ATTOCK CEMENT PAKISTAN LIMITED

ANNUAL REPORT 2020

OUR STORY

Located at Hub, District Lasbela, Baluchistan, Attock Cement Pakistan Limited (ACPL) is a member company of the Pharaon Investment Group Limited, commonly known as Attock Oil Group, which is one of the largest foreign investment groups in Pakistan. Dr. Ghaith R. Pharaon (Late), being an international investor / industrialist, is the sponsor of Pharaon Group. Apart from his financial and trading interests in other parts of the world, he has made substantial investments in Pakistan in the oil and gas, power, real estate and cement sectors. The initial capital outlay of the cement plant was approximately Rs.1.5 billion with a foreign exchange component of around US$ 45 million, making it not only the single largest enterprise in the private sector but also the most capital intensive business endeavor from the Middle East.

The journey of Attock Cement started from the year 1981 and the company started its commercial production in 1988. In 39 years, company has shown steady growth. ACPL has attained new peaks every year through strong team work, continuous modernization of plant to improve efficiency and with utmost hard work. ACPL has cemented its place not only in the local market but also in the regional markets through selling quality products.

We always want our customers to believe in our brand even before they purchase our product.

OUR HISTORY

1981
Company Formation

1988
Line-I
Clinker production capacity
600,000
tons per annum

1994
Debottling of Line-I
Clinker production
capacity enhanced to
720,000
tons per annum

2003
Coal firing
Mill

2006
Line-II
Total clinker production
capacity enhanced to
1,620,000
tons per annum

2010
Waste Heat
Recovery System

2013
Alternate Fuel
Project

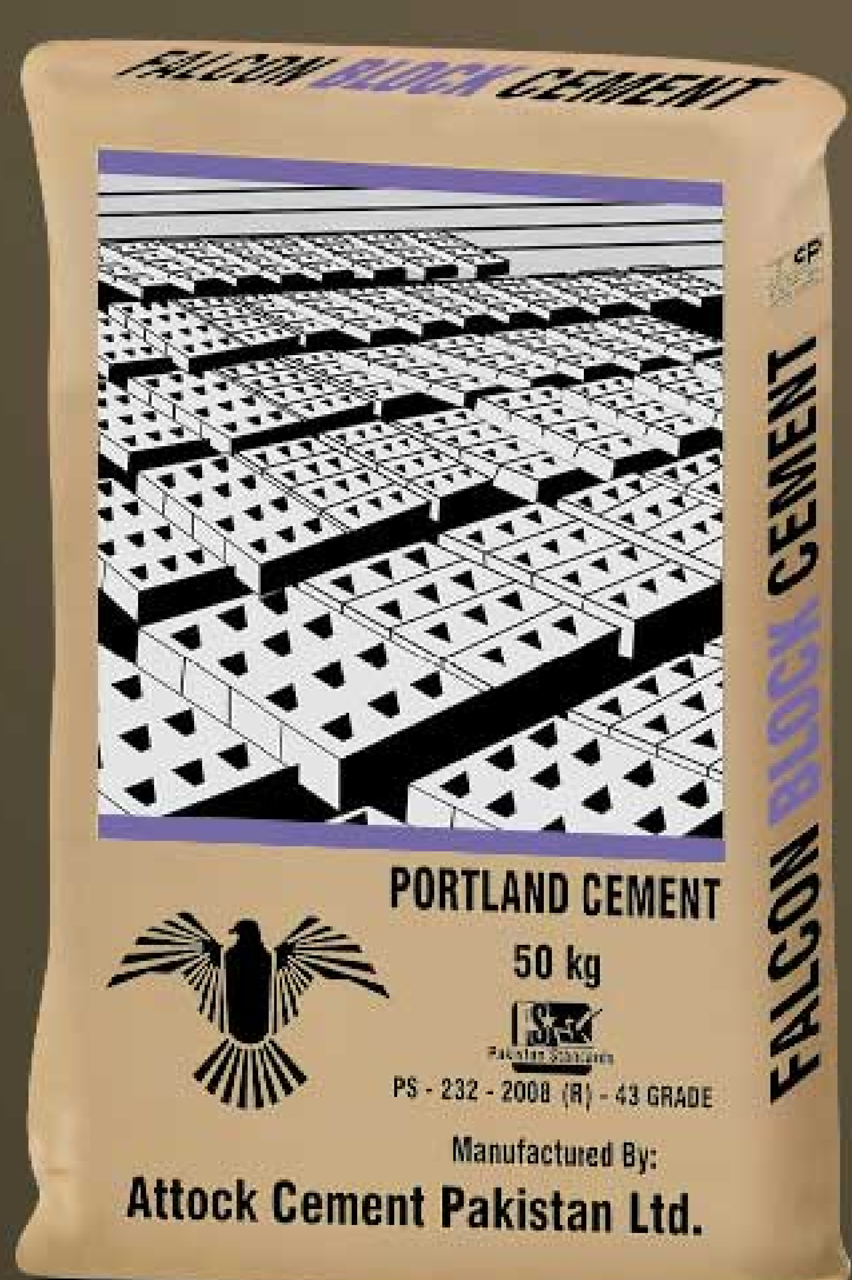
2018
Line-III
Total clinker production
capacity enhanced to
2,883,000
tons per annum

2019
Cement Grinding
unit in Iraq
Clinker production capacity
540,000
tons per annum

OUR PRODUCTS

Ordinary Portland Cement (OPC)

Sulphate Resistant Cement (SRC)



Block Portland Cement

Rock Composite Portland Cement

OUR QUALITY IS GLOBALLY ENDORSED

While holding licenses of BIS (Bureau of Indian Standards) and SLSI (Sri Lanka Standards Institute), Attock Cement Pakistan Limited holds certification of ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007. Apart from being licensed by these renowned bodies, our clinker and cement also fully comply with SABS, KEBS, EN-197-1:2000, ASTM C-150 and PNS-07:2005.

Our active export markets include Bangladesh, UAE, Qatar, Kuwait, Iraq, Oman, Yemen, India, Sri Lanka, Sudan, Djibouti, Ethiopia, Somalia, Tanzania, Mauritius, Comoros, Mozambique, Madagascar, and Kenya.

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VISION

To be the leading organization continuously providing high quality cement, excelling in every aspect of its business and to remain market leader in Cement Industry.

MISSION

To be a premier and reputable cement manufacturing company dedicated to become an industry leader by producing quality products, providing excellent services, enhancing customer satisfaction and maximizing shareholders' value through professionalism and dedicated teamwork.

COMPANY INFORMATION

Board of Directors
Laith G. Pharaon – Chairman
Wael G. Pharaon
Shuaib A. Malik
Abdus Sattar
Agha Sher Shah
Sajid Nawaz
Babar Bashir Nawaz

Chief Executive
Babar Bashir Nawaz

Alternate Directors
Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board
Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

HR & Remuneration Committee
Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

Company Secretary
Irfan Amanullah

Chief Financial Officer
Muhammad Rehan

Auditors
A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor
M/s. HNT & Associates

Bankers
The Bank of Punjab
Faysal Bank Limited
Allied Bank Limited
MCB Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited

Registered Office
D-70, Block-4, Kehkashan-5,
Clifton, Karachi-75600
Tel: (92-21) 35309773-4
UAN: (92) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Web site: www.attockcement.com

Plant
1. Hub Chowki, Lasbella
   Baluchistan

2. Cement Grinding Unit
   Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

Share Registrar
M/s. FAMCO Associates (Private) Ltd.
8-F, Near Hotel Faran,
Nursery, Block-6, PECHS,
Shahra-e-Faisal, Karachi
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106

BOARD OF DIRECTORS

Laith G. Pharaon

Chairman
Non Executive Director

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Laith holds a graduate degree from the University of Southern California.

OTHER ENGAGEMENTS

Chairman & Director
Attock Petroleum Limited
The Attock Oil Company Limited

Director
Pakistan Oilfields Limited
Attock Refinery Limited
National Refinery Limited
Attock Gen Limited

Wael G. Pharaon

Non Executive Director

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Wael holds a graduate degree. He is a Director on the Board of various Companies in the Group.

OTHER ENGAGEMENTS

Director
The Attock Oil Company Limited
Pakistan Oilfields Limited
Attock Petroleum Limited
Attock Refinery Limited
National Refinery Limited
Attock Gen Limited

Shuaib A. Malik

Non Executive Director

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around 35 years. He started his career as an Executive Officer in The Attock Oil Company Limited in July, 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA. Presently, he is holding the position of Group Regional Chief Executive of the Attock Group of Companies besides being the Director on the Board of all the Companies in the Group.

OTHER ENGAGEMENTS

Chairman, Chief Executive Officer, Director & Alternate Director
Pakistan Oilfields Limited

Chairman, Director & Alternate Director
Attock Refinery Limited
National Refinery Limited

Chief Executive Officer & Director
The Attock Oil Company Limited
Attock Petroleum Limited

Director & Alternate Director
Attock Gen Limited

Resident Director
Pharaon Investment Group Limited (Holding) S.A.L.

Abdus Sattar
Non Executive Director

Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations / ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses / leakages, fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board. While working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountants of Pakistan (ICMAP) and was also nominated as council member of ICMAP for three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad.

OTHER ENGAGEMENTS
Director
Pakistan Oilfields Limited
Attock Petroleum Limited
Attock Refinery Limited
National Refinery Limited

Agha Sher Shah
Independent Director

Agha Sher Shah is currently Chairman and Chief Executive of Bandhi Sugar Mills. Prior to his current role, he was Senior Portfolio Manager in Abu Dhabi Investment Authority (ADIA), one of the largest sovereign wealth funds in the world. Mr. Shah started his career as an investment analyst covering consumer, energy and finance sectors of the S&P 500 in the US equity market. In his investment career of 24 years at ADIA he has held senior portfolio management positions in US and Global equities. He has a Bachelor of Science in Engineering from Rice University and holds a Master of Business Administration from Cornell University.

OTHER ENGAGEMENTS
Director
Thatta Cement Company Limited

Sajid Nawaz
Non Executive Director

Babar Bashir Nawaz
Director & Chief Executive

Mr. Sajid Nawaz is currently serving as a Managing Director of Pakistan Oilfields Limited (POL). He has almost 11 years work experience with POL in Senior Management positions. Previously he also served as Chief Executive Officer of POL. He has over 30 years of work experience in service with Government of Pakistan at various management positions both within the country and abroad. Due to the nature of posts and assignments he carries considerable experience of working in different environments. He has attended various management courses abroad and in Pakistan, including one month course on International Petroleum Management at Canadian Petroleum Institute, Canada.

OTHER ENGAGEMENTS
Director & Managing Director
Pakistan Oilfields Limited

Director
National Refinery Limited

He has over 30 years of experience with the Attock Group. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a Master's degree in Business Administration from the Quaid-e-Azam University in Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management and has substantial knowledge of the cement industry in Pakistan. Currently he is also a member of the Management Committee of the Overseas Investors Chamber of Commerce and Industry (OICCI) and All Pakistan Cement Manufacturers Association (APCMA).

OTHER ENGAGEMENTS
Director
Attock Petroleum Limited

Alternate Director
Pakistan Oilfields Limited
Attock Refinery Limited
National Refinery Limited

Mr. Irfan Amanullah
Alternate Director

Mr. Irfan Amanullah is a Chartered Accountant as well as Cost and Management Accountant by profession. He started his career as a trainee student from A.F. Ferguson & Co., Chartered Accountants, (a member firm of Price Waterhouse Coopers) in 1988. He is a fellow member of both The Institute of Chartered Accountant of Pakistan and The Institute of Cost and Management Accountants of Pakistan. During his career span of over 30 years he has worked with various multinational companies in Pakistan like Unilever Pakistan Limited, Merck Sharp & Dohme of Pakistan Limited and Hinopak Motors Limited. He joined Attock Cement Pakistan Limited in 2000 and since last 21 years he has been associated with this company. Presently he is the Senior General Manager (Finance & Coordination) and in this capacity he has been looking after the Finance, Marketing, Human Resource, Procurement & Planning, Plant Administration & Industrial Relations. As a Business Manager, one of his best achievements was to re-introduce Pakistan Cement at regional level through EXPORTS. He has represented the cement sector of Pakistan at various national and international forums. He remained key speaker on Pakistan Cement Sector in some of the leading cement conferences in Afro-Asian countries, organized by the international reputable forums such as INTERCEM, CEMTECH and CEMASIA.

QUALITY, HEALTH, SAFETY & ENVIRONMENTAL POLICY

We are committed to produce premium quality cement to the satisfaction of our valued customers.

We will achieve this standard through:

- Effective implementation of an Integrated Quality, Environment, Health & Safety Management System based on ISO 9001, ISO 14001 and OHSAS 18001 requirements;
- Compliance with applicable and relevant legal & customer requirements with regards to product specification, environment and health & safety;
- Prevention of product rejection, environmental pollution and safety incidents / accidents in our operations;
- Continual improvement in our processes and products by developing SMART objectives / targets and achieving them; and
- Creating awareness, understanding and ownership of this policy throughout the organization.

CORE VALUES

ETHICS

The Company follows highest standards of ETHICS with special reference to business integrity and process transparency. All our standards and processes can stand the test of scrutiny. We maintain the highest level of integrity both as individuals and as a corporate organization.

QUALITY

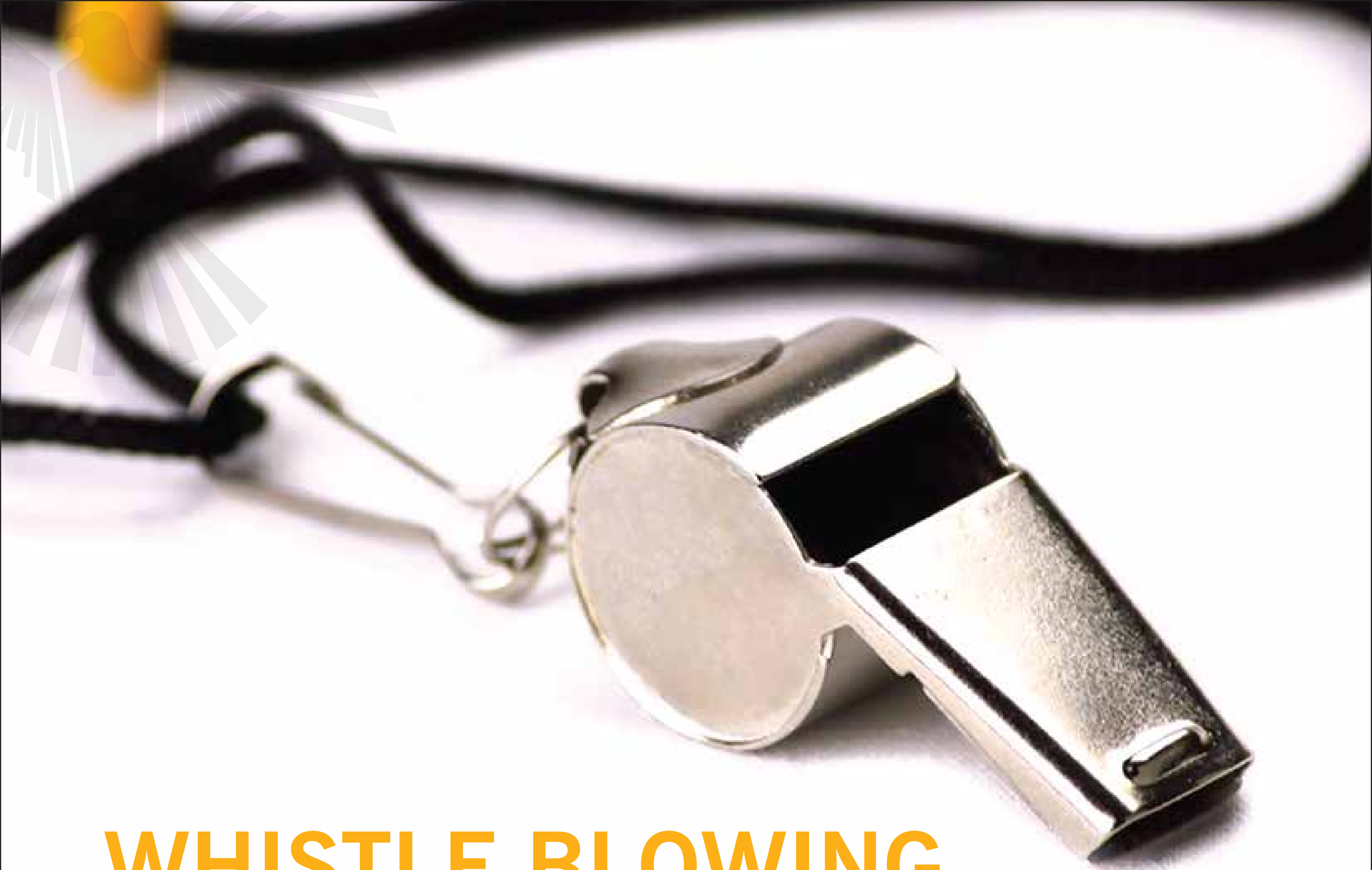
The Company is committed to provide its customers QUALITY products that provide them best value for their money. We promote high standard and timely delivery of quality products.

PEOPLE

The Company ensures that it operates in a safe environment conducive to efficient productivity. The Company is committed to provide an environment free from discrimination for its people. Open communication, participative decision making approach and nurturing of the leadership qualities are the values followed by the Company. An employee reward system has been developed guided by a transparent system of recognition. We encourage and respect team spirit among our human resources.

BUSINESS EXCELLENCE

The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired result.



WHISTLE BLOWING POLICY STATEMENT

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation.

The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

All Executives have signed a code of conduct and the Company takes any deviation very seriously.

The Company encourages Whistle Blowing System to raise the issue directly to Chairman Audit Committee and / or to Chief Executive and / or to the Company Secretary and / or to Head of Internal Audit provided that:-

- The Whistleblower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his own end;
- The Whistleblower understands that his act will cause more good than harm to the Company and he / she is doing this because of his loyalty with the Company; and
- The Whistleblower understands the seriousness of his / her action and is ready to assume his / her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal to any of the above offices.

CORPORATE SOCIAL RESPONSIBILITY

We Define Corporate Social Responsibility (CSR) as our commitment to work as partners with all our stakeholders to effectively improve the quality of life of the members of our workforce, their families and the local communities around our facilities.

CSR is locally managed and specific responsibilities have been assigned for coordinating local projects, communicating CSR activities internally and to external stakeholders, establishing stakeholders' dialogue and relations, as well as participating in corporate monitoring, evaluation and reporting.

Our CSR approach focuses on six main pillars; business conduct, employment practices, occupational health & safety (OH&S), community involvement, customer & supplier relations and monitoring & reporting.

EMPLOYMENT PRACTICES

Attock Cement counted 1005 employees as at June 30, 2020. A large share of this number live in communities where we are major employer and source of income.

We pay competitive wages and benefits, including professional development opportunities through internal training and payment of tuition fees for approved external programs.

Under the Company's talent hunt program, every year the Company recruits large number of fresh graduates and trains them for their future responsibilities. The company's training program is very popular among the young engineers, and each year, the Company receives a favorable response for such program from young graduates.

In order to enhance the capacity building of the employees, the company's HR department in tandem with its technical and Non-technical management, identifies the areas where quality training and development programs including soft skill development programs are conducted. Trainers are also being identified and developed to cater to the training needs and to customize programs effectively.

The company provides continuous training for professional growth and ensures that they should develop pride in their job. Team work and collective decision making is the hall mark of company's investment activities which gives a sense of participation to all its staff members.

OCCUPATIONAL HEALTH & SAFETY

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety and all production facilities are fully compliant with quality standards. The company operates a 6 beds hospital in the area near its factory premises. The treatment is free for the local communities.

To extinguish the health related issues of meager socio economic community, medical camps were conducted on 2 different occasions in Hub area in which almost 3000 patients availed the facility of free medicines.

Moreover, the Company donated a sizeable amount to Lasbela Chamber of Commerce & Industry for various COVID-19 related initiatives in respect of food distribution program among poor people of Hub & surrounding areas who were badly affected due to COVID-19 lockdown.

Additionally, the Company's welfare dispensary in Goth Hasil Bazinjo, Sakran, has been working satisfactorily and providing medicines to the nearby population.

COMMUNITY RELATIONS

We are committed to be responsible neighbours. This means operating in compliance with applicable regulations and being an integral part of the life of our communities. We accomplish this through support of local non-profit organizations, providing access to our properties and engaging in constant dialogue with residents to inform them of our activities and listen and respond to their concerns.

The company provides potable water to many villages in and around its factory area. Through this activity more than 5000 people have been provided free potable water throughout the year.

The Company has established 05 water filtration plants in different Goths located in and around its factory area as part of its overall Social Action Plan. Besides this, company has also provided water bore pump and accessories at different Goths in order to meet water demand of the people.

Through these and other actions, we seek to make a difference in our community. Our presence has a measurable positive economic impact on our community.

Our products are essential to the construction industry, a key driver of economic activity that generates significant direct and indirect benefits in the value chain. Because our cement is generally consumed in proximity to their source, their utilization benefits local communities.

Combined with the salaries and benefits, direct and indirect taxes that we pay annually, as well as our capital expenditures, our presence has a measurable positive economic impact not only on our communities but also on the country as a whole.

EDUCATION

The Company currently operates two Primary and Secondary level schools that impart education to children of both plant employees and also those from neighbouring villages.

The Company sponsored TCF – Dr. Gaith R. Pharaon Campus, primary section has started its academic activities from April, 2010 under the supervision of The Citizen Foundation (TCF), a non-profit organization.

Primary and Secondary sections have the capacity of almost 900 students. This school has been equipped with all modern facilities including state of the art laboratory.

CODE OF CONDUCT

Attock Cement Pakistan Limited has committed itself to conduct its business in an honest, ethical and legal manner. Our core values shape our corporate culture. They are the fundamentals in developing our corporate strategy. They lead us in building relationships with our customers, shareholders, policy makers and other business networks. The company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the company's personnel, as they are the ones who are at the forefront of company's affairs with the outside world. Every member of the company has to be familiar with his / her obligations in this regard and has to conduct accordingly.

This statement in general is in accordance with company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

1) **Ethics**
The Company follows highest standards of Ethics with special reference to business integrity and process transparency. All our standards and processes can stand the test of scrutiny. We maintain the highest level of integrity both as individuals and as a corporate organization.

2) **Quality**
The Company is committed to provide its customers quality products that provide them best value for their money, promote high standard and timely delivery of quality products.

3) **Respect, Honesty and Integrity**
Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

4) **Compliance with Laws, Rules and Regulations**
The Company is committed to comply, and take all reasonable actions for compliance, with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

5) **Full and Fair Disclosure**
Directors and employees are expected to help the Company in making full, fair, accurate, timely, and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction, and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

6) **Prevent Conflict of Interest**
Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board, and will be disclosed to the shareholders.

7) Trading in Company shares

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

8) Inside information

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or “inside” information about the Company other than in the normal performance of one’s work, profession or position is unethical and may also be a violation of law.

Directors and employees becoming aware of information which might be price sensitive with respect to the Company’s shares have to make sure that such information is treated strictly confidentially and not disclosed to any colleagues or to third parties other than on a strict need-to know basis.

Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the CFO.

9) Media relations and disclosures

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in quarterly and annual reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of “insider trading” on the stock market.

10) Corporate Opportunities

Directors and Employees are expected not to:

a. take personal use of opportunities that are discovered through the use of Company property, information or position.

b. use Company property, information, or position for personal gains.

c. Directors and employees are expected to put aside their personal interests in favor of the Company interests.

