)	(544,182)	-	-	-
Trade and other payables	935,441	(935,441)	(935,441)	-	-	-
Mark-up accrued	13,019	(13,019)	(13,019)	-	-	-
	4,295,389	(3,504,676)	(1,992,642)	(250,000)	(1,262,034)	-
	2013					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five year	More than five years
	(Rupees in '000)					
Non-derivative liabilities						
Long term finance	2,166,859	(2,037,813)	(250,000)	(250,000)	(1,250,000)	(287,813)
Short term borrowings	958,322	(958,322)	(958,322)	-	-	-
Trade and other payables	857,898	(857,898)	(857,898)	-	-	-
Mark-up accrued	15,248	(15,248)	(15,248)	-	-	-
	3,998,327	(3,869,281)	(2,081,468)	(250,000)	(1,250,000)	(287,813)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30th June 2014.

29.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on export sales and import purchases in a currency other than Rupees.

Company's exposure to foreign currency risk is as follows:

	2014		2013	
	Rupees in '000	US Dollars	Rupees in '000	US Dollars
Trade debts	7,530	76,253	40,250	407,389
Bills payable	(444,933)	(4,505,651)	(288,956)	(2,924,656)
Gross exposure	(437,403)	(4,429,398)	(248,706)	(2,517,267)

Notes to the Financial Statements

For the year ended 30th June 2014

Above net exposure is payable by the Company in Rupees at the rate on which these are settled by the Company. Currently, the Company does not obtain forward cover against the gross exposure.

	<u>Average rates</u>		<u>Balance sheet date rate</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>(Rupees)</u>		<u>(Rupees)</u>	
US Dollars	<u>101.35</u>	<u>98.03</u>	<u>98.75</u>	<u>98.80</u>

Sensitivity analysis

A ten percent strengthening or weakening of the Rupee against USD as at the year end would have increased or decreased the equity and profit and loss account by an amount shown in table below. This analysis assumes that all other variables, in particular the interest rates, remain constant. The analysis is performed on the same basis for 2013.

	<u>2014</u>	<u>2013</u>
	<u>(Rupees in '000)</u>	
Effect on profit or loss on 10% weakening of Rupee	<u>(43,740)</u>	<u>(24,871)</u>
Effect on profit or loss on 10% strengthening of Rupee	<u>43,740</u>	<u>24,871</u>

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from long term loan, bank balances, lease liability, short term running finance and long term loan. Other risk management procedures are same as those mentioned in the credit risk management.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	<u>Carrying amount</u>	
	<u>2014</u>	<u>2013</u>
	<u>(Rupees in '000)</u>	
Fixed rate instruments		
Financial assets (bank balances)	<u>412</u>	<u>335</u>
Variable rate instruments		
Financial liabilities		
- short term borrowings	<u>544,182</u>	<u>958,322</u>
- long term loan	<u>2,335,709</u>	<u>2,166,859</u>
	<u>2,879,891</u>	<u>3,125,181</u>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net increased or (net decreased) the profit or loss of the Company as at 30 June 2014 by Rs. 26.52 million (2013: Rs. 31.25 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

- c) A summary of the Company's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity dates at the end of year is as follows:

Notes to the Financial Statements

For the year ended 30th June 2014

	30 June 2014				Total
	Mark-up / return (%)	less than 6 month	6 months to 1 year	More than 1 year	
(Rupees in '000)					
Assets					
Bank balance	9 - 12	412	-	-	412
Total assets		412	-	-	412
Liabilities					
Short term borrowings	9.2 - 15.01	272,091	272,091	-	544,182
Long term loan	9.44 - 14.49	352,976	352,976	2,096,795	2,802,747
Total liabilities		625,067	625,067	2,096,795	3,346,929
On-balance sheet gap		(624,655)	(625,067)	(2,096,795)	(3,346,517)
Total interest risk sensitivity gap		(624,655)	(1,249,722)	(3,346,517)	(3,346,517)
30 June 2013					
	Mark-up / return (%)	less than 6 month	6 months to 1 year	More than 1 year	Total
(Rupees in '000)					
Assets					
Bank balance	9 - 12	335	-	-	335
Total assets		335	-	-	335
Liabilities					
Short term borrowings	11 - 16.81	479,161	479,161	-	958,322
Long term loan	11.99 - 13.78	149,899	149,899	1,867,062	2,166,860
Total liabilities		1,108,221	149,899	1,867,062	3,125,182
On-balance sheet gap		(1,107,886)	(149,899)	(1,867,062)	(3,124,847)
Total interest risk sensitivity gap		(1,107,886)	(1,257,785)	(3,124,847)	(3,124,847)