11) Business Excellence, Competition and Fair Dealing

The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired results.

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors, and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

Bribes, kickbacks, and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the company's book of accounts.

12) Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

13) Work Environment

The Company ensures that it operates in a safe environment conducive to efficient productivity. The Company is committed to provide an environment free from discrimination for its people, open communication, participative decision making approach and nurturing of the leadership qualities are the values followed by the Company. An employee reward system has been implemented, accordingly "All employees are to be treated with respect".

The company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

14) Record Keeping

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

Records must always be retained or destroyed in the light of relevant legal provisions.

15) Protection of Privacy and Confidentiality

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the company's assets (processes, data, designs, etc) are considered as certified information of the company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the company to recover the damages and losses sustained.

16) Protection and Proper use of Company Assets / Data

Each director and employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

17) Gift Receiving

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company, which in any way compromise the decision making.

However, this does not preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

18) Communication

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns. The company strongly believes in a clean desk policy, and expects its employees to adhere to it not only for neatness but also security purposes.

19) Employee Retention

High quality employee's attraction and retention is very important. The company will offer competitive packages to the deserving candidates. The company strongly believes in personnel development and employee-training programs are arranged regularly.

20) Internet use / Information Technology

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time, and remain the property of the Company. Disclosure or dissemination of confidential or proprietary information regarding the Company, its products, or its customers outside the official communication structures is strictly prohibited.

21) Compliance with Business Travel Policies

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

22) Compliance

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension, and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.

CORPORATE STRATEGY

Objectives

The Company follows a duly approved Corporate Objectives, which consists of the following main points:-

- To maintain its position as a leading manufacturer of quality products that surpass both national and international standards.
- Growth, expansion and sustained profitability are the guiding principles of ACPL's business model. Focusing on the strategic plans to grow the business beyond the borders, while enhancing the market share locally in South.
- To retain its lines of processes at highest level of operational efficiency.
- To achieve competitive operating margins with continuous growth both in productivity and profitability.
- To provide competitive rate of return to its shareholders on their investments.
- To remain committed in delivering quality and value to its customers and providing high quality cement products suitable for all construction purposes. To embrace consistency in high standards of service delivery.
- To continue with the commitment to provide a secure and innovative workplace for all its human resources.
- To remain committed by producing products in an environmentally and socially responsible manner.

To achieve these strategic corporate objectives, the Company generally follows the following broad and approved strategy:

Strategy

The Company would continue to invest in the product quality by enhancing and upgrading its production and quality facilities through strategic investments in its plant operations and ensure that such investment results in cost-effective operations. The company would also invest in continuous product development pegged on changing global and national market trends, industrial and hi-tech progression and dynamic customer needs. The company is dedicated to discover and implement change to achieve continuous customer satisfaction.

The Company would supply its products in diverse markets to achieve a healthy and growth oriented sales mix, focus towards a strong presence of its products in all the markets to achieve dynamic financial results, with maximum returns to all the stakeholders.

The Company would continue to invest in projects which ensure a healthy and safer environment for its employees. It would also continue to demonstrate its commitment to better and brighten lives for the community by sponsoring a wide range of community development projects. Over the years, ACPL has played a major role and it will continue its contribution in building the nation.

MANAGEMENT

Management Committee
The Committee meets under the chairmanship of the Group Regional Chief Executive to coordinate the activities and operations of the Company.

Executive Committee
CEO leads the Executive Committee. The Committee is responsible for preparing the strategic plan for the future growth of the Company. The Committee also reviews major projects and formulates recommendations after evaluation from technical and commercial aspects.

Procurement Committee
The Procurement Committee is responsible for ensuring that procurement of assets, goods and services are made in accordance with Company policies and procedures on competitive terms in a transparent manner.

Risk Management Committee
The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

IT Steering Committee
IT Steering Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee
The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee
The Safety Committee reviews and monitors company wide safety practices. It oversees the safety planning function of the Company and is responsible for safety training and awareness initiatives.

CHAIRMAN'S REVIEW

I welcome you all in the 41st Annual General Meeting of the Company.

Overview of the Economy

The COVID-19 Pandemic badly affected global economies in the hardest possible way and Pakistan's economy was no exception, which was already being managed under a very tight plan approved by the International Monetary Fund. As the economy was subjected to demand and supply shocks, the fiscal year 2019-20 witnessed a contraction in economic activity owing to COVID-19. The provisional GDP growth rate for 2019-20 therefore stood at negative 0.38 percent. However, the Government took some bold steps to reduce the impact of COVID-19 on the economy of Pakistan and at the moment the pandemic situation is well under control in Pakistan as compared to other regional countries.

The government took several steps to revamp the economy by adopting liberal fiscal measures in order to stimulate the local demand and reduced the bench mark interest rates by 625 basis points and controlled the massive current account deficit. The Government has also announced a massive package for construction sector in order to promote this sector and re-strategized its priorities in order to stimulate the economy and generate employment in the country.

Industry Review

During the concluding year 2019-20, the cement industry faced stiff competition as almost all the new capacities have now arrived and at the moment total capacity of the sector has reached to 63.6 million tons while the local demand is close to 39.9 million tones. The export was around 7.8 million tones with capacity utilization of the sector recorded at around 75%. With massive unused capacity utilization coupled with COVID-19 related economic disaster adversely affected the industry both in terms of dispatches as well as profitability.

Board of Directors Performance

I would like to appreciate the performance of the Board of Directors in devising excellent tactical, operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience in this difficult time for the Country as a whole.

Focusing on translating the vision and core values of the business into tangible results, the Board of Directors equipped the Company with all necessary resources to maximize shareholders' value and encouraged the management to convert challenges into opportunities mitigating the associated risks. Best practices of corporate governance have been embedded into the Company's culture to maintain highest level of professionalism and business conduct. Risk management framework, effective internal controls and audit functions have been implemented to ensure that the day-to-day operations follow the overall strategy formulated by the Board. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

Operational & Financial Performance

The year 2019-20 was a challengeable year and despite of adverse circumstances under COVID-19 lockdown, the company was able to sell 2,923,734 tons (2018-19: 3,205,440 tons) of both cement and clinker showing reduction of 8.8%. The company also achieved net sales revenue of Rs. 18.5 billion. This is 11.0% lower as compared to last year due to lower dispatches in local market owing to lock down period of almost 90 days. Further, due to the higher input costs both the gross and operating margins of your company remained under pressure.

Acknowledgement

The Company deeply acknowledges and offers its sincere thanks to the support it has received from both Federal and Provincial Governments, regulatory bodies, its customers, bankers and suppliers.

The Company also recognizes the efforts put in by both management and non-management staff and the support it has always received from the Collective Bargaining Agent.

Laith G. Pharaon
Chairman

August 26, 2020

DIRECTORS' REPORT

The Directors of your Company have pleasure to present before you the Annual Report of your Company along with the audited financial statements for the year ended June 30, 2020.

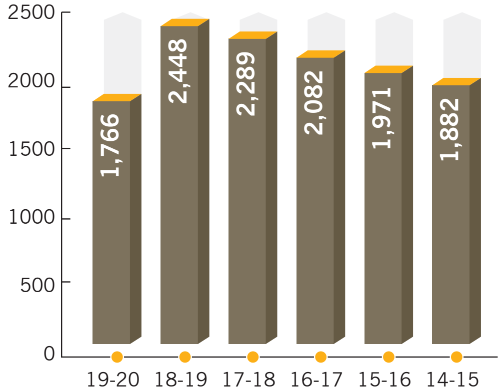
PRODUCTION & SALES

During the year 2019-20 the Company achieved 98% of its overall clinker production capacity slightly lower than the previous year primarily because of the forced shutdown of plant as during the lock down period imposed by Government due to spread of pandemic COVID-19.

The detailed production and sales data has been enumerated in the below table:

	2019-20	2018-19
	------ Qty in M. tons	------
Clinker Production	**2,828,898**	3,184,363
Cement Production	**1,766,734**	2,437,425
Cement Dispatches		
Local	**1,244,358**	1,857,471
Exports	**522,084**	590,195
Total	**1,766,442**	2,447,666
Clinker Dispatches-Export	**1,157,292**	757,774
Total Dispatches	**2,923,734**	3,205,440

The company sold 1,766,442 tons of cement in both local and export markets, showing a decrease of 28% as compared to preceding year, out of which 1,244,358 M. Tons (2018-19: 1,857,471 M. tons) was sold in the local market, showing decrease of 33% as compared to the same period last year. This was mainly due to very high influx of northern brands penetrating into high priced southern market followed by lock down imposed by government amid spread of COVID-19 for almost 90 days during which all the major economic activities including construction activities remain halted.



Cement Sales
(Thousand M. Tons)

The company exported 522,084 M. tons of cement in the markets of Sri Lanka and Indian Ocean Island markets (2018-19: 590,195 M. tons) showing a decline of 12% as compared to last year mainly on account of closure of these markets owing to Pandemic COVID-19.

The company during the year continued its exports of high quality clinker in the regional markets of Bangladesh, Sri Lanka and East Africa and was able to sell 1,157,292 M. tons clinker showing an increase of 53% as compared to last year.

Overall, total dispatches of the company including both clinker and cement recorded at 2,923,734 tons showing a decrease of 281,706 tons (8.8%) as compared to preceding year.

FINANCIAL PERFORMANCE

A comparison of the key financial results of your Company for the year ended June 30, 2020 with the same period last year are as under:

	2019-20	2018-19	(Decrease)	(Decrease)
	Rs. in Million			%
Net Sales	**18,501**	20,781	(2,280)	(11)
Gross Profit	**4,249**	4,803	(554)	(12)
Profit Before Tax	**1,532**	2,403	(871)	(36)
Profit After Tax	**1,107**	2,073	(966)	(47)
EPS in Rupees	**8.06**	15.09	(7.03)	(47)

(i) Sales Performance

The overall sales revenue decreased by Rs. 2,280 million (11%) as compared to the previous year. This is mainly attributable to lower quantity of 281,706 tons of cement & clinker sold as compared to same period last year. The sales prices in local markets remained highly competitive due to arrival of new capacities in South as well as influx of North brands into price lucrative market of South. In export markets prices remained at more or less the same level of previous year with a margin of 5% (+/-). The net retention per ton of cement sold increased by Rs. 326 per ton (5%) due to better sales mix and devaluation of PKR against US dollar which made positive impact on export proceeds realization.

However, export proceeds realized from clinker sales showed decline of US$ 4.65 per ton due to surplus clinker available for export from Pakistan as two new plants became operative in the South which resulted in availability of more clinker for export from Pakistan.

(ii) Profitability

In the year 2019-20, the Company earned a net profit after tax of Rs. 1,107 million as compared to Rs. 2,073 million earned during the corresponding period, showing a decrease of Rs. 966 million (47%).

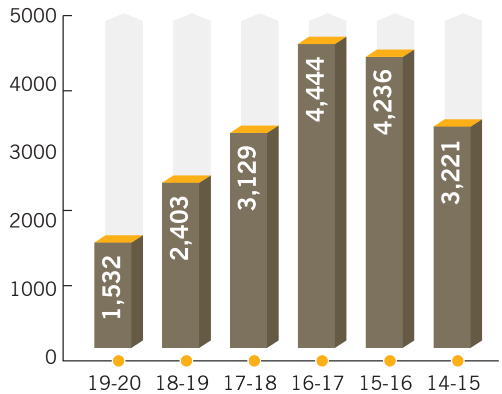
Gross margins recorded at 23% and operating margins remained at 11% as compared to 23% and 15% respectively in preceding year.

Major variances in key cost parameters which resulted in significant dilution in margins during the year under review are as follows:

- The overall production cost per ton of total dispatches reduced by Rs. 111 per ton due to reduction in coal prices in the international market. Even though the prices of electricity, paper bags and transportation cost increased during the year, however, due to significant change in sales mix from bag cement to bulk clinker the overall production cost per ton reduced;

- Distribution cost increased by Rs. 416 million (29%) over the corresponding period due to higher combined quantities of both clinker and cement exported during the year; and

- Finance cost decreased by Rs. 123 million (19%) due to decrease in interest rates on long and short term financing and repayment of entire long term loan availed for Line-3 project. The company has also availed low cost Export Refinance to meet its working capital requirements by taking appropriate approval from State Bank of Pakistan.



Profit Before Tax
(Rs. in Million)

(iii) Appropriation

The financial results for the year under review are as follows:

	2020	2019
	(Rupees '000)	
Profit after tax	**1,107,491**	2,073,201
Add: Other Comprehensive income	**(104,586)**	69,803
Total Comprehensive income for the year	**1,002,905**	2,143,004
Un-appropriated profit b/f	**14,725,189**	13,727,410
Profit available for appropriation	**15,728,094**	15,870,414
Appropriation:		
Final Dividend for the year 2018-19:		
Cash Dividend of Rs.4.0 per share		
(2017-18: Rs.8.0 per share)	**(549,708)**	(916,180)
Bonus shares issued- Nil (2017-18: in		
ratio of 20 shares for every 100 shares)	**-**	(229,045)
Un-appropriated profit c/f	**15,178,386**	14,725,189

For the year ended June 30, 2020 the Board in its meeting held on August 26, 2020 has proposed a final cash dividend of Rs. 3.50 per share (35%) amounting to Rs. 481 million.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 5,956 million during the year to the national exchequer on account of payments towards Sales tax, Income tax, Excise duty and other statutory levies. An amount of approximately Rs. 388 million was also paid as withholding income tax deducted by the Company from shareholders, employees, suppliers and contractors. In addition to that your Company earned foreign exchange of approximate US$ 63 million during the year under review from export proceeds.

MARKETING

During the year 2019-20, the local market of south, where your company is situated, construction activities remained under pressure due to economic slowdown and higher interest rates resulting lower investments in construction sector. The year ended with the disastrous impact of COVID-19 and government steps to lock down the whole country had significantly affected the overall economic activities in the country and cement sector was no exception. Further, the major export markets of the region also experienced the similar lock down owing to COVID-19 which adversely affected the export of cement.

As a result, the overall local demand in South market showed a negative volumetric growth of 29% on full year basis and during the lock down period from March, 2020 to May, 2020 it witnessed a negative growth of 48%, however, it was, to a large extent compensated through higher export of clinker and cement in regional markets and overall exports increased by 46%. Consequent to that the net reduction in south market was recorded at 4%.

However, the company maintained its dominant position in its core market of Karachi both in terms of volume share and price due to strong brand loyalty and superior quality. However, gradually, because of influx of North brands and arrival of new capacities in South the company is facing stiff challenge in maintaining its presence in lower Punjab markets and market share in Upper and Lower Sindh and part of Baluchistan.

The overall local sales of the company went down by 613,113 (33%) as compared to corresponding period. In local sales, company shifted its focus on the core market of Karachi which is still the best net retention market across the country and ensured that it continues its dominant position in this market both in terms of quantity and price in order to ensure a higher net retention and reasonable margin / profit.

In order to compensate this massive fall in local sales, your company increased its effort to maintain its presence in regional markets of Indian Ocean Island, Qatar, Bangladesh and Sri Lanka and aggressively exported both cement and clinker. As a result of which the overall exports surged by 331,407 tons (25%).

HUMAN RESOURCES

The Company strongly believes in its human resource and understands that with positive attitude, strong skills and creativity, its human capital will add value to the overall organizational performance. In this fast-paced industry environment, the Company continues to invest in its manpower and makes flexible plans for their on-the-job and for-the-job trainings which are the corner stone of its human resource policies.

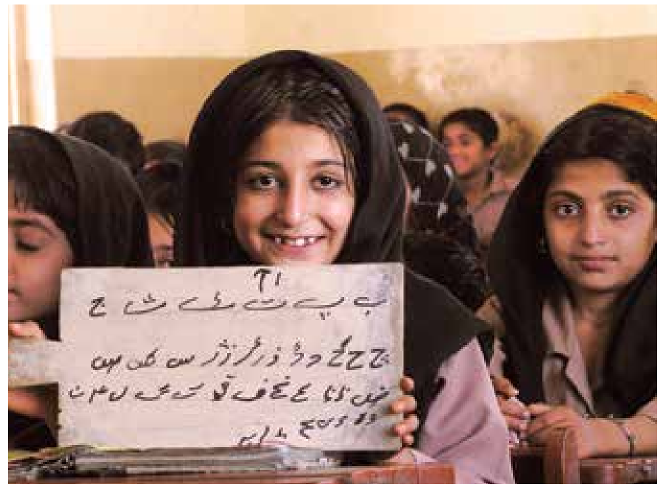
Under the Company's talent hunt program, every year the Company recruits large number of fresh graduates and trains them for their future responsibilities. The company's training program is very popular among the young engineers and each year, the Company receives a favorable response from such program.

A proper Performance Development Program (PDP) has been designed in order to retain and reward every employee with ample opportunities to prove themselves for future leadership role. The Company's compensation packages to its employees are market-driven and are based on the fair assessment of employees' performance. In this regard, regular market surveys are being conducted for bench marking.

The Company believes in open communication with its employees and gives opportunities to them to express their opinions, ideas and thoughts with their Supervisors so that they may be heard and valued accordingly. The Company is committed to provide opportunities to its employees that are rewarding both; in terms of compensation and also, in terms of career opportunities. The Company regularly arranges employee engagement events and get-togethers to let employees feel associated with the Company as it strongly believes in a balanced company-staff relationship and provides a conducive work environment.

Regular team-building activities and other developmental programs are arranged to encourage inter-departmental coordination which ultimately helps to boost the overall Company productivity. Besides this, regular feedback sessions and employee surveys' are conducted related to employee policies, to check on company's overall atmosphere and to take further decisions in order to facilitate employees.

In order to enhance the capacity building of the employees, the company's HR department in tandem with its technical and nontechnical management, identifies the areas where quality training and development programs including soft skill development programs are conducted. Trainers are also being identified and developed to cater to the training needs and to customize programs effectively.



CORPORATE SOCIAL RESPONSIBILITY

The Company is fully conscious of its responsibilities as a good corporate citizen and takes its CSR programs very seriously. Besides providing employment opportunities to local youth, the Company actively works in the field of health, education and environment for all the stake-holders living in its area of activities. The company provides potable water to many villages in and around its factory area. Through this activity, more than 15,000 people have been provided free potable water throughout the year.

Moreover, the Company donated a sizeable amount to Lasbela Chamber of Commerce & Industry for various COVID-19 related initiatives in respect of food distribution program among poor people of Hub & surrounding areas who were badly affected due to COVID-19 lock down.

The Company has also recently established 10 water filtration plants in Sakhi Dad Goth, Rahu Goth, Hamal Khan Goth, Ramzan Marri Goth, Abdullah Goth and Haji Mubarak Goth. In addition to this, two Solar Water schemes have also been established on Dureji Road, Wahrab.

The Company's two schools i.e. Falcon Public School and TCF sponsored Dr. Ghaith R. Pharaon campus are providing free of cost and quality education to almost 900 students. Dr. Ghaith R. Pharaon campus has commenced its secondary classes and construction work on new science and computer labs has just reached completion.

The Company has also constructed new class rooms and washrooms for about 60 female students of Rahu Goth School, in addition to repair & maintenance work that has also been carried out at Government Middle School, Kolvi Goth, Hub.

During the year under review, the Company set up an Eye Camp at TCF School near ACPL Factory where 190 people were treated for various eyes related issues. Moreover, on the other end of the spectrum, welfare activities are being conducted at Medical Centre throughout the week. The turnover is about 150 patients per day.

We also have the services of lady medical & nursing officer who caters to the gynae and obs related issues and conducts OPD 04 days a week.

Furthermore, the Company renovated the Emergency Ward of Jam Ghulam Qadir Hospital and re-constructed the washrooms to provide better sanitation to the patients. ACPL also undertook the initiative of building the first ever Emergency Unit of Lasbela District. Furthermore, a state-of-the-art ICU unit at Hub Civil Hospital provides important medical equipment and ventilators to the locals in case of any medical emergencies.

Additionally, the Company's welfare dispensary in Goth Hasil Bazinjo, Sakran has been working satisfactorily and providing medicines to the nearby population.

HEALTH, SAFETY AND ENVIRONMENT

The company has implemented an integrated Quality, Environment, Health & safety management system based on ISO 9001, ISO 14001 and OHSAS 18001 requirements. Emissions of stacks are within permissible limit of NEQ standards due to timely replacement of filter bags and recovery of Waste Heat.

The Company believes that initiatives like plantation drive in close proximity of the Company can play a vital role in protection of the environment. To elaborate further, ACPL has planted more than 4,000 plants over a span of (02) years lately, in the Factory premises (Hub, Balochistan) to enhance the plantation coverage in the vicinity. Moreover, around 2,000 more saplings have been planted by ACPL employees this year in their respective areas of work.

Moreover, a state-of-the-art Waste Heat Recovery System (WHRS) which was registered with the United Nations Framework Convention on Climate Change (UNFCCC) for a significant reduction in carbon emissions has been installed by ACPL to control carbon emissions according to international standards. In addition to this, the micro dust particles are also not spared by ACPL's latest Bag House Project, which has been designed with innovative strategies to efficiently purify the air and thus making our entire production plant 100% dust free.

PROGRESS ON PROJECTS

Cement Grinding Unit in Basra, Iraq

Cement grinding unit in Basra has started commercial production from September 1, 2019 and plant remain operative continuously without having any major teething problems. During the period from September 1, 2019 till June 30, 2020, the company was able to sell 544,325 tons cement.

Solar Power Plant

As apprised earlier, the Board has approved the installation of captive solar power plant of 20 MW at its factory premises. Due to COVID-19 the project was kept on hold. However, now the work on this project has commenced.

COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE), REGULATIONS, 2019

The Directors hereby confirm that:

a) The annexed financial statements present fairly the state of the affairs of the Company, the result of its operations, cash flows and changes in equity;

b) Proper books of accounts have been maintained by the Company;

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

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

e) The system of internal control is sound in design and has been effectively monitored and implemented;

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

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

h) The following is the value of investments of terminal benefit schemes based on their respective latest accounts:

	Rupees in Million	Year Ended
Provident Fund (unaudited)	749	June 30, 2020
Gratuity Funds (unaudited)	427	June 30, 2020
Pension Funds (unaudited)	367	June 30, 2020

i) During the year five (5) meetings of the Board of Directors were held. Attendance of Directors and Chief Executive is as follows:

Sr. No.	Name of the Directors / Chief Executive	No. of meetings attended
1.	Mr. Laith G. Pharaon (Chairman) Non Executive Director	5
2.	Mr. Wael G. Pharaon Non Executive Director	5
3.	Mr. Shuaib A. Malik Non Executive Director	5
4.	Mr. Abdus Sattar Non Executive Director	5
5.	Agha Sher Shah Non Executive Independent Director	3
6.	Mr. Sajid Nawaz Non Executive Director	5
7.	Mr. Babar Bashir Nawaz Executive Director & Chief Executive	5

j) During the year four (4) meetings of the Audit committee were held. Attendance of Directors is as follows:

Sr. No.	Name of the Directors	No. of meetings attended
1.	Agha Sher Shah (Chairman) Non Executive Independent Director	2
2.	Mr. Shuaib A. Malik (Member) Non Executive Director	4
3.	Mr. Abdus Sattar (Member) Non Executive Director	4

k) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2019-20 have been given on page 41.

l) The key operating and financial data for the last 6 years is set out on page 49.

DIRECTOR'S REMUNERATION POLICY

Board of Directors of the Company has approved the Policy for Honorarium / Remuneration of directors for attending board meetings. Meeting fee has been fixed for attending the board meetings whereas the policy also provides for reimbursement of expenses in connection with attending board meetings. The policy for remuneration of executive, non-executive and independent directors remains same.

HOLDING COMPANY

Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL) is a company incorporated in Lebanon having its registered office at Beirut, Lebanon. PIGL holds 84.06% shares of Attock Cement Pakistan Limited.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2020 is given on page 41.

AUDITORS

The retiring auditors, Messrs A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 41st Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance with the following members:

Sr. No.	Name of Members	Position
1.	Agha Sher Shah Non Executive Independent Director	Chairman
2.	Mr. Shuaib A. Malik Non Executive Director	Member
3.	Mr. Abdus Sattar Non Executive Director	Member

Terms of Reference

1. Determination of appropriate measures to safeguard the assets.
2. Review of preliminary announcements of results prior to external communication and publication.
3. Review of quarterly, half yearly and annual financial statements prior to the approval by the Board of Directors, major focus on:
   - Judgmental areas
   - Significant adjustments resulting from the audit
   - Going concern assumption
   - Any changes in accounting policies and practices
   - Compliance with applicable accounting standards
   - Compliance with the listing regulations and other statutory and regulatory requirements and
   - All related party transactions
4. Facilitating the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
5. Review of management letter issued by external auditors and management response thereto.
6. Ensuring coordination between the internal and external auditors.
7. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
9. Ascertaining that the internal control system includes financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
10. Review of statement on internal control systems prior to the endorsement by the Board of Directors.
11. Instituting special projects, value for money studies or other investigations on any matters specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
12. Determination of compliance with relevant statutory requirements.
13. Monitoring compliance with these regulations and identification of significant violations thereof.
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
15. Consideration of any other issue or matter as may be assigned by the Board of Directors.
16. External Auditors
    - Recommendations regarding the appointment of External Auditors.
    - Resignation and removal of External Auditors.
    - Audit fees.
    - Provision by external auditors of any services to the company in addition to the audit of the Financial Statements.
    - Facilitating external audit and discussion with external auditors of major observations arising from interim and final audits and any other matter that auditors wish to highlight.

HUMAN RESOURCE COMMITTEE

The Board, in compliance with the new Code of Corporate Governance has formed Human Resource Committee comprising of the following members:

Sr. No.	Name of Members	Position
1.	Agha Sher Shah Non Executive Independent Director	Chairman
2.	Mr. Shuaib A. Malik Non Executive Director	Member
3.	Mr. Abdus Sattar Non Executive Director	Member

Terms of Reference
The broad terms of reference of this committee are as follows:

- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the Chief Executive Officer level;

- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

- Recommending human resource management policies to the board;

- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

FUTURE OUTLOOK

Pakistan's economy is currently passing through the post COVID-19 effects that have hit all the economic and fiscal parameters. The large scale manufacturing sector of the economy has shown significant negative growth in the just concluded fiscal year. However, situation is now slowly moving towards the betterment with the reopening of business sectors.

The government has taken various measures to bring economy back on track by easing of lockdown, bringing interest rate down to 7% from 13.25% and announcing stimulus package for the construction sectors. As a result of these measures economy is now on path of recovery and some positivity has been witnessed in the market whereby demand of various products are now on rising trend.

With the availability of huge surplus cement supply of around 25 million tons per annum in the country, it would be a daunting task for the company to sell 100% of its capacity considering the local capacity utilization at around 60%. Therefore, the management is trying to maximize its sales through such a market mix where it may achieve a good net retention through local sales and dispatch surplus quantities either in the form of cement and / or clinker in regional markets.

On the cost side of the equation another important matter which have affected the margins of the company is the withdrawal of Rs. 3/kwh subsidy given by the government under the Industrial Support Package with effect from July, 2019. Coal prices have significantly come down in post COVID-19 environment and it is anticipated that it would bounce back to some extent once the Pandemic is over and global economies would be eased from shut down effects. Other inflationary impacts like diesel prices and devaluation impact would also keep the margins under check in foreseeable future.

However, the Government's initiative under Naya Pakistan Housing Scheme, construction package and construction of mega dams may turnaround the demand despite lower GDP forecast for the year 2020-21. Under the Naya Pakistan Housing scheme, the government has announced to allocate Rs. 30 billion subsidy under the program. Further, subsidized markup @ 5%~ 7% will be given on loans by the Commercial Banks for construction of low cost houses. The government is aiming to construct 1 million houses during 1~2 year's time.

Your management is fully aligned with the rapid changes in regulatory regime and market dynamics and doing its utmost efforts to achieve 100% sales both in local and export markets either in the form of cement or clinker from its all 3 production lines by exploring all available market options both locally and in the region. Efforts are being made to curtail the cost wherever possible and create a price efficient sales mix to maximize profitability.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

August 26, 2020
Karachi

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2020

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
426	1	100	13,948
559	101	500	164,701
388	501	1,000	317,700
534	1,001	5,000	1,258,507
145	5,001	10,000	1,085,563
180	10,001	95,000	4,930,958
25	95,001	930,000	7,368,758
1	930,001	1,200,000	1,200,000
1	1,200,001	2,075,000	2,072,696
1	2,075,001	3,490,000	3,487,792
1	3,490,001	115,530,000	115,526,338
2261			**137,426,961**

	Categories of Shareholders	Shares held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	145,211	0.11
2	Associated Companies, Undertakings and related Parties	7,000	0.01
3	NIT and ICP	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	1,735	0.00
5	Insurance Companies	2,301,196	1.67
6	Modarabas and Mutual Funds	1,408,075	1.02
7	Shareholders holding 10% or more	115,526,338	84.06
8	Others:		
	- Local	5,734,248	4.17
	- Foreign	-	-
	- Individual	12,303,158	8.96
		137,426,961	**100.00**

Shareholders holding Five Percent or more voting interest in the listed Company

Total Paid-up Capital of the Company 137,426,961 Shares

5% of the paid-up capital of the Company 6,871,348 Shares

Name of Shareholders	Description	No. of Shares Held	Percentage %
Pharaon Investment Group Limited Holding S.A.L. Beriut, Lebanon	Falls in Category # 7	115,526,338	84.06

No transaction has been reported by the Chief Executive and/or any other company's Director(s), Executives and their spouse(s) and minor Children from July 01, 2019 to June 30, 2020 in the shares of the Company.

STAKEHOLDERS' ENGAGEMENT

We value our stakeholders, and take every step to understand their needs. We are also mindful that all of the stakeholders we engage with, from investors and customers to employees and suppliers, are keen to understand how our business is evolving and energized to grow in a changing world. Since our inception, the Company has engaged with varied groups of stakeholders at different levels to understand their expectations and to make them partners in our journey towards sustainable development.

Corporate Briefing Session 2018-19

Corporate / analyst briefings are collaborative sessions between the management of the Company and the investor community whereby the Company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook.

The idea behind the Company's investor engagement through these briefings is to give the right perspective of the business affairs of the Company to the investors (both existing and potential) which helps them in making their investment decisions.

On September 30, 2019, the Company held a formal corporate briefing session on its financial performance and operational overview at the PSX Auditorium. The CFO briefed investors regarding the financial statements of the financial year 2018-19 and Company's investment plan for future years. Further, the CFO also highlighted the status of running projects. Investors from all walks of life attended the event and showed great interest in the affairs of the company. The presentation was followed by a Question and Answer Session where some thought-provoking questions were put forward to the Management; which were very well addressed to the satisfaction of the audience.

SHAREHOLDERS' INFORMATION

VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30

	2020		2019		2018		2017		2016		2015	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue	18,500.57	100.00	20,780.93	100.00	16,495.66	100.00	14,735.17	100.00	13,918.34	100.00	13,086.12	100.00
Cost of sales	(14,251.50)	(77.03)	(15,978.03)	(76.89)	(11,697.58)	(70.91)	(8,842.96)	(60.01)	(8,331.84)	(59.86)	(8,689.94)	(66.41)
Gross profit	4,249.07	22.97	4,802.90	23.11	4,798.08	29.09	5,892.21	39.99	5,586.50	40.14	4,396.18	33.59
Distribution costs	(1,830.95)	(9.90)	(1,414.82)	(6.80)	(782.22)	(4.74)	(903.53)	(6.13)	(954.75)	(6.86)	(986.67)	(7.54)
Administrative expenses	(506.94)	(2.74)	(505.15)	(2.43)	(533.11)	(3.23)	(419.38)	(2.85)	(401.79)	(2.89)	(346.95)	(2.65)
Other expenses	(92.27)	(0.50)	(149.75)	(0.72)	(163.00)	(0.99)	(333.65)	(2.26)	(314.05)	(2.26)	(238.82)	(1.82)
Other income	233.55	1.26	293.80	1.41	60.80	0.37	236.63	1.61	341.10	2.45	422.91	3.23
Profit from Operations	2,052.46	11.09	3,026.98	14.57	3,380.55	20.49	4,472.29	30.36	4,257.01	30.59	3,246.65	24.82
Finance cost	(525.89)	(2.84)	(648.44)	(3.12)	(251.17)	(1.52)	(28.37)	(0.19)	(21.31)	(0.15)	(26.00)	(0.20)
Share of net income of associate	5.92	0.03	24.66	0.12	-	-	-	-	-	-	-	-
Profit before income tax	1,532.49	8.28	2,403.20	11.56	3,129.38	18.97	4,443.92	30.16	4,235.70	30.43	3,220.65	24.61
Income tax (expense) / credit	(425.00)	(2.30)	(330.00)	(1.59)	1,270.41	7.70	(1,409.86)	(9.57)	(1,345.68)	(9.67)	(1,015.00)	(7.76)
Profit for the year	**1,107.49**	**5.99**	**2,073.20**	**9.98**	**4,399.78**	**26.67**	**3,034.06**	**20.59**	**2,890.02**	**20.76**	**2,205.65**	**16.85**

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2020		2019		2018		2017		2016		2015	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - property, plant & equipment	17,255.96	62.93	17,685.58	64.74	17,962.93	68.03	16,660.34	80.45	7,140.51	49.50	5,999.67	49.04
Long-term investments	1,858.09	6.78	1,836.54	6.72	1,435.38	5.44	786.11	3.80	4.50	0.03	4.50	0.04
Long-term loans and advances - considered good	38.82	0.14	47.59	0.17	47.31	0.18	48.59	0.23	41.54	0.29	55.75	0.46
Long-term deposits	99.94	0.36	99.94	0.37	99.94	0.38	42.98	0.21	42.98	0.30	42.98	0.35
Deferred tax assets	-	-	-	-	131.54	0.50	-	-	-	-	-	-
	19,252.81	70.21	19,669.65	72.00	19,677.10	74.52	17,538.02	84.69	7,229.53	50.11	6,102.90	49.89
Current assets												
Inventories	3,465.94	12.64	3,395.52	12.43	3,649.07	13.82	1,929.78	9.32	1,916.76	13.29	1,749.87	14.30
Trade receivables - considered good	494.54	1.80	795.06	2.91	709.92	2.69	180.49	0.87	211.11	1.46	124.41	1.02
Loans and advances - considered good	162.44	0.59	87.93	0.32	78.50	0.30	76.38	0.37	81.94	0.57	61.12	0.50
Short-term deposits and prepayments	13.25	0.05	45.21	0.17	22.59	0.09	23.66	0.11	17.52	0.12	16.94	0.14
Investments	-	-	-	-	-	-	-	-	4,273.36	29.62	3,104.91	25.38
Other receivables	324.52	1.18	235.81	0.86	201.37	0.76	105.79	0.51	114.86	0.80	68.12	0.56
Taxation - payment less provisions	2,866.87	10.45	2,602.24	9.53	1,453.30	5.50	236.66	1.14	-	-	-	-
Tax refunds due from Government - Sales tax	56.52	0.21	182.59	0.68	289.27	1.10	496.76	2.40	-	-	147.59	1.21
Cash and bank balances	785.56	2.86	302.59	1.11	324.94	1.23	121.85	0.59	581.32	4.03	858.70	7.00
	8,169.63	29.79	7,646.95	28.00	6,728.95	25.48	3,171.36	15.31	7,196.86	49.89	6,131.64	50.11
Total Assets	**27,422.44**	**100.00**	**27,316.60**	**100.00**	**26,406.06**	**100.00**	**20,709.38**	**100.00**	**14,426.40**	**100.00**	**12,234.54**	**100.00**
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital, issued, subscribed & paid up	1,374.27	5.01	1,374.27	5.03	1,145.23	4.34	1,145.23	5.53	1,145.23	7.94	1,145.23	9.36
Unappropriated profit	15,178.39	55.35	14,725.19	53.91	13,727.41	51.99	10,802.41	52.16	9,301.62	64.48	7,789.91	63.67
	16,552.66	60.36	16,099.46	58.94	14,872.64	56.33	11,947.64	57.69	10,446.85	72.41	8,935.13	73.03
LIABILITIES												
Non-current liabilities												
Long-term loans	236.25	0.86	2,187.50	8.01	3,437.50	13.02	1,500.00	7.24	-	-	-	-
Long-term lease liabilities	46.46	0.17	7.91	0.03	10.79	0.04	1.03	0.01	4.03	0.03	7.96	0.07
Deferred liabilities	1,081.13	3.94	351.28	1.28	-	-	817.75	3.95	809.51	5.61	813.38	6.65
Employee benefit obligations	359.64	1.31	266.88	0.98	387.09	1.47	489.45	2.36	425.33	2.95	252.34	2.06
	1,723.48	6.28	2,813.57	10.30	3,835.39	14.52	2,808.23	13.56	1,238.87	8.59	1,073.68	8.78
Current liabilities												
Trade and other payables	4,185.44	15.26	3,577.44	13.10	4,983.84	18.87	3,816.09	18.43	2,673.95	18.54	1,766.80	12.25
Unclaimed dividend	10.42	0.04	10.18	0.04	9.00	0.03	7.59	0.04	6.11	0.04	5.30	0.04
Accrued mark-up	33.59	0.12	143.87	0.53	88.77	0.34	45.99	0.22	-	-	-	-
Short-term borrowings	4,902.75	17.88	4,669.20	17.09	2,612.51	9.89	2,080.85	10.05	-	-	-	-
Current portion of long-term lease liabilities	14.12	0.05	2.88	0.01	3.91	0.01	2.99	0.01	3.93	0.03	3.93	0.03
Taxation - provision less payments	-	-	-	-	-	-	-	-	56.70	0.39	449.71	3.68
	9,146.31	33.35	8,403.57	30.76	7,698.03	29.14	5,953.51	28.75	2,740.69	19.00	2,225.73	18.97
Total liabilities	10,869.79	39.79	11,217.14	41.06	11,533.42	43.68	8,761.74	42.31	3,979.55	27.59	3,299.40	26.97
Contingencies and commitments												
Total equity and liabilities	**27,422.44**	**100.00**	**27,316.60**	**100.00**	**26,406.06**	**100.00**	**20,709.38**	**100.00**	**14,426.40**	**100.00**	**12,234.54**	**100.00**

HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30

	2020		2019		2018		2017		2016		2015	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue	18,500.57	(10.97)	20,780.93	25.98	16,495.66	11.95	14,735.17	5.87	13,918.34	6.36	13,086.12	4.29
Cost of sales	(14,251.50)	(10.81)	(15,978.03)	36.59	(11,697.58)	32.28	(8,842.96)	6.13	(8,331.84)	(4.12)	(8,689.94)	(1.73)
Gross profit	4,249.07	(11.53)	4,802.90	0.10	4,798.08	(18.57)	5,892.21	5.47	5,586.50	27.08	4,396.18	18.69
Distribution costs	(1,830.95)	29.41	(1,414.82)	80.87	(782.22)	(13.43)	(903.53)	(5.36)	(954.75)	(3.24)	(986.67)	22.41
Administrative expenses	(506.94)	0.35	(505.15)	(5.24)	(533.11)	27.12	(419.38)	4.38	(401.79)	15.81	(346.95)	12.95
Other expenses	(92.27)	(38.38)	(149.75)	(8.12)	(163.00)	(51.15)	(333.65)	6.24	(314.05)	31.50	(238.82)	22.21
Other income	233.55	(20.51)	293.80	383.22	60.80	(74.30)	236.63	(30.63)	341.10	(19.35)	422.91	56.91
Profit from Operations	2,052.46	(32.19)	3,026.98	(10.46)	3,380.55	(24.41)	4,472.29	5.06	4,257.01	31.12	3,246.65	21.83
Finance cost	(525.89)	(18.90)	(648.44)	158.17	(251.17)	785.34	(28.37)	33.13	(21.31)	(18.04)	(26.00)	(12.74)
Share of net income of associate	5.92	(75.98)	24.66	-	-	-	-	-	-	-	-	-
Profit before income tax	1,532.49	(36.23)	2,403.20	(23.21)	3,129.38	(29.58)	4,443.92	4.92	4,235.70	31.52	3,220.65	22.22
Income tax (expense) / credit	(425.00)	28.79	(330.00)	(125.97)	1,270.41	(190.11)	(1,409.86)	4.77	(1,345.68)	32.58	(1,015.00)	63.45
Profit for the year	**1,107.49**	**(46.58)**	**2,073.20**	**(52.88)**	**4,399.78**	**45.01**	**3,034.06**	**4.98**	**2,890.02**	**31.03**	**2,205.65**	**9.51**

HORIZONTAL ANALYSIS

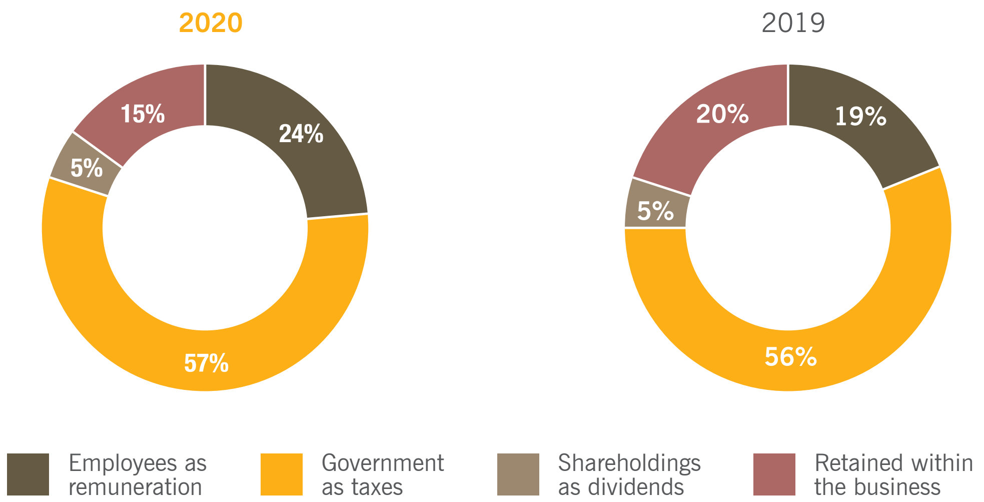
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2020		2019		2018		2017		2016		2015	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - property, plant & equipment	17,255.96	(2.43)	17,685.58	(1.54)	17,962.93	7.82	16,660.34	133.32	7,140.51	19.02	5,999.67	(2.06)
Long-term investments	1,858.09	1.17	1,836.54	27.95	1,435.38	82.59	786.11	-	4.50	-	4.50	-
Long-term loans and advances - considered good	38.82	(18.44)	47.59	0.60	47.31	(2.63)	48.59	16.97	41.54	(25.50)	55.75	69.12
Long-term deposits	99.94	-	99.94	-	99.94	132.53	42.98	-	42.98	-	42.98	-
Deferred tax assets	-	-	-	(100.00)	131.54	100.00	-	-	-	-	-	-
	19,252.81	(2.12)	19,669.65	(0.04)	19,677.10	12.20	17,538.02	142.59	7,229.53	18.46	6,102.90	(1.67)
Current assets												
Inventories	3,465.94	2.07	3,395.52	(6.95)	3,649.07	89.09	1,929.78	0.68	1,916.76	9.54	1,749.87	3.94
Trade receivables - considered good	494.54	(37.80)	795.06	11.99	709.92	293.33	180.49	(14.50)	211.11	69.69	124.41	(52.53)
Loans and advances - considered good	162.44	84.74	87.93	12.01	78.50	2.77	76.38	(6.79)	81.94	34.07	61.12	25.42
Short-term deposits and prepayments	13.25	(70.70)	45.21	100.13	22.59	(4.51)	23.66	35.05	17.52	3.42	16.94	(8.33)
Investments	-	-	-	-	-	-	-	-	4,273.36	37.63	3,104.91	(1.91)
Other receivables	324.52	37.62	235.81	17.10	201.37	90.35	105.79	(7.90)	114.86	68.63	68.12	137.04
Taxation - payment less provisions	2,866.87	10.17	2,602.24	79.06	1,453.30	514.09	236.66	100.00	-	-	-	-
Tax refunds due from Government - Sales tax	56.52	(69.04)	182.59	(36.88)	289.27	(41.77)	496.76	100.00	-	(100.00)	147.59	227.09
Cash and bank balances	785.56	159.62	302.59	(6.88)	324.94	166.67	121.85	(79.04)	581.32	(32.30)	858.70	83.55
	8,169.63	6.84	7,646.95	13.64	6,728.95	112.18	3,171.36	(55.93)	7,196.87	17.37	6,131.64	7.20
Total Assets	**27,422.44**	**0.39**	**27,316.60**	**3.45**	**26,406.06**	**27.51**	**20,709.38**	**43.55**	**14,426.40**	**17.92**	**12,234.54**	**2.59**
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital, issued, subscribed & paid up	1,374.27	-	1,374.27	20.00	1,145.23	-	1,145.23	-	1,145.23	-	1,145.23	-
Unappropriated profit	15,178.39	3.08	14,725.19	7.27	13,727.41	27.08	10,802.41	16.13	9,301.62	19.41	7,789.91	6.70
	16,552.66	2.81	16,099.46	8.25	14,872.64	24.48	11,947.64	14.37	10,446.84	16.92	8,935.13	5.79
LIABILITIES												
Non-current liabilities												
Long-term loans	236.25	(89.20)	2,187.50	(36.36)	3,437.50	129.17	1,500.00	100.00	-	-	-	-
Long-term lease liabilities	46.46	486.94	7.91	(26.65)	10.79	947.86	1.03	(74.44)	4.03	(49.36)	7.96	(33.05)
Deferred liabilities	1,081.13	351.28	351.28	-	-	-	817.75	1.02	809.51	(0.47)	813.38	(18.96)
Employee benefit obligations	359.64	34.76	266.88	(31.05)	387.09	(20.91)	489.45	15.08	425.33	68.56	252.34	4.92
	1,723.48	(38.74)	2,813.57	(26.64)	3,835.39	36.58	2,808.23	126.68	1,238.87	15.39	1,073.67	(14.52)
Current liabilities												
Trade and other payables	4,185.44	17.00	3,577.44	(27.66)	4,983.84	30.60	3,816.09	42.71	2,680.06	51.24	1,772.10	(12.39)
Unclaimed dividend	10.42	2.30	10.18	13.13	9.00	18.52	7.59	24.34	6.11	15.14	5.30	(23.73)
Accrued mark-up	33.59	(76.65)	143.87	62.07	88.77	93.02	45.99	100.00	-	-	-	-
Short-term borrowings	4,902.75	5.00	4,669.20	78.72	2,612.51	25.55	2,080.85	100.00	-	-	-	-
Current portion of long-term lease liabilities	14.12	390.44	2.88	(26.34)	3.91	30.80	2.99	(23.92)	3.93	-	3.93	-
Taxation - provision less payments	-	-	-	-	-	-	-	-	56.70	(87.39)	449.71	128.10
	9,146.31	8.84	8,403.57	9.17	7,698.03	29.30	5,953.51	117.23	2,740.69	23.14	2,225.73	0.08
Total liabilities	10,869.79	(3.10)	11,217.14	(2.74)	11,533.42	31.63	8,761.74	120.17	3,979.55	20.61	3,299.40	(5.19)
Contingencies and commitments												
Total equity and liabilities	**27,422.44**	**0.39**	**27,316.60**	**3.45**	**26,406.06**	**27.51**	**20,709.38**	**43.55**	**14,426.40**	**17.92**	**12,234.54**	**2.59**