29.4 Fair value of Financial Instruments

Carrying value of all the financial instruments reflected in the financial statements are not significantly different from their fair values.

29.5 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary share holders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

Notes to the Financial Statements

For the year ended 30th June 2014

30. CASH GENERATED FROM OPERATIONS	<i>Note</i>	2014	2013 <i>Restated</i>
		(Rupees in '000)	
(Loss) / Profit before taxation		(140,271)	434,854
Adjustments for:			
Depreciation		99,065	108,669
Amortization		58	293
Exchange loss on remeasurement of bills payable		12,155	13,508
Finance cost		377,328	369,458
Gain on initial recognition of loans from related party		(230,836)	-
Gain on disposal of fixed assets		(703)	(168)
Reversal of previous sponsors loan		-	(115,192)
Provision for gratuity		12,370	11,996
		269,437	388,564
Operating profit before working capital changes		129,166	823,418
(Increase) / Decrease in current assets			
Stores, spares and loose tools		(209,922)	41,370
Stock-in-trade		147,677	(105,917)
Trade debts		(4,593)	(94,435)
Advances and other receivables		15,241	(4,253)
Trade deposits		(382)	(2,467)
Refund due from government - other than income tax		-	(182,604)
		(51,979)	(348,306)
Increase in trade and other payables		75,347	18,242
Net cash generated from operations		152,534	493,354
31. CASH AND CASH EQUIVALENTS		2014	2013
		(Rupees in '000)	
Cash and bank balances	10	5,476	4,052
Short-term borrowing	17	(534,182)	(558,822)
		(528,706)	(554,770)
32. CAPACITY (Clinker)			
Installed capacity (M.Tons)		900,000	900,000
Actual production (M.Tons)		458,900	577,160

32.1 Production capacity utilization is 51% (2013: 64%) of total installed capacity.

32.2 Actual production is less than the installed capacity due to planned shut down for maintenance and in line with the industry demand.

33. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings and related group companies, directors of the Company, key management personnel and staff retirement funds. Further, contribution to the defined benefit plan (gratuity scheme) are in accordance with the actuarial advice. Remuneration of executive, directors and key management personnel is disclosed in note 33.2. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Notes to the Financial Statements

For the year ended 30th June 2014

Details of other transactions / balances with related parties are as follows:

		2014 (Rupees in '000)	2013
Transactions with related parties			
Aisha Steel Mills Limited			
- Sale of goods		<u>1,143</u>	<u>2,069</u>
Safe Mix Concrete Products Limited			
- Sale of goods		<u>37,980</u>	<u>3,455</u>
Thatta Cement Company Limited			
- Common expenses	33.1	<u>-</u>	<u>40</u>
Javedan Corporation Limited			
- Purchase of stores and spares		<u>-</u>	<u>676</u>
- Sale of goods		<u>15,197</u>	<u>1,639</u>
Rotocast Engineering Company (Private) Limited			
- Purchase of goods		<u>4,475</u>	<u>35,362</u>
- Rent & maintenance		<u>2,755</u>	<u>6,357</u>
Arif Habib Corporation Limited			
- Loan received		<u>338,000</u>	<u>587,500</u>
- Loan repaid		<u>915,500</u>	<u>500,000</u>
- Mark-up repaid		<u>28,253</u>	<u>88,045</u>
- Mark-up accrued during the period		<u>27,895</u>	<u>577</u>
Sponsor			
- Loan received		<u>1,093,500</u>	<u>709,000</u>
- Loan repaid		<u>80,000</u>	<u>397,000</u>
Balances with related parties			
Aisha Steel Mills Limited			
- Advance from customers		<u>-</u>	<u>458</u>
- Trade receivable		<u>165</u>	<u>-</u>
Rotocast Engineering Company (Private) Limited			
- Advance against rent		<u>-</u>	<u>2,264</u>
- Payable against rent		<u>390</u>	<u>-</u>
Arif Habib Corporation Limited			
- Loan payable (including mark-up)		<u>10,218</u>	<u>588,077</u>
Safe Mix Concrete Products Limited			
- Trade receivable		<u>8,036</u>	<u>851</u>
Javedan Corporation Limited			
- Trade receivable		<u>6,898</u>	<u>1,038</u>
- Trade payable		<u>375</u>	<u>375</u>
Thatta Cement Company Limited			
- Trade receivable	33.1		<u>870</u>
Sponsor			
- Loan payable		<u>1,325,500</u>	<u>312,000</u>