STATEMENT OF VALUE ADDITION AND DISTRIBUTION

		2020	2019
		(Rupees in million)	
Gross Sales		**24,621**	27,834
Less:	Operating expenses	**(15,153)**	(16,458)
	Value added by Operations	**9,468**	11,376
Add:	Income from Investments	**6**	25
	Other Income	**233**	293
		239	318
	Total Value Added / wealth created	**9,707**	11,694
	Distributed as follows:		
	Employees remuneration	**2,288**	2,256
	Government as:		
	Taxation	**425**	330
	Workers Funds	**92**	150
	Sales Tax & Excise Duty	**4,975**	6,090
		5,492	6,570
	Shareholders as:		
	Dividend	**481**	550
	Retained in business		
	Depreciation	**821**	795
	Net earnings	**626**	1,523
		1,447	2,318
	Total value distributed	**9,707**	11,694

DISTRIBUTION OF VALUE ADDITION



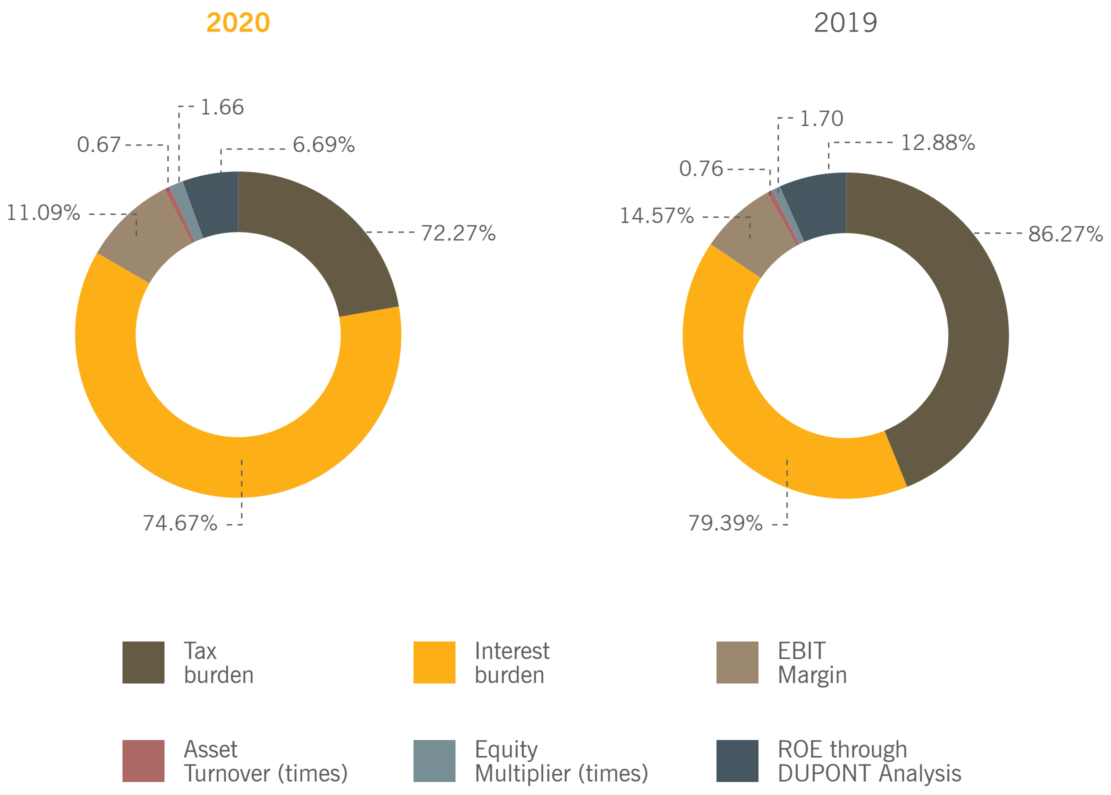
SIX YEARS AT A GLANCE

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Rupees in million unless otherwise stated					
Productions and Sales						
Clinker production (in tons)	**2,828,898**	3,184,363	2,482,551	1,866,325	1,866,997	1,835,254
Capacity utilization %	**98**	110	109	107	107	105
Cement production (in tons)	**1,766,734**	2,437,425	2,309,345	2,081,858	1,967,391	1,877,150
Cement sales (in tons)	**1,766,442**	2,447,666	2,288,613	2,082,582	1,970,589	1,881,941
Profit or Loss						
Revenue from contracts with customers	**18,501**	20,781	16,496	14,735	13,918	13,086
Cost of sales	**14,252**	15,978	11,698	8,843	8,332	8,690
Gross profit	**4,249**	4,803	4,798	5,892	5,587	4,396
Other income	**234**	294	61	237	341	423
Operating profit	**2,052**	3,027	3,381	4,472	4,257	3,247
Profit before tax	**1,532**	2,403	3,129	4,444	4,236	3,221
Profit after tax	**1,107**	2,073	4,400	3,034	2,890	2,206
Financial Position						
Paid-up capital	**1,374**	1,374	1,145	1,145	1,145	1,145
Unappropriated profit	**15,178**	14,725	13,727	10,802	9,302	7,790
Long-term & deferred liabilities	**1,723**	2,814	3,835	2,808	1,239	1,074
Current liabilities	**9,146**	8,404	7,698	5,954	2,741	2,226
Fixed assets less depreciation	**17,256**	17,686	17,963	16,660	7,141	6,000
Other long-term assets	**1,997**	1,984	1,714	878	89	103
Current assets	**8,170**	7,647	6,729	3,171	7,197	6,132
Key Financial Ratios						
Gross profit %	**22.97**	23.11	29.09	39.99	40.14	33.59
Operating profit %	**11.09**	14.57	20.02	30.35	30.59	24.81
Net profit after tax %	**5.99**	9.98	26.06	20.59	20.76	16.86
Return on equity %	**6.69**	12.88	29.58	25.39	27.66	24.69
Return on capital employed	**12.40**	18.80	22.73	37.43	40.75	36.38
No. of days in inventory	**35.34**	11.26	22.38	21.8	29.86	27.03
No. of days in receivables	**12.72**	13.22	9.62	4.85	4.39	5.39
Fixed assets turnover ratio (times)	**1.14**	1.24	0.98	2.76	2.6	2.35
Current ratio (times)	**0.89**	0.91	0.87	0.53	2.63	2.75
Price earning ratio (times)	**15.46**	4.73	3.50	11.43	9.46	9.90
Dividend yield ratio %	**2.81**	5.60	5.95	4.46	5.24	7.87
Dividend payout ratio %	**43.42**	26.51	20.82	50.96	49.52	77.88
Debt equity ratio	**31.05**	42.59	40.68	29.97	-	-
Interest cover ratio (times)	**3.90**	4.67	13.46	157.64	199.78	124.88
Shares and Earnings						
Market price share at June 30 (Rs.)	**125**	71	135	303	239	191
Earnings per share (Rs.)	**8.06**	15.09	32.02	26.49	25.24	19.26
Cash dividend per share	**3.50**	4.00	8.00	13.50	12.50	15.00
Break-up value per share	**120.45**	117.15	129.87	104.33	91.22	78.02

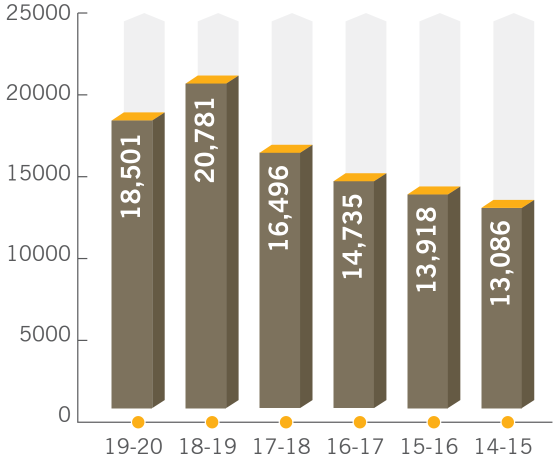
DUO PONT ANALYSIS

FOR THE YEAR ENDED JUNE 30

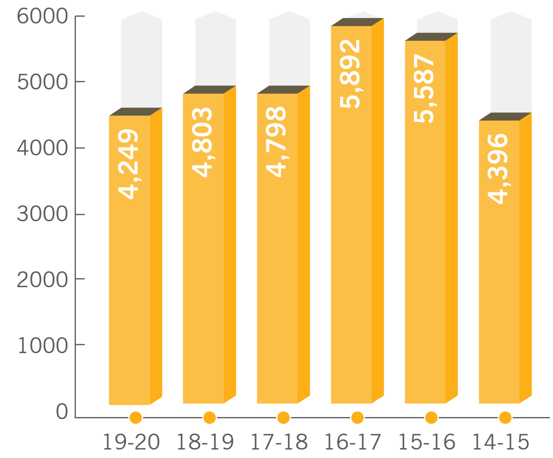
	2020	2019
	(Rupees '000)	
Tax burden %	**72.27**	86.27
Interest burden %	**74.67**	79.39
EBIT Margin %	**11.09**	14.57
Asset Turnover (times)	**0.67**	0.76
Equity Multiplier (times)	**1.66**	1.70
ROE through DUPONT Analysis %	**6.69**	12.88



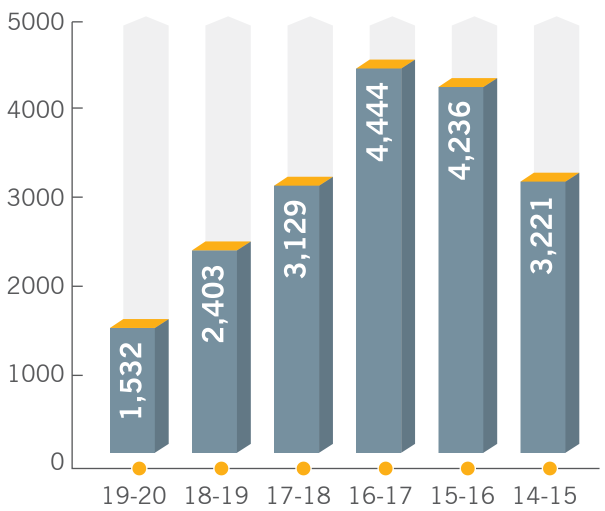
GRAPHICAL PRESENTATION



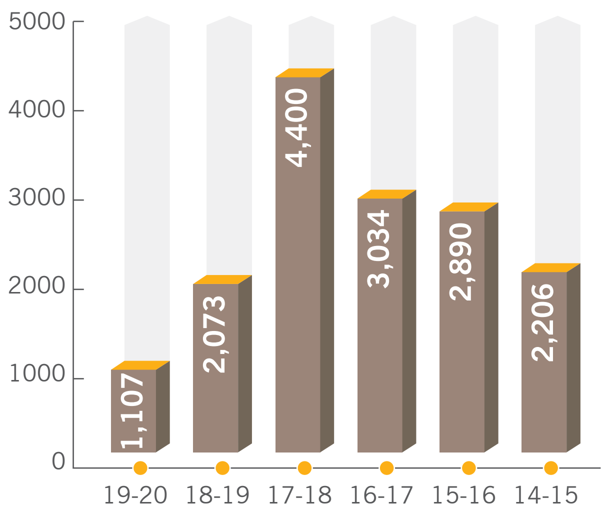
Net Sales
(Rs. in Million)



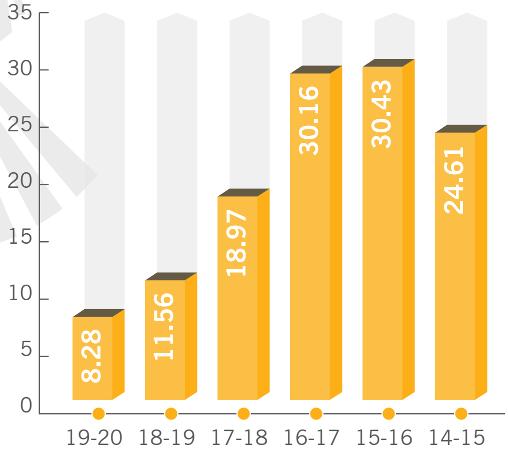
Gross Profit
(Rs. in Million)



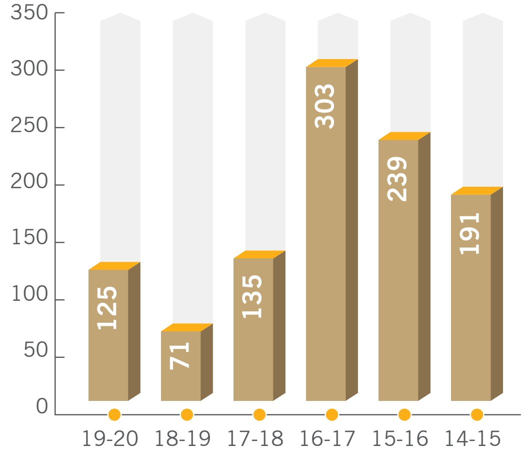
Profit Before Tax
(Rs. in Million)



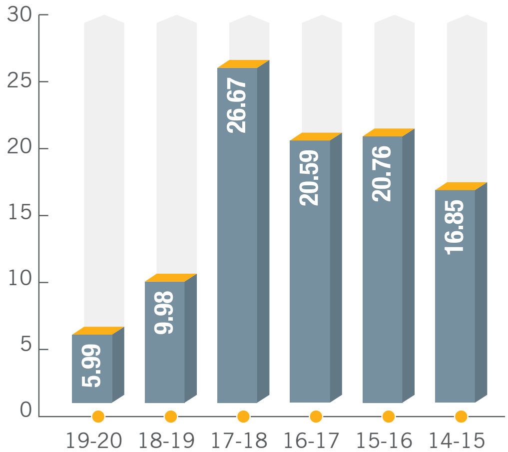
Profit After Tax
(Rs. in Million)



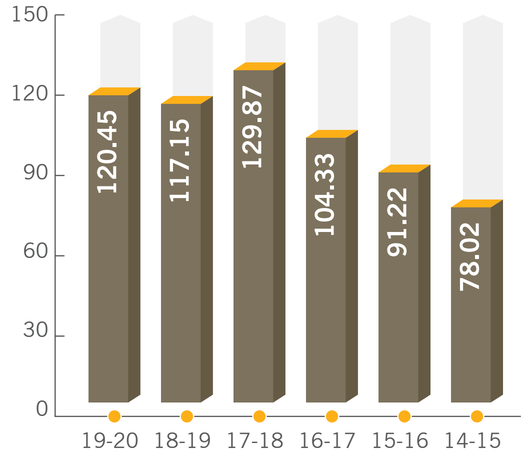
Profit Before Tax
(%)



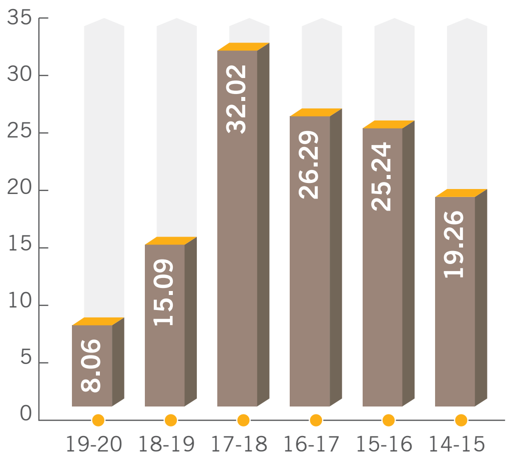
Market Price per Share
(Rs.)



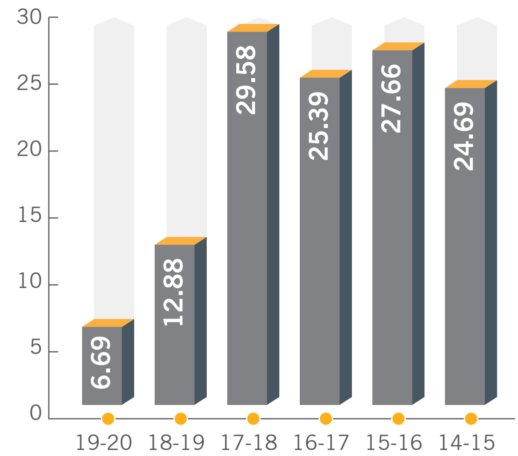
Profit After Tax
(%)



Break-up Value per Share
(Rs.)



Earnings per Share
(Rs.)



Return on equity
(%)

COMPOSITION OF STATEMENT OF FINANCIAL POSITION

Equity and Liabilities

2020

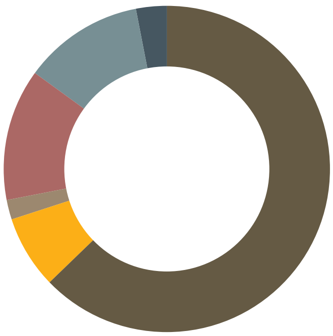
Share Capital and Reserves	61
Other Non-current Liabilities	6
Trade Payable and Others	15
Other Current Liabilities	18

2019

Share Capital and Reserves	59
Other Non-current Liabilities	10
Trade Payable and Others	13
Other Current Liabilities	18

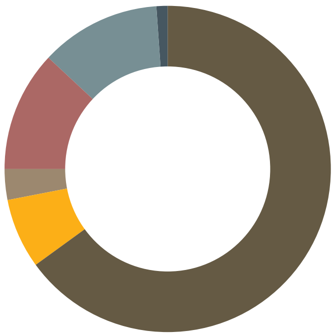
Assets

2020



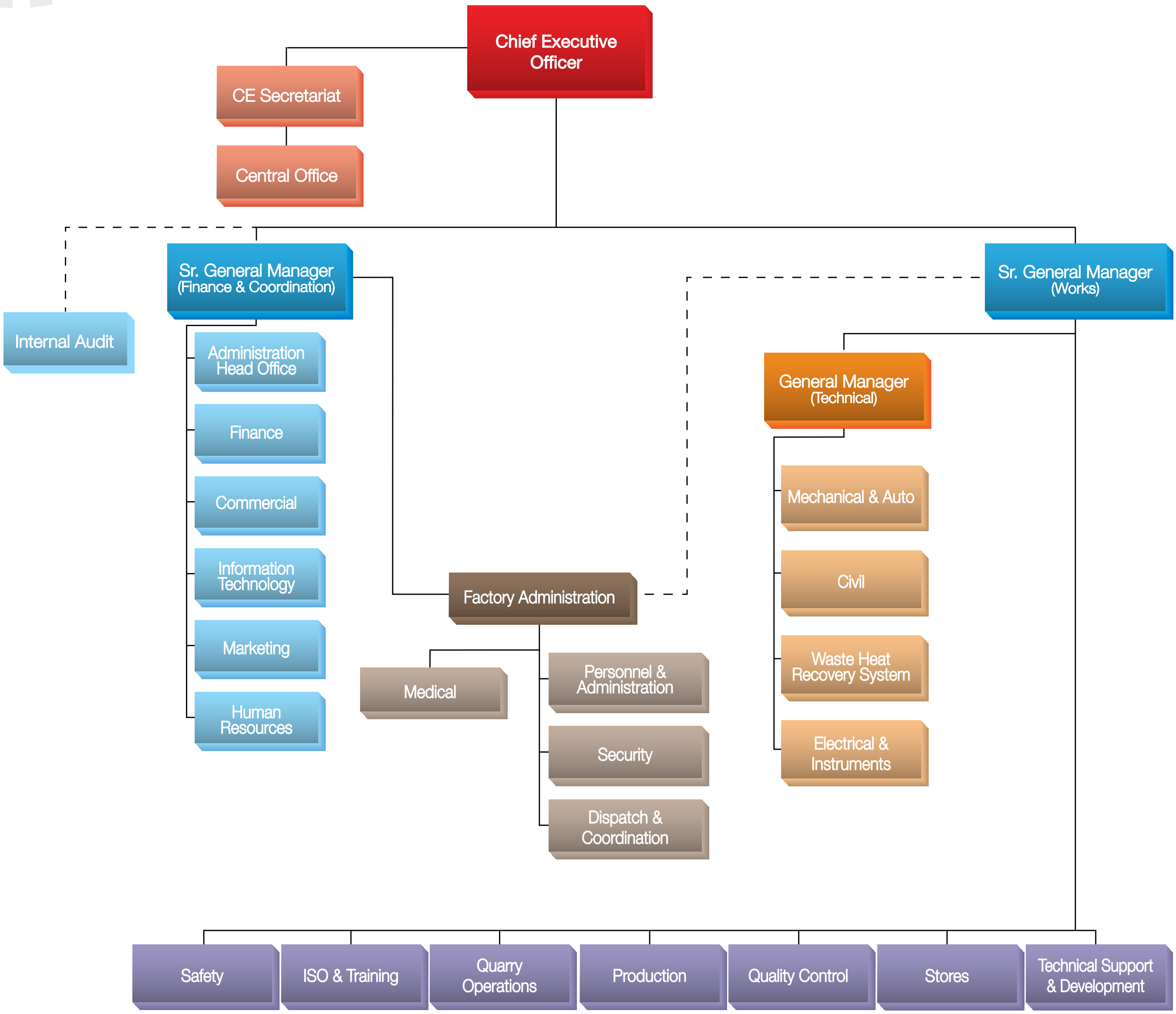
Property, Plant and Equipment	63
Other Long-Term Assets	7
Trade Debts	2
Inventories	13
Other Assets	12
Cash and Bank Balances	3

2019



Property, Plant and Equipment	65
Other Long-Term Assets	7
Trade Debts	3
Inventories	12
Other Assets	12
Cash and Bank Balances	1

CORPORATE ORGANOGRAM



NOTICE OF THE FORTY-FIRST (41ST) ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting of Attock Cement Pakistan Limited (the "Company") will be held on October 22, 2020 at 13:00 hours at Karachi through video link to transact the following:

Ordinary Business

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2020 together with the Report of Auditors and the directors thereon.

2. To consider and if thought fit, approve the final cash dividend of 35% (Rs. 3.50 per share) as recommended by the Board of Directors for the year ended June 30, 2020.

3. To appoint the auditors for the financial year 2020-21 and to fix their remuneration.

4. To elect seven (7) Directors as fixed by the Board of Directors in their meeting held on June 25, 2020, for a period of three (3) years. The names of retiring directors are as follows:

   i) Mr. Laith G. Pharaon
   ii) Mr. Wael G. Pharaon
   iii) Mr. Shuaib A. Malik
   iv) Mr. Abdus Sattar
   v) Agha Sher Shah
   vi) Mr. Sajid Nawaz
   vii) Mr. Babar Bashir Nawaz

The retiring directors are eligible for re-election.

Special Business

5. To consider and if thought fit approve (subject to the approval of the Securities and Exchange Commission of Pakistan) a housing advance of up to PKR 10,970,664/- (Pakistani Rupees Ten Million Nine Hundred Seventy Thousand Six Hundred Sixty-four only) equivalent to two (2) years' house rent entitlement to Mr. Irfan Amanullah, who is acting as the alternate director of the Company, on the terms set forth for loan to employees in the Employee Relation Manual of the Company.

6. To transact any other business with the permission of the Chair.

The Statement of Material Facts concerning the special business to be transacted at the Annual General Meeting (AGM) is attached with this notice as required pursuant to Section 134(3) of the Companies Act, 2017.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: October 01, 2020

CORONAVIRUS; CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING:

In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No. 5 of 2020 dated: March 17, 2020 and Circular No. 25 of 2020 dated: August 31, 2020.

Accordingly, the Company will be providing the facility to all shareholders to participate in the AGM through video link while ensuring compliance with the quorum requirements.

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 12:00 p.m. on October 20, 2020.

Required information:

Shareholder Name, CNIC Number, Folio/CDC Account No., Mobile Phone Number* and Email address*

**Shareholders are requested to provide active mobile number and email address to ensure timely communication.*

Modes of Communication:

The above mentioned information can be provided through following modes:

a) Mobile/WhatsApp: 0308-0972181
b) Email: meetings@attockcement.com

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 20, 2020 by 12:00 p.m.

Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately addressed in the meeting.

Notes:

1. The Register of members and share transfer books of the Company will remain close from October 15, 2020 to October 22, 2020 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 14, 2020 are entitled to attend and vote at the meeting.

3. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law.

4. Members are requested to notify any changes in their addresses immediately.

For appointing proxies:

i) A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

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

v) Proxies attending meeting on behalf of members are also required to provide below information in case they will be attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

Required information:

Name of Proxy, CNIC Number, Folio/CDC Account No. of Member, active Mobile Phone Number and Email address of proxy

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance 2001:

Pursuant to the provisions of Section 150 of the Income Tax Ordinance, 2001 the rates of deduction of Income tax from dividend payments will be as follows:

(a) Rate of tax deduction for persons who are appearing in the active taxpayers list	15%
(b) Rate of tax deduction for persons who are not appearing in the active taxpayers list	30%

i) All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and if required take necessary actions for inclusion of their name in ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by hundred percent.

ii) In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.

iii) Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certifi cate is made available to Share Registrar, M/s FAMCO Associates (Pvt.) Limited, 8-F, Block -6, PECHS, Nursery, Shahrah-e-Faisal, Near Hotel Faran, Karachi by first day of Book Closure.

TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD/DVD:

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on the website of the Company i.e. www.attockcement.com

TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787 (I)/2014 dated: September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.attockcement.com. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2020 have been made available on the Company's website www.attockcement.com, in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:

In accordance with Section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their bank account details (IBAN format) directly to our share registrar (for physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e. www.attockcement.com.

ELECTION FOR THE OFFICE OF THE DIRECTOR:

Any person who intends to contest the election for the office of the Directors, shall file with the Company at its Registered Office not later than fourteen (14) days before the date of the Annual General Meeting, a notice of his/her intention to offer himself/herself for election as Director in terms of Section 159(3) of the Companies Act, 2017 along with:

i) consent to act as director on Form 28, duly completed and signed by the candidate;

ii) a detailed profile along with office address for placement on the Company's website seven days prior to the date of the AGM, in terms of SRO 1196(I) of 3rd October 2019; and

iii) declarations in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017.

Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of Section 143, 144 and 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

CONSENT FOR VIDEO CONFERENCE FACILITY:

In accordance with Section 132(2) of the Companies Act, 2017 if the company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary on given address:

The Company Secretary,
Attock Cement Pakistan Limited,
D-70, Block-4, Kehkashan-5, Clifton, Karachi.

UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and / or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and / or undelivered share certificates.

DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

In light of above, shareholders holding physical share certificates are encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in members' register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale / purchase.

STATEMENT OF MATERIAL FACTS
Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts as required under and pursuant to Section 134(3) of the Companies Act, 2017, and the S.R.O. 423(I)/2018 dated: April 03, 2018 issued by the Securities and Exchange Commission of Pakistan concerning the Special Business to be considered and approved by the Members of the Company under section 182 of the Companies Act, 2017, in connection with the provision of a housing advance of up to PKR 10,970,664/- (Pakistani Rupees Ten Million Nine Hundred Seventy Thousand Six Hundred Sixty-four only) equivalent to two (2) years' house rent entitlement to Mr. Irfan Amaunullah, who is acting as the alternate director of the Company, on the terms set forth for loan to employees in the Employee Relation Manual of the Company.

1. Approval of loans to director of the Company

a)	Name of the person;	Mr. Irfan Amanullah
b)	Description and purpose of the loan;	Advance House Rent for construction of house
c)	Amount of loan;	Rs. 10,970,664/-
d)	Rate of interest, mark up etc.;	0%
e)	Security if any, obtained / to be obtained by the company;	Terminal benefits
f)	Repayment schedule / terms of repayment;	24 equal monthly installments
g)	Disclosure regarding mandatory approval of the Securities and Exchange Commission of Pakistan; Pursuant to section 182 of the Companies Act, 2017, the provision of loan to a director of the company is subject to the approval of the Securities and Exchange Commission of Pakistan.	The Company will obtain such approval after obtaining the approval of the members in the AGM.
h)	Other principal terms and conditions;	In case of resignation / termination from employment balance receivable shall be deducted from the final settlement
i)	A brief on company's policy regarding the loans for directors or their relatives.	Not applicable

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

FOR THE YEAR ENDED JUNE 30, 2020

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

1. The total number of directors are seven as per the following:
   Male 7
   Female -

2. The composition of board is as follows:

Non-Executive Directors	Executive Directors	Independent Director
Mr. Laith G. Pharaon	Mr. Babar Bashir Nawaz	Agha Sher Shah
Mr. Wael G. Pharaon	Mr. Irfan Amanullah (Alternate Director)	
Mr. Shuaib A. Malik		
Mr. Abdus Sattar		
Mr. Sajid Nawaz		

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

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

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations;

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

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

9. All the directors are either exempted or have attended the required training in prior years;

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

11. Chief financial officer and Chief Executive officer duly endorsed the financial statements before approval of the board;

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

Audit Committee

- Agha Sher Shah (Chairman)
- Mr. Shuaib A. Malik
- Mr. Abdus Sattar

HR & Remuneration Committee

- Agha Sher Shah (Chairman)
- Mr. Shuaib A. Malik
- Mr. Abdus Sattar

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

14. The frequency of meetings of the committee were as per following:

Audit Committee	Quarterly
HR & Remuneration Committee	Yearly
Risk Management Committee	As and when required

15. The board has outsourced the internal audit function to Grant Thornton Anjum Rahman, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. Subsequent to the year-end, the Company has taken over the internal audit functions;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

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

S.No.	Requirement	Reg. No.	Explanation
01	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	The Company is in the process of forming / constituting the said nomination committee
02	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	Currently the risk management is looked at by the CEO and Company Secretary. The Company is considering forming the risk management committee comprising of Board members.
03	The company may post on its website key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; and (vi) corporate social responsibility/sustainability/ environmental, social and governance related policy.	35 (1)	Except for the communication and disclosure policy all the other policies have been placed on the website.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

LAITH G. PHARAON
Chairman

August 26, 2020
Karachi

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Independent Auditor's Review Report to the Members of Attock Cement Pakistan Limited

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

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

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 25, 2020

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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UNCONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited
Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Attock Cement Pakistan Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2020, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Following are the Key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Inventories** *(Refer note 8 to the unconsolidated financial statements)* Inventories include: - raw materials comprising limestone, clay, gypsum, laterite and bauxite; - work-in-progress mainly comprising clinker; and - coal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The Company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the relate yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - obtained samples of items to determine the nature / characteristics of the inventory. Such samples were then sent to the Company's laboratory to determine the nature of the inventory and other parameters; and - obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.

S.No.	Key Audit Matters	How the matter was addressed in our audit
(ii)	**Revenue from contracts with customers**	
	(Refer note 22 to the unconsolidated financial statements) In 2018, the Company completed installation of production line 3 which resulted in an increase in production capacity by approximately 1 million tonnes. During the year, the demand for sales in the local market was substantially lower than the available increased production capacity of the Company. As a result, the Company made sales of significant quantity produced in the export market. The prices of Company's products in the export market are significantly less than the local market and the Company also exported clinker to overseas markets. Since revenue represents a key performance indicator and due to developments in the current year, we consider revenue as higher risk area and a key audit matter.	Our audit procedures amongst others included the following: - evaluated management controls over revenue and checked their validation; - performed verification of sales with underlying documentation including gate pass, delivery order and invoice; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; - recalculated the commission as per Company's policy and verified related distribution expenses; - analysed market by comparing Company's sales volume with published data; - obtained budget for the subsequent year and considered impact of stagnant local demand on financial position of the Company; - obtained confirmations from debtors on sample basis; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 25, 2020

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	**17,255,963**	17,685,584
Long-term investments	5	**1,858,089**	1,836,541
Long-term loans and advances - considered good	6	**38,818**	47,593
Long-term deposits	7	**99,940**	99,940
		19,252,810	19,669,658
Current assets			
Inventories	8	**3,465,940**	3,395,522
Trade receivables - considered good	9	**494,535**	795,061
Loans and advances - considered good	10	**162,443**	87,931
Short-term deposits and prepayments	11	**13,248**	45,212
Other receivables	12	**324,522**	235,807
Taxation - payments less provisions		**2,866,866**	2,602,240
Tax refunds due from Government - Sales tax		**56,521**	182,587
Cash and bank balances	13	**785,559**	302,586
		8,169,634	7,646,946
Total assets		**27,422,444**	27,316,604
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	14	**1,374,270**	1,374,270
Unappropriated profit		**15,178,386**	14,725,189
		16,552,656	16,099,459
LIABILITIES			
Non-current liabilities			
Long-term loans	15	**236,250**	2,187,500
Long-term lease liabilities		**46,456**	7,915
Deferred tax liabilities	16	**1,081,132**	351,283
Employee benefit obligations	17	**359,643**	266,878
		1,723,481	2,813,576
Current liabilities			
Trade and other payables	18	**4,185,436**	3,577,440
Unclaimed dividend	19	**10,416**	10,182
Accrued mark-up	20	**33,590**	143,867
Short-term borrowings	21	**4,902,750**	4,669,202
Current portion of long-term lease liabilities		**14,115**	2,878
		9,146,307	8,403,569
Total liabilities		**10,869,788**	11,217,145
Contingencies and commitments	22		
Total equity and liabilities		**27,422,444**	27,316,604

The annexed notes 1 to 40 form an integral part of these unconsolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
Revenue from contracts with customers	23	**18,500,574**	20,780,934
Cost of sales	24	**(14,251,503)**	(15,978,032)
Gross profit		**4,249,071**	4,802,902
Distribution costs	25	**(1,830,945)**	(1,414,820)
Administrative expenses	26	**(506,937)**	(505,149)
Other expenses	27	**(92,274)**	(149,756)
Other income	28	**233,547**	293,803
Profit from operations		**2,052,462**	3,026,980
Finance cost	29	**(525,894)**	(648,444)
Share of net income of associate accounted for using the equity method	5	**5,923**	24,665
Profit before income tax		**1,532,491**	2,403,201
Income tax expense	30	**(425,000)**	(330,000)
Profit for the year		**1,107,491**	2,073,201
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations	17	**(104,586)**	69,803
Total comprehensive income for the year		**1,002,905**	2,143,004
Basic and diluted earnings per share	31	**Rs. 8.06**	Rs. 15.09

The annexed notes 1 to 40 form an integral part of these unconsolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	(Rupees '000)		
Balance as at July 01, 2018	1,145,225	13,727,410	14,872,635
Final dividend for the year ended June 30, 2018 @ Rs. 8 per share	-	(916,180)	(916,180)
Bonus shares issued during the year in the ratio of 20 shares for every 100 shares held	229,045	(229,045)	-
Total comprehensive income for the year ended June 30, 2019			
Profit for the year ended June 30, 2019	-	2,073,201	2,073,201
Other comprehensive income for the year ended June 30, 2019	-	69,803	69,803
	-	2,143,004	2,143,004
Balance as at July 01, 2019	**1,374,270**	**14,725,189**	**16,099,459**
Final dividend for the year ended June 30, 2019 @ Rs. 4 per share	**-**	**(549,708)**	**(549,708)**
Total comprehensive income for the year ended June 30, 2020			
Profit for the year ended June 30, 2020	**-**	**1,107,491**	**1,107,491**
Other comprehensive income for the year ended June 30, 2020	**-**	**(104,586)**	**(104,586)**
	-	**1,002,905**	**1,002,905**
Balance as at June 30, 2020	**1,374,270**	**15,178,386**	**16,552,656**

The annexed notes 1 to 40 form an integral part of these unconsolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	**3,763,513**	3,126,411
Finance cost paid		**(636,171)**	(593,350)
Income tax refund / (paid)		**40,223**	(996,115)
Decrease / (increase) in long-term loans and advances		**8,775**	(282)
Employee benefit obligations paid		**(93,795)**	(133,181)
Net cash generated from operating activities		**3,082,545**	1,403,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(332,522)**	(953,141)
Investment in subsidiary company		**(15,625)**	(376,497)
Proceeds from disposal of operating assets		**5,687**	5,429
Purchase of open ended mutual fund units		**(540,000)**	-
Placement in term deposit receipt (TDR)		**(29,000)**	-
Proceeds from sale of open ended mutual fund units		**544,809**	-
Interest received		**17,149**	10,589
Net cash used in investing activities		**(349,502)**	(1,313,620)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(549,474)**	(914,996)
Proceeds from long term loan		**270,000**	-
Repayment of long term loan		**(3,437,500)**	(1,250,000)
Lease rentals paid		**(11,894)**	(3,911)
Net cash used in financing activities		**(3,728,868)**	(2,168,907)
Net decrease in cash and cash equivalents		**(995,825)**	(2,079,044)
Cash and cash equivalents at beginning of the year		**(3,116,616)**	(1,037,572)
Cash and cash equivalents at end of the year	33	**(4,112,441)**	(3,116,616)

The annexed notes 1 to 40 form an integral part of these unconsolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1. THE COMPANY AND ITS OPERATIONS

1.1 The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement.

The company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

The geographical locations and addresses of the company's business units, including mills / plant are as under:

- The registered office of the company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Mararr, Dubai, UAE.

1.2 The company has investment in subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

1.3 In 2019, the Board of Directors of the Company approved the installation of Captive Solar Power Plant of 7 MW at its existing factory premises. Subsequent to year end, the Board of Directors approved the enhancement of capacity to 20 MW. At present, the project is at technical and financial evaluation stage.

1.4 The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. These actions to curtail the spread of COVID-19 resulted in a decline in demand for cement in the short term. This decline in demand compelled the Company in shutting down its plant for a period of 24 days from March 25, 2020 to April 17, 2020. Further, the Company entered this crisis in a strong position, having previously reported accumulated profits amounting to Rs. 15.3 billion as at March 31, 2020 and operating cash flows amounting to Rs. 2.2 billion for the period ended March 31, 2020. While it is too early to predict the duration of the downturn, the Company believes their current liquidity availability provides them with sufficient financial resources to meet their anticipated working capital requirements and obligations as they come due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) Income tax

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

(ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.6 and 17 to these unconsolidated financial statements for valuation of present value of defined benefit obligation.

(iii) Inventories

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realisable value are disclosed in note 2.8 to these unconsolidated financial statements.

Further, the Company's certain inventory items [i.e. raw materials (limestone and gypsum), work-in-process, semi-finished goods (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Company involves external surveyor for determining the inventory existence.

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements except as stated below.

2.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The changes laid down by this standard have been disclosed in note 3 of these unconsolidated financial statements of the Company.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019 are considered not to be relevant for the Company's unconsolidated financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The new standards, certain amendments and interpretation that are mandatory for accounting periods beginning on or after July 1, 2020 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

2.2 Overall valuation policy

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Fixed Assets - property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses (if any) except freehold land, capital work-in-progress and stores held for capital expenditures which are stated at cost. Depreciation is calculated using the straight-line method on all assets in use to charge off their cost excluding residual value, if not insignificant, over their estimated useful lives.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Company accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal / retirement of fixed assets are included in unconsolidated statement of profit or loss and other comprehensive income.

2.4 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss (“FVTPL”),
- at fair value through other comprehensive income (“FVTOCI”), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables; and
- other short term receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to unconsolidated statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the unconsolidated statement of profit or loss and other comprehensive income.

2.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Staff retirement benefits

Defined benefit plans

The company operates approved funded gratuity and pension schemes for all its management and non-management employees. Contributions to the schemes are based on actuarial valuations.

The latest actuarial valuations of the schemes have been carried out as at June 30, 2020 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

Defined contribution plan

The company also operates an approved provident fund for its permanent employees. Equal monthly contributions are made, both by company and the employees, at the rate of 10% of basic salary.

2.7 Long-term investments

The company has investments in subsidiary and associated company. Investment in subsidiary is stated at cost. The investment in associated company is accounted for using equity method of accounting. It is initially recognised at cost. The Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value except goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Provision for slow moving and obsolete items are charged to the unconsolidated statement of profit or loss and other comprehensive income. Value of items is reviewed at each statement of financial position date to record provision for any slow moving and obsolete items. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

2.9 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.4 for a description of the Company's impairment policies.

2.10 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts and finance under mark-up arrangements.

2.11 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

2.12 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.13 Provisions

Provisions are recognised in the unconsolidated statement of financial position when the company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

2.14 Income tax

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the unconsolidated statement of profit or loss and other comprehensive income.

2.15 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

2.16 Foreign currencies

Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the unconsolidated statement of financial position date. Exchange differences are included in profit or loss currently.

The unconsolidated financial statements are presented in Pakistan Rupee, which is the company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

2.17 Revenue recognition

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- Local sale of goods is recognised on dispatch of goods to customers.
- Revenue from export sales is recognised on the basis of terms of sale with the customer.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

2.18 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared / approved.

3. CHANGE IN ACCOUNTING POLICY

Impact of transition to IFRS 16 'Leases'

Effective July 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting polices relating to Company's right-of-use asset and lease liability are disclosed in note 2.11.

The Company has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening unconsolidated statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 14%.

The following summary reconciles the Company's operating lease commitments at June 30, 2019 to the lease liabilities recognised on initial application of IFRS 16 at July 1, 2019.

	(Rupees '000)
Operating lease commitment as at July 1, 2019	86,665
Discounted using the lessee's incremental borrowing rate at the date of initial application	(24,993)
	61,672
Lease liability recognised as at July 1, 2019 of which are:	
- Current portion of long-term lease liabilities	8,501
- Long-term lease liabilities	53,171

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the unconsolidated statement of financial position as at June 30, 2019.

The recognised right-of-use assets relate to the following types of assets:

	June 30, 2020	July 31, 2019
	(Rupees '000)	
Leasehold buildings	**53,626**	69,591
Leased motor vehicles	**10,663**	13,541
	64,289	83,132

The change in accounting policy affected the following items in the statement of unconsolidated statement of financial position on July 1, 2019:

	July 1, 2019 (Rupees '000)
Right-of-use asset - increased by	83,132
Assets under finance lease - decreased by	13,541
Lease liabilities - increased by	61,672
Prepaid rent - decreased by	7,919

The change in accounting policy affected the following items in the unconsolidated statement of profit or loss account on June 30, 2020.

	June 30, 2020 (Rupees '000)
Finance charges on finance lease - increased by	7,366
Administrative expenses which includes depreciation and rent expenses - decreased by	357

		2020	2019
		(Rupees '000)	
4.	**FIXED ASSETS - property, plant and equipment**		
	Operating assets - note 4.1	**16,221,746**	16,708,856
	Capital work-in-progress - note 4.2	**4,195**	204,459
	Stores held for capital expenditure - note 4.3	**1,030,022**	772,269
		17,255,963	17,685,584

4.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipment	Vehicles owned	Right of use-assets - note 4.4	Total
	(Rupees '000)								
Year ended June 30, 2020									
Opening net book value	34,168	2,285,135	14,270,996	21,720	2,242	17,792	63,262	83,132	16,778,447
Additions	-	4,322	341,442	6,763	724	7,279	17,365	-	377,895
Disposals	-	-	-	(124)	-	-	(2,940)	-	(3,064)
Transfers to stores	-	-	(110,781)	-	-	-	-	-	(110,781)
Depreciation charge	-	(160,447)	(609,493)	(3,840)	(1,056)	(8,234)	(18,838)	(18,843)	(820,751)
Closing net book value	34,168	2,129,010	13,892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
At June 30, 2020									
Cost	34,168	3,268,790	20,577,963	226,247	28,890	121,401	135,713	97,056	24,490,228
Accumulated depreciation	-	(1,139,780)	(6,685,799)	(201,728)	(26,980)	(104,564)	(76,864)	(32,767)	(8,268,482)
Net book value	34,168	2,129,010	13,892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
Year ended June 30, 2019									
Opening net book value	4,554	2,368,215	14,647,972	24,149	3,377	17,613	58,794	17,280	17,141,954
Additions	29,614	76,364	337,117	2,013	291	8,051	24,104	-	477,554
Disposals	-	-	-	-	(400)	(83)	(1,821)	-	(2,304)
Transfers to stores	-	-	(113,436)	-	-	-	-	-	(113,436)
Depreciation charge	-	(159,444)	(600,657)	(4,442)	(1,026)	(7,789)	(17,815)	(3,739)	(794,912)
Closing net book value	34,168	2,285,135	14,270,996	21,720	2,242	17,792	63,262	13,541	16,708,856
At June 30 2019									
Cost	34,168	3,264,468	20,125,740	219,484	28,166	114,122	118,348	27,465	23,931,961
Accumulated depreciation	-	(979,333)	(5,854,744)	(197,764)	(25,924)	(96,330)	(55,086)	(13,924)	(7,223,105)
Net book value	34,168	2,285,135	14,270,996	21,720	2,242	17,792	63,262	13,541	16,708,856
Rate of depreciation %	-	5	3.33 - 5	10	20	25	20	20	

4.2 Movement in capital work-in-progress

	Balance as at July 1, 2019	**Additions during the year**	**Transfers during the year**	**Balance as at June 30, 2020**	Balance as at July 1, 2018	Additions during the year	Transfers during the year	Balance as at June 30, 2019
	(Rupees '000)							
Civil works	27,502	4,322	(31,824)	-	7,684	90,962	(71,144)	27,502
Plant and machinery	176,957	257,893	(430,655)	4,195	4,890	204,790	(32,723)	176,957
	204,459	262,215	(462,479)	4,195	12,574	295,752	(103,867)	204,459

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		2020	2019
		(Rupees '000)	
4.3	**Stores held for capital expenditure**		
	Balance at beginning of the year	**772,269**	808,403
	Additions during the year	**501,468**	65,496
	Transfers made during the year	**(243,715)**	(101,630)
	Balance at end of the year	**1,030,022**	772,269

4.4 The right-of-use assets comprise leasehold buildings and motor vehicle used by the Company for its operations.

4.5 Particulars of immovable property (i.e. land and building) in the name of company are as follows:

Location	Usage of immovable property	Total Area (acres)	Covered Area (acres)
Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	**657**	657

		2020	2019
		(Rupees '000)	
5.	**LONG-TERM INVESTMENTS**		
	Investment in subsidiary company		
	Saqr Al-Keetan For Cement Production Company Limited - at cost - note 5.1	**1,823,001**	1,807,376
	Investment in associated company accounted for using equity method		
	Attock Information Technology Services (Private) Limited - 450,000 (2019: 450,000) fully paid ordinary shares of Rs. 10 each - notes 5.2 and 5.3	**35,088**	29,165
		1,858,089	1,836,541

5.1 The Company has a Joint Venture agreement with Al Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company is to operate a cement grinding plant having production capacity of approximately 900,000 metric tons per annum. The new limited liability company has been established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL) having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. The expected investment of the Company in foreign subsidiary would be USD 24 million. During the year, the Company has invested USD 0.1 million (2019: USD 2.75 million) making its total investment to USD 16.30 million (2019: USD 16.20 million). In 2019, the Company had started its trial production with locally available clinker. During the year, the Company has obtained the license for import of clinker as required by local laws. On September 1, 2019, the commercial production has commenced after satisfactory completion of performance test.