Notes to the Financial Statements

For the year ended 30th June 2014

33.1 During the year related party relationship has ceased with Thatta Cement Company Limited on 27 February 2014.

33.2 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2014			2013			
	Chief Executive	Director	Executives	Chief Executive	Director	Executives	
	(Rupees in '000)						
Managerial remuneration	33.3	1,500	-	58,950	6,000	-	49,686
Retirement benefits		38	-	5,408	41	-	4,083
		<u>1,538</u>	<u>-</u>	<u>64,358</u>	<u>6,041</u>	<u>-</u>	<u>53,769</u>
	(Number)						
Number of key executives		<u>1</u>	<u>6</u>	<u>45</u>	<u>1</u>	<u>6</u>	<u>38</u>
Number of non-executive directors		<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>

The Chief Executive and certain Executives are provided with the use of Company cars and the operating expenses are borne by the Company to the extent of their entitlement.

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 0.5 million in a financial year. The chief executive and certain executives of the Company are provided with free use of cars.

33.3 The remuneration of chief executive is being borne by Arif Habib Corporation - Parent Company, since October 2013.

34. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for the purposes of comparison and better presentation as follows:

Reclassification from Component	Reclassification to Component	(Rupees in '000)
Finance Cost (Exchange loss)	Other Operating Expenses	<u>13,508</u>

The effect of above rearrangement / reclassification is not material.

35. NUMBER OF EMPLOYEES

The total number of permanent employees as at year end were 275 and average number of employees were 265.

36. AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 25th September 2014.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Form of Proxy

23rd Annual General Meeting

The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi.

I/ we _____ of _____ being a members(s)
of Power Cement Limited holding _____ ordinary shares as per
CDC A/c. No. _____ hereby appoint Mr./Mrs./Miss _____
_____ of (full address) _____
_____ or failing him/her
Mr./Mrs./Miss _____ of (full address)

(being member of the company) as my/our proxy to attend, act vote for me/us and on my/our behalf at the twenty third Annual General Meeting of the Company to be held on 25th October, 2014 and/or any adjournment thereof.

Signed this _____ day of _____ 2014.

Witnesses:

1. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

Signature on
Rs. 5/-
Revenue Stamp

2. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. Proxy shall authenticate his/her identity by showing his/her identity by showing his/ her original passport and bring folio number at the time of attending the meeting.
3. In order to be effective, the proxy Form must be received at the office of our Registrar M/s Technology Trade (Pvt) Limited, Dagia House, 241-C, Block -2, P.E.C.H.S, Off: Shahrah-e-Quaideen, Karachi, not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.



**AFFIX
CORRECT
POSTAGE**

POWER CEMENT LIMITED
Registrar:
M/s Technology Trade (Pvt) Limited,
Dagja House, 241-C, Block -2, P.E.C.H.S,
Off: Shahrah-e-Quaideen, Karachi

Fold : Here

Fold : Here



A Subsidiary of
ARIF HABIB GROUP

Power Cement Limited

Arif Habib Centre,
23, M.T.Khan Road, Karachi
Ph: 021-32468231-8
www.powercement.com.p