Equity investment in Saqr Al-Keetan for Cement Production Company Limited, Basra Iraq had been approved by the members in its Extra Ordinary General Meeting held on May 12, 2015, as was required under section 208 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

5.2 The Company holds 10% (2019: 10%) of the associate's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 5.3. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

The registered office of the associate is at Bunglow 29, Refinery, Morgah, Rawalpindi, Pakistan. The country of incorporation or registration is also its principal place of business.

The principal activity of the associate is to set up the basic infrastructure, communication systems and computer installation and provision of initial services.

	2020	2019
	(Rupees '000)	
Opening balance	**29,165**	4,500
Share of net income of associate accounted for using the equity method	**5,923**	24,665
	35,088	29,165

5.3 Set out below is the summarised financial information for Attock Information Technology Services (Private) Limited which is accounted for using the equity method.

	2020	2019
	(Rupees '000)	
Revenue	**142,950**	126,892
Profit after taxation	**59,223**	49,300
Non-current assets	**89,096**	86,019
Current assets	**293,870**	233,280
Non-current liabilities	**(9,283)**	(6,364)
Current liabilities	**(22,806)**	(21,281)
Net assets	**350,877**	291,654
Carrying value	**35,088**	29,165

6. LONG-TERM LOANS AND ADVANCES – considered good

	2020	2019
Employees	**97,142**	119,804
Recoverable within one year - note 10	**(58,324)**	(72,211)
Long-term portion	**38,818**	47,593

6.1 Amounts receivable from employees represent house rent advances given according to the Company's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of the employees.

6.2 Long term loans and advances have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

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7. LONG-TERM DEPOSITS

These are security deposits held with K-Electric Limited and do not carry any mark up arrangement.

		2020	2019
		(Rupees '000)	
8.	**INVENTORIES**		
	Stores, spares and loose tools - note 8.1	**2,113,256**	1,988,856
	Raw materials	**139,810**	101,350
	Packing materials - note 8.2	**124,172**	161,513
	Semi - finished goods - note 8.3	**875,653**	938,213
	Work-in-process	**38,098**	36,795
	Finished goods	**174,951**	168,795
		3,465,940	3,395,522
8.1	**Stores, spares and loose tools**		
	Coal - note 8.1.1	**1,029,428**	911,853
	Stores and spares - note 8.1.2	**929,637**	1,045,738
	Bricks - note 8.1.3	**206,215**	76,326
	Loose tools	**2,515**	2,771
		2,167,795	2,036,688
	Less: Provision for slow moving and obsolete items	**(54,539)**	(47,832)
		2,113,256	1,988,856

8.1.1 This includes coal in transit amounting to Rs. 145.39 million (2019: Rs. 560.03 million).

8.1.2 This includes stores and spares in transit amounting to Rs. 26.58 million (2019: Rs. 86.90 million).

8.1.3 This includes bricks in transit amounting to Rs. 28.89 million (2019: Rs. Nil).

8.2 This includes packing material in transit amounting to Rs. 5.3 million (2019: Rs. Nil).

8.3 This includes clinker held at port for export amounting to Rs. 359.98 million (2019: Rs. 170.30 million).

		2020	2019
		(Rupees '000)	
9.	**TRADE RECEIVABLES – considered good**		
	Secured	**337,029**	768,740
	Unsecured	**157,506**	26,321
		494,535	795,061
9.1	The age analysis of trade receivables is as follows:		
	Not yet due	**300,439**	617,898
	1 to 30 days	**31,004**	128,915
	31 to 90 days	**40,477**	37,638
	91 to 180 days	**36,054**	9,724
	181 to 365 days	**82,426**	886
	Over 365 days	**4,135**	-
		494,535	795,061

	2020	2019
	(Rupees '000)	
10. LOANS AND ADVANCES – considered good		
Current portion of long-term loans and advances - note 6		
Employees	**58,324**	72,211
Other advances - employees	**482**	2,608
Advances to suppliers	**103,637**	13,112
	162,443	87,931
11. SHORT-TERM DEPOSITS AND PREPAYMENTS		
Deposits - considered good	**7,816**	36,493
Prepayments	**5,432**	8,719
	13,248	45,212
12. OTHER RECEIVABLES		
Export rebate receivable	**5,491**	25,680
Receivable from Saqr Al-Keetan - notes 12.1 & 12.2	**287,448**	186,875
Due from related parties - note 12.3	**784**	601
Others	**30,799**	22,651
	324,522	235,807

12.1 This amount represents various expenses incurred by the company for its Iraq project that are recoverable from the subsidiary. These are settled in the ordinary course of business without any defined payment terms.

12.2 The maximum amount due from Saqr Al Keetan at the end of any month was Rs. 287.45 million (2019: Rs. 186.88 million).

12.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 7.08 million (2019: Rs. 7.28 million).

	2020	2019
	(Rupees '000)	
13. CASH AND BANK BALANCES		
Cash at bank		
- On PLS savings accounts		
Local currency - notes 13.1 & 13.3	**627,324**	239,071
Foreign currency - note 13.2	**666**	642
- On current accounts		
Local currency	**49,443**	41,052
Foreign currency	**28,306**	21,263
- Term deposit receipt - note 13.4	**29,000**	-
- Call deposit receipt	**50,000**	-
Cash in hand	**820**	558
	785,559	302,586

13.1 During the year, the mark-up rates on PLS savings accounts range from 5.5% to 11.25% (2019: 4% to 10.25%) per annum.

13.2 This includes Rs. 0.67 million (2019: Rs. 0.64 million) corresponding to AED 0.014 million (2019: AED 0.014 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the State Bank of Pakistan.

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13.3 This includes deposits of Rs. 212.14 million (2019: Rs. 238.58 million) obtained from customers which are kept in a separate bank account in compliance with Section 217 of the Companies Act, 2017.

13.4 This carries mark up at 13.04% per annum payable at maturity and is due to mature by November 27, 2020. The TDR is held under lien against the guarantee issued by bank on behalf of the Company.

				2020	2019
				(Rupees '000)	
14.	**SHARE CAPITAL**				
	Authorised share capital				
	200,000,000 ordinary shares of Rs. 10 each (2019: 200,000,000 ordinary shares of Rs. 10 each)			**2,000,000**	2,000,000
	Issued, subscribed and paid-up capital				
	Ordinary shares of Rs. 10 each				
	2020	2019			
	29,747,965	29,747,965	Shares allotted for consideration paid in cash	**297,480**	297,480
	4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	**41,325**	41,325
	103,546,486	103,546,486	Shares allotted as bonus shares	**1,035,465**	1,035,465
	137,426,961	137,426,961		**1,374,270**	1,374,270

14.1 As at June 30, 2020, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2019: 115,526,349) ordinary shares of Rs. 10 each.

		2020	2019
		(Rupees '000)	
15.	**LONG-TERM LOANS**		
	Long term loans	**270,000**	3,437,500
	Less: Current portion of long term loan	**(33,750)**	(1,250,000)
		236,250	2,187,500

15.1 Following are the changes in the long term loans (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):

	2020	2019
	(Rupees '000)	
Balance as at July 01	**3,437,500**	4,687,500
Disbursements during the year	**270,000**	-
Repayment during the year	**(3,437,500)**	(1,250,000)
Balance as at June 30	**270,000**	3,437,500

15.2 During the year, the Company entered into a long-term loan agreement with Faysal Bank Limited amounting to Rs. 270 million under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from January 2021. The loan carries mark-up of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loan is secured by way of first pari passu hypothecation charge on the fixed asset of the Company.

16. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use - assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Tax credit on investment	Total
	(Rupees '000)								
July 01, 2019	**1,727,689**	**1,950**	**(9,135)**	**(2,061)**	**(217,112)**	**(215,457)**	**(409,511)**	**(525,080)**	**351,283**
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	**51,392**	**10,226**	**(1,194)**	**(9,411)**	**126,816**	**(20,808)**	**47,748**	**525,080**	**729,849**
June 30, 2020	**1,779,081**	**12,176**	**(10,329)**	**(11,472)**	**(90,296)**	**(236,265)**	**(361,763)**	**-**	**1,081,132**
July 01, 2018	1,647,039	2,992	(9,416)	(2,880)	(162,827)	(215,457)	(318,878)	(1,072,116)	(131,543)
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	80,650	(1,042)	281	819	(54,285)	-	(90,633)	547,036	482,826
June 30, 2019	1,727,689	1,950	(9,135)	(2,061)	(217,112)	(215,457)	(409,511)	(525,080)	351,283

16.1 Deferred tax liability is restricted to 65.31% (2019: 65.86%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

16.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

16.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate of 29%.

17. EMPLOYEE BENEFIT OBLIGATIONS

17.1 Staff retirement benefits

17.1.1 As stated in note 2.6, the company operates approved funded gratuity and pension schemes for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2020.

17.1.2 Plan assets held in trust are governed by local Regulations which mainly include Trust Act, 1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective Trust Deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the Trustees and all Trustees are employees of the Company.

17.1.3 The latest actuarial valuations of the Plans as at June 30, 2020 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

		2020		2019	
		Pension Funds	**Gratuity Funds**	Pension Funds	Gratuity Funds
		(Rupees '000)			
17.1.4	**Balance sheet reconciliation as at June 30**				
	Present value of defined benefit obligation	**621,233**	**511,669**	479,580	474,803
	Fair value of plan assets	**(354,898)**	**(418,361)**	(317,858)	(369,647)
	Deficit	**266,335**	**93,308**	161,722	105,156
17.1.5	**Movement in the defined benefit obligation**				
	Obligation as at July 01	**479,580**	**474,803**	568,859	435,787
	Service cost	**17,723**	**27,167**	20,705	24,045
	Interest expense	**68,390**	**66,480**	57,040	42,261
	Remeasurement on obligation	**110,962**	**(14,400)**	(107,274)	18,744
	Benefits paid	**(55,422)**	**(42,381)**	(59,750)	(46,034)
	Obligation as at June 30	**621,233**	**511,669**	479,580	474,803
17.1.6	**Movement in the fair value of plan assets**				
	Fair value as at July 01	**317,858**	**369,647**	293,571	323,982
	Interest income	**45,351**	**52,435**	29,680	31,602
	Remeasurement on plan assets	**(4,526)**	**(3,498)**	(8,852)	(9,875)
	Employer contributions	**51,637**	**42,158**	63,209	69,972
	Benefits paid	**(55,422)**	**(42,381)**	(59,750)	(46,034)
	Fair value as at June 30	**354,898**	**418,361**	317,858	369,647
17.1.7	**Expense recognised in unconsolidated statement of profit or loss**				
	Service cost	**17,723**	**27,167**	20,705	24,045
	Interest expense - net	**23,039**	**14,045**	27,360	10,659
		40,762	**41,212**	48,065	34,704
17.1.8	**Remeasurement recognised in other comprehensive income**				
	Experience losses / (gains)	**110,962**	**(14,400)**	(107,274)	18,744
	Remeasurement of fair value of plan assets	**4,526**	**3,498**	8,852	9,875
	Remeasurements	**115,488**	**(10,902)**	(98,422)	28,619
17.1.9	**Net recognised liability**				
	Balance as at July 01	**161,722**	**105,156**	275,288	111,805
	Expense for the year	**40,762**	**41,212**	48,065	34,704
	Employer contributions	**(51,637)**	**(42,158)**	(63,209)	(69,972)
	Remeasurement recognised in other comprehensive income	**115,488**	**(10,902)**	(98,422)	28,619
	Balance as at June 30	**266,335**	**93,308**	161,722	105,156

	2020		2019		2020		2019	
	Pension Funds				Gratuity Funds			
	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
17.1.10 Composition of plan assets:								
Defense Savings Certificate	-	-	-	-	-	-	5,302	1.43
Market Treasury Bills	86,585	24.40	92,980	29.26	102,449	24.48	157,323	42.56
Term Deposit Receipts	15,915	4.48	-	-	15,922	3.81	-	-
Term Finance Certificates	38,663	10.89	42,755	13.45	28,438	6.80	28,883	7.81
Pakistan Investment bonds	69,484	19.58	65,793	20.70	68,994	16.49	65,196	17.64
Open Ended Mutual Funds	141,772	39.95	107,673	33.87	201,515	48.17	110,664	29.94
Others (including bank balance)	2,479	0.70	8,657	2.72	1,043	0.25	2,279	0.62
	354,898	100.00	317,858	100.00	418,361	100.00	369,647	100.00

	2020				2019		
	First	Second	Third	Fourth & onwards	First	Second & Third	Fourth & onwards
	(Year)						
17.1.11 Actuarial assumptions							
Expected rate of increase in salaries							
- Management staff							
Senior management	7.50%	8.00%	8.50%	6.75%	12.50%	12.50%	12.50%
Junior management	7.50%	8.00%	8.50%	6.75%	12.50%	12.50%	12.50%
- Non-management staff	9.00%	8.00%	9.00%	6.75%	12.50%	12.50%	12.50%

The discount factor used for pension and gratuity funds is 8.5% (2019: 14.25%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.92%. This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

17.1.12 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

17.1.13 The company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

17.1.14 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the unconsolidated statement of financial position date.

17.1.15 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees '000)			
At June 30, 2020					
Discount rate	**0.5%**	**(31,508)**	**34,662**	**(21,118)**	**22,758**
Future salary increases	**0.5%**	**15,084**	**(14,251)**	**17,370**	**(16,317)**
At June 30, 2019					
Discount rate	0.5%	(19,907)	21,536	(18,509)	19,874
Future salary increases	0.5%	16,263	(10,615)	21,200	(19,881)

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the balance sheet.

	2020	2019	2018	2017	2016
	(Rupees '000)				
17.1.16 Historical information					
Pension Funds as at June 30					
Present value of defined benefit obligation	**621,233**	479,580	568,859	641,606	623,063
Fair value of plan assets	**(354,898)**	(317,858)	(293,571)	(283,478)	(313,688)
Deficit	**266,335**	161,722	275,288	358,128	309,375
Experience adjustments					
Gain / (loss) on obligation	**(110,962)**	107,274	95,671	(40,904)	(194,359)
Loss on plan assets	**(4,526)**	(8,852)	(17,488)	(14,197)	(9,586)
	(115,488)	98,422	78,183	(55,101)	(203,945)
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**511,669**	474,803	435,787	421,031	357,634
Fair value of plan assets	**(418,361)**	(369,647)	(323,982)	(289,706)	(241,676)
Deficit	**93,308**	105,156	111,805	131,325	115,958
Experience adjustments					
Gain / (loss) on obligation	**14,400**	(18,744)	11,111	(42,755)	(16,776)
Loss on plan assets	**(3,498)**	(9,875)	(18,025)	(3,878)	(3,789)
	10,902	(28,619)	(6,914)	(46,633)	(20,565)

17.1.17 As per actuarial advice, the company is expected to recognise a service cost of Rs. 49.85 million in 2021 (2020: Rs. 44.89 million).

17.1.18 The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	----------(No. of years)	-----------
Management	**7.19**	8.58
Non-management	**9.05**	8.49

17.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	-----------------	-----------------	------(Rupees '000)	-----------------	-----------------	-----------------
As at June 30, 2020						
Pension Funds	**10,452**	**13,649**	**83,940**	**286,391**	**471,119**	**865,551**
Gratuity Funds	**40,650**	**47,967**	**177,271**	**292,877**	**371,925**	**930,690**
As at June 30, 2019						
Pension Funds	22,172	29,028	133,411	416,248	680,933	1,281,792
Gratuity Funds	44,290	44,197	174,946	473,547	609,951	1,346,931

		2020	2019
		-----------(Rupees '000)	-----------
18.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 18.1	**438,828**	497,738
	Accrued liabilities - note 18.1	**1,917,451**	1,914,028
	Electricity charges payable - note 18.2	**360,474**	111,633
	Royalty payable - note 18.3	**491,377**	257,505
	Excise duty payable	**190,458**	9,936
	Advances from customers - note 18.4	**221,868**	142,817
	Retention money	**24,596**	32,502
	Security deposits - note 13.3	**212,143**	238,582
	Workers' Profits Participation Fund - note 18.5	**81,274**	127,722
	Workers' Welfare Fund - note 18.6	**229,034**	218,034
	Payable to provident fund - note 18.7	**27**	86
	Taxes deducted at source and payable to statutory authorities	**10,669**	19,639
	Others - note 18.1	**7,237**	7,218
		4,185,436	3,577,440

18.1 Creditors, accrued liabilities and other liabilities include Rs. Nil, Rs. 5.96 million and Rs. 5.76 million (2019: Rs. 23.91 million, Rs. Nil and Rs. 5.8 million) respectively in respect of amounts due to related parties.

18.2 This includes Rs. 179.86 million (2019: Rs. Nil) and Rs. 52.35 million (2019: Rs. Nil) in respect of industry support package adjustment and fuel charge adjustment respectively.

18.3 The Government of Balochistan vide Notification No. SOT(MMD)4-1/2017/748-68 dated September 6, 2017 enhanced the royalty rates of shale and limestone by Rs. 30 / ton and Rs.40 / ton respectively.

The Company has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan. Consequently, on the directions of the Court, the Company has furnished a bank guarantee of Rs. 316.37 million for the additional portion of royalty.

18.4 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.17 is satisfied.

		2020	2019
		(Rupees '000)	
	Opening balance	**142,817**	190,084
	Advance received during the year	**9,379,485**	12,089,787
	Revenue recognised during the year	**(9,300,434)**	(12,137,054)
	Closing balance	**221,868**	142,817
18.5	**Workers' Profits Participation Fund**		
	At beginning of the year	**127,722**	163,000
	Charge for the year - note 27	**81,274**	127,722
		208,996	290,722
	Interest on funds utilised in company's business - note 29	**708**	1,476
		209,704	292,198
	Less: Amount paid to the Fund	**(128,430)**	(164,476)
		81,274	127,722

18.6 This includes provision of Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2020, 2019, 2017, 2016 and 2015 respectively. The company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal or Provincial government.

18.7 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

19. UNCLAIMED DIVIDEND

The Company is in the process of depositing the amount to a separate profit bearing account with a scheduled bank.

20. ACCRUED MARK-UP

Accrued mark-up comprises of mark-up on short term borrowings and long-term loan.

		2020	2019
		(Rupees '000)	
21.	**SHORT-TERM BORROWINGS**		
	Short-term running finance - notes 21.1 & 21.2	**-**	1,419,202
	Export refinance facility - note 21.1 & 21.4	**4,869,000**	2,000,000
	Current maturity of long-term loan - note 15	**33,750**	1,250,000
		4,902,750	4,669,202

21.1 The facilities available from various banks amount to Rs. 7.41 billion (2019: Rs. 4 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2020 and 2021.

21.2 The rates of mark-up range between one-month KIBOR minus 0.2% and one-month KIBOR plus 0.5% (2019: one month KIBOR minus 0.2% and one-month KIBOR plus 0.5%) per annum.

21.3 The facilities for opening letters of credit and guarantees as at June 30, 2020 amounted to Rs. 5.5 billion (2019: Rs. 4.50 billion) of which unutilised balance at year end amounted to Rs. 4.41 billion (2019: Rs. 3.4 billion).

21.4 The export refinance facilities available from different banks are secured by way of hypothecation of stock-in-trade and book debts and carry mark up ranging between State Bank of Pakistan (SBP) export refinance rate plus 0.75% to 1%.

22. CONTINGENCIES AND COMMITMENTS

22.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court.

Consequential upon the decision of the Supreme Court of Pakistan, directing the petitioners to remand back the matter pertaining to Competition Act, 2010. The Company received a notice from CCP on October 18, 2017 calling the Company for further information in order to proceed with the matter. The Company, thereafter, has filed a constitutional petition in Sindh High Court and challenged sections 42, 43 and 44 of Competition Act, 2010 as well as constitution of Competition Appellate Tribunal. The Sindh High Court has granted a stay order in favour of the Company and the matter is pending before the Sindh High Court.

Based on the opinion of the company's legal advisors, the management is hopeful that the ultimate outcome of these petitions / appeal will be in favour of the company and hence no provision has been recognised in these financial statements for the aforementioned amount of penalty.

22.2 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Company in relation to its filed sales tax returns for the months of July 2015 through August 2017 alleging that company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Company. The Company has now filed an appeal at the Appellate Tribunal Inland Revenue against the judgement of the CIRA which is pending adjudication.

Further, in 2019, another order was passed by DCIR against the Company in relation to its filed sales tax returns for the months of July 2013 through June 2018 in which the Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and of building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Company filed an appeal to the CIRA.

During the year, CIRA passed an order reducing the demand to 153 million. The Company has filed an appeal to Appellate Tribunal against the said order. Subsequent to the year end, the Appellate Tribunal granted stay order in favour of the Company and the matter is pending adjudication.

Based on the advice of its tax counsels, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these unconsolidated financial statements.

22.3 Commitments for capital expenditure outstanding as at June 30, 2020 amounted to Rs. 5.83 million (2019: Rs. 3.90 million).

		2020	2019
		(Rupees '000)	
23.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Local sale of goods	**14,898,617**	20,007,518
	Sales tax	**(2,497,293)**	(3,315,401)
	Federal excise duty	**(2,478,140)**	(2,774,174)
		(4,975,433)	(6,089,575)
	Rebates, discount and commission	**(409,655)**	(232,345)
	Net local sale of goods	**9,513,529**	13,685,598
	Export sales	**9,722,781**	7,826,603
	Freight	**(735,736)**	(731,267)
		8,987,045	7,095,336
		18,500,574	20,780,934

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23.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, one (2019: none) of the Company's customer contributed towards 10.63% (2019: Nil) of the net revenue during the year amounting to Rs. 1.97 billion (2019: Nil).

23.2 Export sales comprise of sales made in the following regions:

		2020	2019
		(Rupees '000)	
	Africa and Middle East Asia	**1,245,372**	957,005
	Sri Lanka	**5,168,309**	3,772,448
	Bangladesh	**2,749,956**	2,791,058
	Others	**559,144**	306,092
		9,722,781	7,826,603
24.	**COST OF SALES**		
	Raw materials consumed	**1,750,827**	1,898,128
	Packing materials consumed	**1,151,386**	1,477,791
	Cement packaging and loading charges	**29,906**	36,017
	Salaries, wages and benefits - note 24.1	**1,831,822**	1,810,609
	Fuel	**5,439,072**	7,011,641
	Electricity and water	**2,267,533**	2,202,318
	Stores and spares consumed	**476,512**	658,188
	Repairs and maintenance	**88,971**	173,315
	Insurance	**62,248**	62,575
	Vehicle running and maintenance	**142,188**	135,820
	Security expenses	**141,815**	137,092
	Depreciation	**784,987**	773,912
	Other expenses - note 24.2	**29,135**	15,660
		14,196,402	16,393,066
	Add: Opening semi- finished goods and work-in-process	**975,008**	529,009
	Less: Closing semi- finished goods and work-in-process	**(913,751)**	(975,008)
	Cost of goods manufactured	**14,257,659**	15,947,067
	Add: Opening stock of finished goods	**168,795**	199,760
	Less: Closing stock of finished goods	**(174,951)**	(168,795)
		14,251,503	15,978,032

24.1 Salaries, wages and benefits include Rs. 62.2 million and Rs. 41.11 million (2019: Rs. 63.41 million and Rs. 38.30 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

24.2 This includes provision / (reversal) for slow moving and obsolete items amounting to Rs. 6.71 million (2019: Rs. (0.24) million).

		2020	2019
		(Rupees '000)	
25.	**DISTRIBUTION COSTS**		
	Salaries, wages and benefits - note 25.1	**100,723**	100,366
	Handling and other export related expenses	**1,328,451**	1,070,177
	Commission on export sales	**106,006**	100,590
	Carriage outward on local sales	**267,192**	106,222
	PSI marking fee	**19,482**	21,965
	Advertisement and sales promotion	**4,264**	8,947
	Travelling and entertainment	**970**	2,558
	Other expenses	**3,857**	3,995
		1,830,945	1,414,820

25.1 Salaries, wages and benefits include Rs. 4.51 million and Rs. 2.63 million (2019: Rs. 4.5 million and Rs. 2.49 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2020	2019
		(Rupees '000)	
26.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and benefits - note 26.1	**350,515**	345,446
	Depreciation	**35,764**	21,001
	Rent, rates and taxes	**5,154**	18,290
	Utilities	**4,895**	5,192
	Insurance	**946**	1,437
	Repairs and maintenance	**11,414**	13,299
	Communication and printing	**22,042**	21,413
	Travelling and entertainment	**9,274**	8,669
	Legal and professional charges	**18,989**	27,196
	Auditors' remuneration - note 26.2	**5,290**	4,704
	Donations - note 26.3	**6,840**	5,893
	Other expenses	**35,814**	32,609
		506,937	505,149

26.1 Salaries, wages and benefits include Rs. 15.21 million and Rs. 6.78 million (2019: Rs. 14.85 million and Rs. 6.67 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2020	2019
		(Rupees '000)	
26.2	**Auditors' remuneration**		
	Audit fee (including consolidation)	**2,500**	2,500
	Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	**1,150**	1,150
	Taxation services	**1,080**	375
	Other certifications, attestations and other services	**235**	535
	Out-of-pocket expenses	**325**	144
		5,290	4,704

26.3 This includes donation given to The Citizens Foundation Rs. 6.50 million (2019: Rs. 5.89 milliion). None of the directors or their spouses had any interest in the donee.

		2020	2019
		(Rupees '000)	
27.	**OTHER EXPENSES**		
	Workers' Profits Participation Fund - note 18.5	**81,274**	127,722
	Workers' Welfare Fund	**11,000**	22,034
		92,274	149,756

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		2020	2019
		(Rupees '000)	
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on PLS savings accounts under interest / markup arrangements	**17,149**	10,589
	Gain on sale of open ended mutual fund units	**4,809**	-
	Exchange gain - net	**163,498**	204,452
	Income from non-financial assets		
	Gain on disposal of operating assets	**2,623**	3,125
	Others		
	Export rebate	**-**	18,503
	Scrap sales	**43,973**	55,462
	Others	**1,495**	1,672
		233,547	293,803
29.	**FINANCE COST**		
	Bank charges and commission	**58,534**	49,085
	Mark-up on:		
	Long term loans	**305,196**	375,874
	Short term borrowings	**152,832**	220,764
	Interest on Workers' Profits Participation Fund - note 18.5	**708**	1,476
	Finance charges on finance lease	**8,624**	1,245
		525,894	648,444
30.	**INCOME TAX EXPENSE**		
	Current		
	- for the year	**(310,864)**	(430,210)
	- prior years	**-**	36,000
	Deferred	**(114,136)**	64,210
		(425,000)	(330,000)
30.1	**Relationship between tax expense and accounting profit**		
	Profit before income tax	**1,532,491**	2,403,201
	Tax at the applicable rate of 29% (2019: 29%)	**(444,422)**	(696,928)
	Effect of final tax regime	**14,962**	33,777
	Effect of change in tax rate	**-**	40,895
	Effect of income taxable at lower rate	**(673)**	-
	Reversal of prior years' tax provision	**-**	36,000
	Others	**5,133**	256,256
		(425,000)	(330,000)
31.	**BASIC AND DILUTED EARNINGS PER SHARE**		
	Profit for the year	**1,107,491**	2,073,201
	Weighted average number of outstanding shares at the end of year (in thousands)	**137,427**	137,427
	Basic and diluted earnings per share	**Rs. 8.06**	Rs. 15.09

31.1 Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2020 and 2019 which would have any effect on the earnings per share if the option to convert is exercised.

	2020	2019
	-----------(Rupees '000)-----------	
32. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,532,491	2,403,201
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	820,751	794,912
Gain on disposal of property, plant and equipment	(2,623)	(3,125)
Gain on sale of open ended mutual fund units	(4,809)	-
Provision / (reversal) for stores, spares and loose tools	6,707	(239)
Interest income	(17,149)	(10,589)
Finance cost	525,894	648,444
Employee benefit obligations	81,974	82,769
Share of net income of associate accounted for using the equity method	(5,923)	(24,665)
Profit before working capital changes	2,937,313	3,890,708
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(77,125)	253,783
Trade receivables	300,526	(85,144)
Loans and advances	(74,512)	(9,432)
Short term deposits and prepayments	31,964	(22,619)
Tax refunds due from Government - Sales tax	126,066	106,683
Other receivables	(88,715)	(34,437)
	218,204	208,834
Increase / (decrease) in current liabilities		
Trade and other payables	607,996	(973,131)
	826,200	(764,297)
Cash generated from operations	3,763,513	3,126,411
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 13 (excluding TDR having term of more than 3 months)	756,559	302,586
Short-term running finance	-	(1,419,202)
Export refinance facility - note 21.1 & 21.4	(4,869,000)	(2,000,000)
	(4,112,441)	(3,116,616)

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34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these unconsolidated financial statements for remuneration to Chief Executive, Executive Director and Executives are as follows:

	Chief Executive		Executive Director		Executives	
	2020	2019	2020	2019	2020	2019
	(Rupees '000)					
Managerial remuneration	36,690	33,355	18,894	17,176	185,227	156,309
Housing allowance	10,006	9,097	5,485	4,987	63,489	52,805
Utility allowance	4,447	4,043	1,219	1,108	14,109	11,734
Bonus	20,384	18,531	12,190	10,158	107,832	107,566
Retirement benefits	-	-	4,672	4,248	36,633	30,939
Others	7,184	5,343	5,248	3,466	39,226	29,508
	78,711	70,369	47,708	41,143	446,516	388,861
	1	1	1	1	67	55

The Chief Executive, Executive Director and certain Executives are provided with free use of company maintained cars and are also provided with medical facilities in accordance with their entitlements.

In addition to the above, fee paid to 4 (2019: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 4.4 million (2019: Rs. 3.7 million).

	2020	2019
	(Rupees '000)	
35. TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties during the year are as follows:		
Holding company		
Dividend paid	462,105	770,176
Bonus shares issued	-	192,544
Recovery of expenses	1,057	2,364
Subsidiary company		
Investment	15,625	376,497
Expenses incurred on behalf of subsidiary company	100,573	69,368
Group companies		
Purchase of goods	511,026	482,601
Reimbursement of expenses	2,963	5,847
Recovery of expenses from related parties	7,619	7,515
Sale of goods	245	-
Purchase of shares by group company	899	-
Other related parties		
Payments made to retirement benefit funds	158,414	186,464
Key management personnel		
Loans and advances recovered during the year	-	4,005
Salaries and other short-term employee benefits	121,747	107,264
Post-employment benefits	4,672	4,248
Sale of goods	2,829	-

The related party status of outstanding balances as at June 30, 2020 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

35.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Parent / Holding Company	Lebanon	84.06%
2.	Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)	Subsidiary Company	Iraq	60.00%
3.	Attock Petroleum Limited	Group Company / Common directorship	N/A	N/A
4.	Attock Refinery Limited	Group Company / Common directorship	N/A	N/A
5.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A	N/A
6.	National Refinery Limited	Group Company / Common directorship	N/A	N/A
7.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A	N/A
8.	The Attock Oil Company Limited	Group Company / Common directorship	N/A	N/A
9.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A

36. NUMBER OF EMPLOYEES

	2020	2019
Number of employees at June 30		
- Regular	**974**	941
- Contractual	**31**	27
	1005	968
Average number of employees during the year		
- Regular	**980**	928
- Contractual	**28**	26
	1008	954

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

37.1 Financial risk factors

The company's activities expose it to variety of financial risks namely market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

37.2 Financial assets and liabilities by category and their respective maturities

	2020			2019		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	**8,298**	**138,758**	**147,056**	111,312	147,533	258,845
Trade receivables	**494,535**	**-**	**494,535**	795,061	-	795,061
Other receivables	**324,522**	**-**	**324,522**	235,807	-	235,807
Bank balances	**784,739**	**-**	**784,739**	302,028	-	302,028
Cash in hand	**820**	**-**	**820**	558	-	558
	1,612,914	**138,758**	**1,751,672**	1,444,766	147,533	1,592,299
Financial liabilities						
Long term finance	**33,750**	**236,250**	**270,000**	1,250,000	2,187,500	3,437,500
Trade and other liabilities	**2,960,756**	**-**	**2,960,756**	3,059,292	-	3,059,292
Unclaimed dividend	**10,416**	**-**	**10,416**	10,182	-	10,182
Short term borrowings	**4,869,000**	**-**	**4,869,000**	3,419,202	-	3,419,202
Accrued markup	**33,590**	**-**	**33,590**	143,867	-	143,867
	7,907,512	**236,250**	**8,143,762**	7,882,543	2,187,500	10,070,043
On statement of financial position date gap	**(6,294,598)**	**(97,492)**	**(6,392,090)**	(6,437,777)	(2,039,967)	(8,477,744)
Net financial liabilities						
Interest bearing	**(4,230,016)**	**(97,492)**	**(4,327,508)**	(4,573,998)	(2,039,967)	(6,613,965)
Non-interest bearing	**(2,064,582)**	**-**	**(2,064,582)**	(1,863,779)	-	(1,863,779)
	(6,294,598)	**(97,492)**	**(6,392,090)**	(6,437,777)	(2,039,967)	(8,477,744)

a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices, Company borrowings are on variable interest rate exposing company to interest rate risk.

At June 30, 2020, the company has variable interest bearing financial liabilities of Rs. 5.17 billion (2019: Rs. 7 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 103.45 million (2019: Rs. 140.01 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2020, trade and other payables of Rs. 164.21 million (2019: Rs. 494.01 million), trade debts of Rs. 338.67 million (2019: Rs. 536.32 million) and bank balance of Rs. 28.97 million (2019: Rs. 21.77 million) are exposed to foreign currency risk.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 4.06 million (2019: Rs. 1.28 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.54 million (2019: Rs. 0.28 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables, and trade debts.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.01 million (2019: Rs. 0.01 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the company only as at the balance sheet date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument company, its issuer, or factors affecting all similar financial instrument traded in the market. The Company has no investment at June 30, 2020 which is subject to change in market price.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 1,751.7 million (2019: Rs. 1,592.3 million) the financial assets exposed to the credit risk amounts to Rs. 1,750.8 million (2019: Rs. 1,591.7 million). The carrying values of financial assets are as under:

	2020	2019
	(Rupees '000)	
Trade receivables	**494,535**	795,061
Deposits, loans, advances and other receivables	**471,578**	494,652
Bank balances	**784,739**	302,028
	1,750,852	1,591,741

Trade receivables of the company are not exposed to significant credit risk as the company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2020, secured and unsecured trade receivables amounted to Rs. 337.03 million and Rs. 157.51 million (2019: Rs. 768.74 million and Rs. 26.32 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2019: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 97.62 million (2019: Rs. 122.41 million) are secured against their retirement benefits.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by PACRA or JCR-VIS.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

d) Fair values of the financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

37.3 Capital Risk Management

The company's objectives when managing capital are to safeguard company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratio at June 30, 2020 was as follows:

	2020	2019
	(Rupees '000)	
Total borrowings	**5,139,000**	6,856,702
Cash and bank - note 13	**(785,559)**	(302,586)
Net debt	**4,353,441**	6,554,116
Equity	**16,552,656**	16,099,459
Total capital	**20,906,097**	22,653,575
Debt to capital ratio	**21%**	29%

38. CAPACITY AND PRODUCTION

	2020	2019
	(Metric tons)	
Production capacity		
- Clinker	**2,883,000**	2,883,000
- Cement	**3,027,150**	3,027,150
Actual production		
- Clinker	**2,828,898**	3,184,363
- Cement	**1,766,734**	2,437,425

38.1 The production capacity is based on standard 300 days basis. Actual production is based on actual production days.

39. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 26, 2020 has proposed cash dividend of Rs. 3.5 per share (2019: Rs. 4 per share) amounting to Rs. 481 million (2019: Rs. 550 million) subject to the approval of the company in the forthcoming annual general meeting.

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on August 26, 2020.

Muhammad Rehan	Babar Bashir Nawaz	Abdus Sattar
Chief Financial Officer	Chief Executive	Director

CONSOLIDATED FINANCIAL STATEMENTS

pwc

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INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Attock Cement Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Inventories** *(Refer note 8 to the consolidated financial statements) Inventories of Holding Company include:* - raw materials comprising limestone, clay, gypsum, laterite and bauxite; - work-in-progress mainly comprising clinker; and - coal. The above inventory items are valued at lower of cost and net realisble value. The inventories quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The Group performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Group and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - obtained samples of items to determine the nature / characteristics of the inventory. Such samples were then sent to the Group's laboratory to determine the nature of the inventory and other parameters; and - obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.

S.No.	Key Audit Matters	How the matter was addressed in our audit
(ii)	**Revenue from contracts with customers**	
	(Refer note 23 to the consolidated financial statements) In the year 2018, the Holding Company completed installation of production line 3 which resulted in an increase in production capacity by approximately 1 million tonnes. During the year, the demand for sales in the local market was substantially lower than the available increased production capacity of the Holding Company. As a result, the Holding Company made sales of significant quantity produced in the export market. The prices of products in the export market are significantly less than the local market and the Holding Company also exported clinker to overseas markets. Since revenue represents a key performance indicator and due to developments in the current year, we consider revenue as higher risk area and a key audit matter.	Our audit procedures amongst others included the following: - evaluated management controls over revenue and checked their validation; - performed verification of sales with underlying documentation including gate pass, delivery order and invoice; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; - recalculated the commission as per Group's policy and verified related distribution expenses; - analysed market by comparing Group's sales volume with published data; - obtained budget for the subsequent year and considered impact of stagnant local demand on financial position of the Group; - obtained confirmations from debtors on sample basis; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 25, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	**21,847,996**	22,269,354
Long-term investment	5	**35,088**	29,165
Long-term loans and advances - considered good	6	**38,818**	47,593
Long-term deposits	7	**99,940**	99,940
		22,021,842	22,446,052
Current assets			
Inventories	8	**4,785,692**	3,408,050
Trade receivables - considered good	9	**548,068**	795,061
Loans and advances - considered good	10	**221,053**	87,931
Short-term deposits and prepayments	11	**43,440**	55,082
Other receivables	12	**37,074**	48,932
Taxation - payments less provisions		**2,866,866**	2,602,240
Tax refunds due from Government - Sales tax		**56,521**	182,587
Cash and bank balances	13	**1,501,063**	450,262
		10,059,777	7,630,145
Total assets		**32,081,619**	30,076,197
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	14	**1,374,270**	1,374,270
Unappropriated profit		**16,054,152**	14,725,189
Exchange revaluation reserve		**936,295**	855,895
Attributable to owners of Attock Cement Pakistan Limited - Holding company		**18,364,717**	16,955,354
Non-controlling interests		**2,656,490**	1,708,303
		21,021,207	18,663,657
LIABILITIES			
Non-current liabilities			
Long - term loans	15	**236,250**	2,187,500
Long-term lease liabilities		**46,456**	7,915
Deferred tax liabilities	16	**1,081,132**	351,283
Employee benefit obligations	17	**359,643**	266,878
		1,723,481	2,813,576
Current liabilities			
Trade and other payables	18	**4,376,060**	3,772,835
Unclaimed dividend	19	**10,416**	10,182
Accrued mark-up	20	**33,590**	143,867
Short term borrowings	21	**4,902,750**	4,669,202
Current portion of long-term lease liabilities		**14,115**	2,878
		9,336,931	8,598,964
Total liabilities		**11,060,412**	11,412,540
Contingencies and commitments	22		
Total equity and liabilities		**32,081,619**	30,076,197

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
Revenue from contracts with customers	23	**23,948,118**	20,780,934
Cost of sales	24	**(18,107,543)**	(15,978,032)
Gross profit		**5,840,575**	4,802,902
Distribution costs	25	**(1,840,494)**	(1,414,820)
Administrative expenses	26	**(542,149)**	(505,149)
Other expenses	27	**(92,274)**	(149,756)
Other income	28	**146,878**	293,803
Profit from operations		**3,512,536**	3,026,980
Finance cost	29	**(526,358)**	(648,444)
Share of net income of associate accounted for using the equity method	5	**5,923**	24,665
Profit before income tax		**2,992,101**	2,403,201
Income tax expense	30	**(425,000)**	(330,000)
Profit for the year		**2,567,101**	2,073,201
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations		**(104,586)**	69,803
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		**185,474**	1,010,202
Total comprehensive income for the year		**2,647,989**	3,153,206
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		**1,959,071**	2,781,770
Non-controlling interests		**688,918**	371,436
		2,647,989	3,153,206
Basic and diluted earnings per share	31	**Rs. 14.43**	Rs. 15.09

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

	Attributable to the owners of the Holding Company					
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	Total Equity
	(Rupees '000)					
Balance as at July 01, 2018	1,145,225	13,727,410	217,129	13,944,539	946,558	16,036,322
Final dividend for the year ended June 30, 2018 @ Rs. 8 per share	-	(916,180)	-	(916,180)	-	(916,180)
Bonus shares issued during the year in the ratio of 20 shares for every 100 sharesheld	229,045	(229,045)	-	(229,045)	-	-
Equity contribution by Non-controlling interests	-	-	-	-	390,309	390,309
Total comprehensive income for the year ended June 30, 2019						
Profit for the year ended June 30, 2019	-	2,073,201	-	2,073,201	-	2,073,201
Other comprehensive income for the year ended June 30, 2019	-	69,803	638,766	708,569	371,436	1,080,005
	-	2,143,004	638,766	2,781,770	371,436	3,153,206
Balance as at July 01, 2019	**1,374,270**	**14,725,189**	**855,895**	**15,581,084**	**1,708,303**	**18,663,657**
Final dividend for the year ended June 30, 2019 @ Rs. 4 per share	**-**	**(549,708)**	**-**	**(549,708)**	**-**	**(549,708)**
Equity contribution by Non-controlling interests	**-**	**-**	**-**	**-**	**259,269**	**259,269**
Total comprehensive income for the year ended June 30, 2020						
Profit for the year ended June 30, 2020	**-**	**1,983,257**	**-**	**1,983,257**	**583,844**	**2,567,101**
Other comprehensive income for the year ended June 30, 2020	**-**	**(104,586)**	**80,400**	**(24,186)**	**105,074**	**80,888**
	-	**1,878,671**	**80,400**	**1,959,071**	**688,918**	**2,647,989**
Balance as at June 30, 2020	**1,374,270**	**16,054,152**	**936,295**	**16,990,447**	**2,656,490**	**21,021,207**

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	**4,038,491**	3,172,689
Finance cost paid		**(636,635)**	(593,350)
Income tax refund / (paid)		**40,223**	(996,115)
Decrease / (increase) in long-term loans and advances		**8,775**	(282)
Employee benefit obligations paid		**(93,795)**	(133,181)
Net cash generated from operating activities		**3,357,059**	1,449,761
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(264,489)**	(2,025,416)
Proceeds from disposal of operating assets		**5,687**	7,667
Purchase of open ended mutual fund units		**(540,000)**	-
Proceeds from sale of open ended mutual fund units		**544,809**	-
Placement in term deposit receipt (TDR)		**(29,000)**	-
Interest received		**17,149**	10,589
Net cash used in investing activities		**(265,844)**	(2,007,160)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(549,474)**	(914,996)
Amount received from non-controlling interests		**259,269**	390,309
Proceeds from long - term loan		**270,000**	-
Repayment of long - term loan		**(3,437,500)**	(1,250,000)
Lease rentals paid		**(11,894)**	(3,911)
Net cash used in financing activities		**(3,469,599)**	(1,778,598)
Net decrease in cash and cash equivalents		**(378,384)**	(2,335,997)
Cash and cash equivalents at beginning of the year		**(2,968,940)**	(728,113)
Effects of exchange rate changes in cash and cash equivalents		**(49,613)**	95,170
Cash and cash equivalents at end of the year	33	**(3,396,937)**	(2,968,940)

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Muhammad Rehan	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company - Attock Cement Pakistan Limited (the "Company")

The Company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement.

Pharaon Investment Group Limited Holding S.A.L., Lebanon is the ultimate holding company as it holds 84.06% of the total paid-up share capital of the Holding Company.

The geographical locations and addresses of the Holding Company's business units, including mills / plant are as under:

- The registered office of the Holding Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Holding Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The Holding Company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Mararr, Dubai, UAE.

In 2019, the Board of Directors of the Holding Company approved the installation of Captive Solar Power Plant of 7 MW at its existing factory premises. Subsequent to year end, the Board of Directors approved the enhancement of capacity to 20 MW. At present, the project is at technical and financial evaluation stage.

Subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)

SAKCPCL was incorporated under Iraqi law on November 3, 2014. Its main business activity is manufacturing and sale of cement and the principal place of business is in Iraq.

In 2019, SAKCPCL had started its trial production with locally available clinker. During the current period, SAKCPCL obtained the license for import of clinker as required by local laws and commenced commercial production from September 1, 2019 after satisfactory completion of performance test.

The geographical locations and addresses of the Subsidiary's business units, including mills / plant are as under:

- The registered office of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.
- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

Impact of COVID-19

The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. These actions to curtail the spread of COVID-19 resulted in a decline in demand for cement in the short term. This decline in demand compelled the Holding Company in shutting down its plant for a period of 24 days from March 25, 2020 to April 17, 2020. Further, the Group entered this crisis in a strong position, having previously reported accumulated profits amounting to Rs. 15.84 billion as at March 31, 2020 and operating cash flows amounting to Rs. 2.15 billion for the period ended March 31, 2020. While it is too early to predict the duration of the downturn, the Group believes their current liquidity availability provides them with sufficient financial resources to meet their anticipated working capital requirements and obligations as they come due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

2.1 Basis of preparation

2.1.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.1.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

(i) Income tax

In making the estimates for income taxes payable by the Holding Company, the management considers current incom tax law and the decisions of appellate authorities on certain cases issued in the past.

(ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.7 and 17 to these consolidated financial statements for valuation of present value of defined benefit obligations.

(iii) Inventories

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realizable value are disclosed in note 2.8 to these consolidated financial statements.

Further, the Holding Company's certain inventory items [i.e. raw materials (lime stone and gypsum), work-in-process, semi-finished goods (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles ad converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Holding Company involves external surveyor for determining the inventory existence.

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Group's management in applying the accounting policies that would have significant effect on the amounts recognised in the consolidated financial statement except as stated above.

2.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The changes laid down by this standard have been disclosed in note 3 of these consolidated financial statements of the Group.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019 are considered not to be relevant for the Group's consolidated financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The new standards, certain amendments and interpretation that are mandatory for accounting periods beginning on or after July 1, 2020 are considered not to be relevant to the Group's financial statements and hence have not been detailed here.

2.2 Overall valuation policy

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Basis of consolidation

i) Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include Attock Cement Pakistan Limited (the Holding Company) and Saqr Al-Keetan for Cement Production Company Limited (the Subsidiary Company).

The consolidated financial statements of the subsidiaries have been consolidated on a line by line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

ii) Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

2.4 Fixed Assets - property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses (if any) except freehold land, capital work-in-progress and stores held for capital expenditures which are stated at cost. Depreciation is calculated using the straight-line method on all assets in use to charge off their cost excluding residual value, if not insignificant, over their estimated useful lives.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Group accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to consolidated statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal / retirement of fixed assets are included in consolidated statement of profit or loss and other comprehensive income.

2.5 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

Classification of financial assets

The Group classifies its financial instruments in the following categories:

- at fair value through profit and loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Group recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months ECL is recorded. The following were either determined to have low or there was no increase in credit risk since last reporting date:

- bank balances;
- employee receivables; and
- other short term receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Group considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

2.6 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statement of financial position if the Group has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Staff retirement benefits

Defined benefit plans

The Group operates approved funded gratuity and pension schemes for all its management and non-management employees. Contributions to the schemes are based on actuarial valuations.

The latest actuarial valuations of the schemes have been carried out as at June 30, 2020 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Past-service costs are recognised immediately in profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

Defined contribution plan

The Group also operates an approved provident fund for its permanent employees. Equal monthly contributions are made, both by Group and the employees, at the rate of 10% of basic salary.

2.8 Long-term investment

The Group has investment in associated company. The investment in associated company is accounted for using equity method of accounting. It is initially recognised at cost. The Group's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the consolidated statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

2.9 Inventories

Inventories are valued at lower of cost and net realisable value except goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Provisions for slow moving and obsolete items are charged to the consolidated statement of profit or loss and other comprehensive income. Value of items is reviewed at each statement of financial position date to record provision for any slow moving and obsolete items. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

2.10 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.5 for a description of the Group's impairment policies.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts and finance under mark-up arrangements.

2.12 Lease liability and right-of-use asset

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

2.13 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.14 Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

2.15 Income tax

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the consolidated statement of profit or loss and other comprehensive income.

2.16 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

2.17 Foreign currencies

2.17.1 Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the consolidated statement of financial position date. Exchange differences are included in profit or loss currently.

2.17.2 The results and financial position of subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of profit or loss account and other comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

2.17.3 The consolidated financial statements are presented in Pakistan Rupee, which is the Holding company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

2.18 Revenue recognition

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- Local sale of goods is recognised on dispatch of goods to customers.
- Revenue from export sales is recognised on the basis of terms of sale with the customer.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

2.19 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared / approved.

3. CHANGE IN ACCOUNTING POLICY

Impact of transition to IFRS 16 'Leases'

Effective July 1, 2019, the Group has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the previous standard i.e. lessors continue to classify leases as finance or operating leases. The accounting polices relating to Group's right-of-use asset and lease liability are disclosed in note 2.12.

The Group has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening consolidated statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Group recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of July 1, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 14%.

The following summary reconciles the Group's operating lease commitments at June 30, 2019 to the lease liabilities recognised on initial application of IFRS 16 at July 1, 2019.

	(Rupees '000)
Operating lease commitment as at July 1, 2019	86,665
Discounted using the lessee's incremental borrowing rate at the date of initial application	(24,993)
	61,672
Lease liability recognised as at July 1, 2019 of which are:	
- Current portion of long-term lease liabilities	8,501
- Long-term lease liabilities	53,171

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at June 30, 2019.

The recognised right-of-use assets relate to the following types of assets:

	June 30, 2020	July 1, 2019
	(Rupees '000)	
Leasehold buildings	**53,626**	69,591
Leased motor vehicles	**10,663**	13,541
	64,289	83,132

The change in accounting policy affected the following items in the consolidated statement of financial position on July 1, 2019:

	July 1, 2019 (Rupees '000)
Right-of-use asset - increased by	83,132
Assets under finance lease - decreased by	13,541
Lease liabilities - increased by	61,672
Prepaid rent - decreased by	7,919

The change in accounting policy affected the following items in the consolidated statement of profit or loss on June 30, 2020:

	June 30, 2020 (Rupees '000)
Finance charges on finance lease - increased by	7,366
Administrative expenses which includes depreciation and rent expenses - decreased by	357

		2020	2019
		(Rupees '000)	
4.	**FIXED ASSETS - property, plant and equipment**		
	Operating assets - note 4.1	**20,757,083**	16,758,931
	Capital work-in-progress - note 4.2	**60,891**	4,738,154
	Stores held for capital expenditure - note 4.3	**1,030,022**	772,269
		21,847,996	22,269,354

4.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipment	Vehicles owned	Right of use-assets - note 4.4	Total
	(Rupees '000)								
Year ended 30 June 2020									
Opening net book value	34,168	2,285,135	14,270,996	28,304	7,222	49,923	69,642	83,132	16,828,522
Additions	-	553,885	4,285,086	17,550	2,756	24,159	17,365	-	4,900,801
Disposals	-	-	-	(124)	-	-	(2,940)	-	(3,064)
Transfers to stores	-	-	(110,781)	-	-	-	-	-	(110,781)
Depreciation charge	-	(183,344)	(714,816)	(5,379)	(3,034)	(21,032)	(20,500)	(18,843)	(966,948)
Net exchange differences	-	12,762	93,018	366	(67)	2,192	282	-	108,553
Closing net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
At 30 June 2020									
Cost	34,168	3,831,671	24,617,518	249,773	41,954	203,160	147,053	97,056	29,222,353
Accumulated depreciation	-	(1,163,233)	(6,794,015)	(209,056)	(35,077)	(147,918)	(83,204)	(32,767)	(8,465,270)
Net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
Year ended 30 June 2019									
Opening net book value	4,554	2,368,215	14,647,972	30,016	7,336	44,977	63,837	17,280	17,184,187
Additions	29,614	76,364	337,117	2,013	1,766	16,313	27,622	-	490,809
Disposals	-	-	-	-	(400)	(83)	(3,902)	-	(4,385)
Transfers to stores	-	-	(113,436)	-	-	(976)	-	-	(114,412)
Depreciation charge	-	(159,444)	(600,657)	(5,454)	(2,710)	(18,543)	(19,490)	(3,739)	(810,037)
Net exchange differences	-	-	-	1,729	1,230	8,235	1,575	-	12,769
Closing net book value	34,168	2,285,135	14,270,996	28,304	7,222	49,923	69,642	13,541	16,758,931
At 30 June 2019									
Cost	34,168	3,264,468	20,125,740	231,221	38,251	173,451	129,146	27,465	24,023,910
Accumulated depreciation	-	(979,333)	(5,854,744)	(202,917)	(31,029)	(123,528)	(59,504)	(13,924)	(7,264,979)
Net book value	34,168	2,285,135	14,270,996	28,304	7,222	49,923	69,642	13,541	16,758,931
Rate of depreciation %	-	5	3.33 - 5	10	20	25	20	20	

4.2 Movement in capital work-in-progress

	Balance as at July 1, 2019	**Additions during the year**	**Transfers during the year**	**Net exchange differences**	**Balance as at June 30, 2020**	Balance as at July 1, 2018	Additions during the year	Transfers during the year	Net exchange differences	Balance as at June 30, 2019
	(Rupees '000)									
Civil works	**1,414,716**	**60,999**	**(1,454,815)**	**35,795**	**56,695**	726,271	490,896	(78,909)	276,458	1,414,716
Plant and machinery	**2,561,963**	**257,893**	**(2,874,894)**	**59,234**	**4,196**	1,405,164	765,863	(113,290)	504,226	2,561,963
Others	**761,475**	**-**	**(780,387)**	**18,912**	**-**	300,975	325,146	-	135,354	761,475
	4,738,154	**318,892**	**(5,110,096)**	**113,941**	**60,891**	2,432,410	1,581,905	(192,199)	916,038	4,738,154

		2020	2019
		(Rupees '000)	
4.3	**Stores held for capital expenditure**		
	Balance at beginning of the year	772,269	808,403
	Additions during the year	501,468	65,496
	Transfers made during the year	(243,715)	(101,630)
	Balance at end of the year	1,030,022	772,269

4.4 The right-of-use assets comprise leasehold buildings and motor vehicle used by the Holding Company for its operations.

Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immovable property	Total Area (acres)	Covered Area (acres)
Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	657	657
Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq	Cement grinding unit	60	60

		2020	2019
		(Rupees '000)	
5.	**LONG-TERM INVESTMENTS**		
	Investment in associated company accounted for using equity method		
	Attock Information Technology Services (Private) Limited - 450,000 (2019: 450,000) fully paid ordinary shares of Rs. 10 each - notes 5.1 & 5.2	35,088	29,165

5.1 The Group holds 10% (2019: 10%) of associate's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 5.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

The registered office of the associate is at Bunglow 29, Refinery, Morgah, Rawalpindi, Pakistan. The country of incorporation or registration is also its principal place of business.

The principal activity of the associate is to set up the basic infrastructure, communication systems and computer installation and provision of initial services.

	2020	2019
	(Rupees '000)	
Opening balance	29,165	4,500
Share of net income of associate accounted for using the equity method	5,923	24,665
	35,088	29,165

5.2 Set out below is the summarised financial information for Attock Information Technology Services (Private) Limited which is accounted for using the equity method.

	2020	2019
	(Rupees '000)	
Revenue	**142,950**	126,892
Profit after taxation	**59,223**	49,300
Non-current assets	**89,096**	86,019
Current assets	**293,870**	233,280
Non-current liabilities	**(9,283)**	(6,364)
Current liabilities	**(22,806)**	(21,281)
Net assets	**350,877**	291,654
Carrying value	**35,088**	29,165

6. LONG-TERM LOANS AND ADVANCES – considered good

	2020	2019
Employees - note 6.1	**97,142**	119,804
Recoverable within one year - note 10	**(58,324)**	(72,211)
Long term portion	**38,818**	47,593

6.1 Amounts receivable from the employees represent house rent advances given according to the Group's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of employees.

6.2 Long term loans and advances have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these consolidated financial statements.

7. LONG-TERM DEPOSITS

These are security deposits held with K-Electric Limited and do not carry any mark up arrangement.

	2020	2019
	(Rupees '000)	
8. INVENTORIES		
Stores, spares and loose tools - note 8.1	**2,304,036**	1,988,856
Raw materials	**1,219,231**	105,580
Packing materials - note 8.2	**151,762**	169,811
Semi - finished goods - note 8.3	**875,653**	938,213
Work-in-process	**38,098**	36,795
Finished goods	**196,912**	168,795
	4,785,692	3,408,050
8.1 Stores, spares and loose tools		
Coal - note 8.1.1	**1,029,428**	911,853
Stores and spares - note 8.1.2	**1,120,417**	1,045,738
Bricks - note 8.1.3	**206,215**	76,326
Loose tools	**2,515**	2,771
	2,358,575	2,036,688
Less: Provision for slow moving and obsolete items	**(54,539)**	(47,832)
	2,304,036	1,988,856

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

8.1.1 This includes coal in transit amounting to Rs. 145.39 million (2019: Rs. 560.03 million).

8.1.2 This includes stores and spares in transit amounting to Rs. 89.55 million (2019: Rs. 86.90 million).

8.1.3 This includes bricks in transit amounting to Rs. 28.89 million (2019: Rs. Nil).

8.2 This includes packing material in transit amounting to Rs. 5.3 million (2019: Rs. Nil).

8.3 This includes clinker held at port for export amounting to Rs. 359.98 million (2019: Rs. 170.30 million).

		2020	2019
		(Rupees '000)	
9.	**TRADE RECEIVABLES – considered good**		
	Secured	337,029	768,740
	Unsecured	211,039	26,321
		548,068	795,061
9.1	The age analysis of trade receivables is as follows:		
	Not yet due	353,972	617,898
	1 to 30 days	31,004	128,915
	31 to 90 days	40,477	37,638
	91 to 180 days	36,054	9,724
	181 to 365 days	82,426	886
	Over 365 days	4,135	-
		548,068	795,061
10.	**LOANS AND ADVANCES – considered good**		
	Current portion of long-term loans and advances - note 6		
	Employees	58,324	72,211
	Other advances - employees	482	2,608
	Advances to suppliers	162,247	13,112
		221,053	87,931
11.	**SHORT-TERM DEPOSITS AND PREPAYMENTS**		
	Deposits - considered good	7,816	36,493
	Prepayments	35,624	18,589
		43,440	55,082
12.	**OTHER RECEIVABLES**		
	Export rebate receivable	5,491	25,680
	Due from related parties - note 12.1	784	601
	Others	30,799	22,651
		37,074	48,932

12.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 7.08 million (2019: Rs. 7.28 million).

	2020	2019
	(Rupees '000)	

13. CASH AND BANK BALANCES

	2020	2019
Cash at bank		
- On PLS savings accounts		
Local currency - notes 13.1 & 13.3	**627,323**	239,071
Foreign currency - note 13.2	**690**	664
- On current accounts		
Local currency	**49,442**	41,052
Foreign currency	**703,039**	128,397
- Term deposit receipt - note 13.4	**29,000**	-
- Call deposit receipt	**50,000**	-
Cash in hand	**41,569**	41,078
	1,501,063	450,262

13.1 During the year, the mark-up rates on PLS savings accounts range from 5.5% to 11.25% (2019: 4% to 10.25%) per annum.

13.2 This includes Rs. 0.67 million (2019: Rs. 0.64 million) corresponding to AED 0.014 million (2019: AED 0.014 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the State Bank of Pakistan.

13.3 This includes deposits of Rs. 212.14 million (2019: Rs. 238.58 million) obtained from customers which are kept in a separate bank account in compliance with Section 217 of the Companies Act, 2017.

13.4 This carries mark up at 13.04% per annum payable at maturity and is due to mature by November 27, 2020. The TDR is held under lien against the guarantee issued by bank on behalf of the Holding Company.

	2020	2019
	(Rupees '000)	

14. SHARE CAPITAL

Authorised share capital

			2020	2019
200,000,000 ordinary shares of Rs. 10 each (2019: 200,000,000 ordinary shares of Rs. 10 each)			**2,000,000**	2,000,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each

2020	2019			
29,747,965	29,747,965	Shares allotted for consideration paid in cash	**297,480**	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	**41,325**	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	**1,035,465**	1,035,465
137,426,961	137,426,961		**1,374,270**	1,374,270

14.1 As at June 30, 2020, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2019: 115,526,349) ordinary shares of Rs. 10 each.

		2020	2019
		(Rupees '000)	
15.	**LONG-TERM LOANS**		
	Long term loans	**270,000**	3,437,500
	Less: Current portion of long term loan	**(33,750)**	(1,250,000)
		236,250	2,187,500

15.1 Following are the changes in the long term loans (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):

	2020	2019
	(Rupees '000)	
Balance as at July 01	**3,437,500**	4,687,500
Disbursements during the year	**270,000**	-
Repayment during the year	**(3,437,500)**	(1,250,000)
Balance as at June 30	**270,000**	3,437,500

15.2 During the year, the Company entered into a long-term loan agreement with Faysal Bank Limited amounting to Rs. 270 million under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from January, 2021. The loan carries mark-up of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loan is secured by way of first pari passu hypothecation charge on fixed asset of the Company.

16. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use-assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Tax credit on investment	Total
	(Rupees '000)								
July 01, 2019	**1,727,689**	**1,950**	**(9,135)**	**(2,061)**	**(217,112)**	**(215,457)**	**(409,511)**	**(525,080)**	**351,283**
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	**51,392**	**10,226**	**(1,194)**	**(9,411)**	**126,816**	**(20,808)**	**47,748**	**525,080**	**729,849**
June 30, 2020	**1,779,081**	**12,176**	**(10,329)**	**(11,472)**	**(90,296)**	**(236,265)**	**(361,763)**	**-**	**1,081,132**
July 01, 2018	1,647,039	2,992	(9,416)	(2,880)	(162,827)	(215,457)	(318,878)	(1,072,116)	(131,543)
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	80,650	(1,042)	281	819	(54,285)	-	(90,633)	547,036	482,826
June 30, 2019	1,727,689	1,950	(9,135)	(2,061)	(217,112)	(215,457)	(409,511)	(525,080)	351,283

16.1 Deferred tax liability is restricted to 65.31% (2019: 65.86%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

16.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

16.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate of 29%.

17. EMPLOYEE BENEFIT OBLIGATIONS

17.1 Staff retirement benefits

17.1.1 As stated in note 2.7, the Group operates approved funded gratuity and pension schemes for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2020.

17.1.2 Plan assets held in trust are governed by local Regulations which mainly include Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and the Rules under the respective Trust Deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Group appoints the Trustees and all Trustees are employees of the Group.

17.1.3 The latest actuarial valuations of the Plans as at June 30, 2020 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

		2020		2019	
		Pension Funds	**Gratuity Funds**	Pension Funds	Gratuity Funds
		(Rupees '000)			
17.1.4	**Statement of financial position reconciliation as at June 30**				
	Present value of defined benefit obligation	**621,233**	**511,669**	479,580	474,803
	Fair value of plan assets	**(354,898)**	**(418,361)**	(317,858)	(369,647)
	Deficit	**266,335**	**93,308**	161,722	105,156
17.1.5	**Movement in the defined benefit obligation**				
	Obligation as at July 01	**479,580**	**474,803**	568,859	435,787
	Service cost	**17,723**	**27,167**	20,705	24,045
	Interest expense	**68,390**	**66,480**	57,040	42,261
	Remeasurement on obligation	**110,962**	**(14,400)**	(107,274)	18,744
	Benefits paid	**(55,422)**	**(42,381)**	(59,750)	(46,034)
	Obligation as at June 30	**621,233**	**511,669**	479,580	474,803
17.1.6	**Movement in the fair value of plan assets**				
	Fair value as at July 01	**317,858**	**369,647**	293,571	323,982
	Interest income	**45,351**	**52,435**	29,680	31,602
	Remeasurement on plan assets	**(4,526)**	**(3,498)**	(8,852)	(9,875)
	Employer contributions	**51,637**	**42,158**	63,209	69,972
	Benefits paid	**(55,422)**	**(42,381)**	(59,750)	(46,034)
	Fair value as at June 30	**354,898**	**418,361**	317,858	369,647
17.1.7	**Expense recognised in consolidated statement of profit or loss**				
	Service cost	**17,723**	**27,167**	20,705	24,045
	Interest expense - net	**23,039**	**14,045**	27,360	10,659
		40,762	**41,212**	48,065	34,704
17.1.8	**Remeasurement recognised in other comprehensive income**				
	Experience losses / (gains)	**110,962**	**(14,400)**	(107,274)	18,744
	Remeasurement of fair value of plan assets	**4,526**	**3,498**	8,852	9,875
	Remeasurements	**115,488**	**(10,902)**	(98,422)	28,619

		2020		2019	
		Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
		(Rupees '000)			
17.1.9	**Net recognised liability**				
	Balance as at July 01	**161,722**	**105,156**	275,288	111,805
	Expense for the year	**40,762**	**41,212**	48,065	34,704
	Employer contributions	**(51,637)**	**(42,158)**	(63,209)	(69,972)
	Remeasurement recognised in other comprehensive income	**115,488**	**(10,902)**	(98,422)	28,619
	Balance as at June 30	**266,335**	**93,308**	161,722	105,156

		2020		2019		2020		2019	
		Pension Funds				Gratuity Funds			
		(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
17.1.10	**Composition of plan assets:**								
	Defense Savings Certificate	**-**	**-**	-	-	**-**	**-**	5,302	1.43
	Market Treasury Bills	**86,585**	**24.40**	92,980	29.26	**102,449**	**24.48**	157,323	42.56
	Term Deposit Receipts	**15,915**	**4.48**	-	-	**15,922**	**3.81**	-	-
	Term Finance Certificates	**38,663**	**10.89**	42,755	13.45	**28,438**	**6.80**	28,883	7.81
	Pakistan Investment bonds	**69,484**	**19.58**	65,793	20.70	**68,994**	**16.49**	65,196	17.64
	Open Ended Mutual Funds	**141,772**	**39.95**	107,673	33.87	**201,515**	**48.17**	110,664	29.94
	Others (including bank balance)	**2,479**	**0.70**	8,657	2.72	**1,043**	**0.25**	2,279	0.62
		354,898	**100.00**	317,858	100.00	**418,361**	**100.00**	369,647	100.00

		2020				2019		
		First	Second	Third	Fourth & onwards	First	Second & Third	Fourth & onwards
		Year						
17.1.11	**Actuarial assumptions**							
	Expected rate of increase in salaries							
	- Management staff							
	Senior management	**7.50%**	**8.00%**	**8.50%**	**6.75%**	12.50%	12.50%	12.50%
	Junior management	**7.50%**	**8.00%**	**8.50%**	**6.75%**	12.50%	12.50%	12.50%
	- Non-management staff	**9.00%**	**8.00%**	**9.00%**	**6.75%**	12.50%	12.50%	12.50%

The discount factor used for pension and gratuity funds is 8.5% (2019: 14.25%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.92%. This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

17.1.12 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

17.1.13 The Group ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

17.1.14 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the consolidated statement of financial position date.

17.1.15 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees '000)			
At June 30, 2020					
Discount rate	**0.5%**	**(31,508)**	**34,662**	**(21,118)**	**22,758**
Future salary increases	**0.5%**	**15,084**	**(14,251)**	**17,370**	**(16,317)**
At June 30, 2019					
Discount rate	0.5%	(19,907)	21,536	(18,509)	19,874
Future salary increases	0.5%	16,263	(10,615)	21,200	(19,881)

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the balance sheet.

	2020	2019	2018	2017	2016
	(Rupees '000)				
17.1.16 Historical information					
Pension Funds as at June 30					
Present value of defined benefit obligation	**621,233**	479,580	568,859	641,606	623,063
Fair value of plan assets	**(354,898)**	(317,858)	(293,571)	(283,478)	(313,688)
Deficit	**266,335**	161,722	275,288	358,128	309,375
Experience adjustments					
Gain / (loss) on obligation	**(110,962)**	107,274	95,671	(40,904)	(194,359)
Loss on plan assets	**(4,526)**	(8,852)	(17,488)	(14,197)	(9,586)
	(115,488)	98,422	78,183	(55,101)	(203,945)
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**511,669**	474,803	435,787	421,031	357,634
Fair value of plan assets	**(418,361)**	(369,647)	(323,982)	(289,706)	(241,676)
Deficit	**93,308**	105,156	111,805	131,325	115,958
Experience adjustments					
Gain / (loss) on obligation	**14,400**	(18,744)	11,111	(42,755)	(16,776)
Loss on plan assets	**(3,498)**	(9,875)	(18,025)	(3,878)	(3,789)
	10,902	(28,619)	(6,914)	(46,633)	(20,565)

17.1.17 As per actuarial advice, the Group is expected to recognise a service cost of Rs. 49.85 million in 2021 (2020: Rs. 44.89 million).

17.1.18 The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	No. of years	
Management	**7.19**	**8.58**
Non-management	**9.05**	**8.49**

17.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	(Rupees '000)					
As at June 30, 2020						
Pension Funds	**10,452**	**13,649**	**83,940**	**286,391**	**471,119**	**865,551**
Gratuity Funds	**40,650**	**47,967**	**177,271**	**292,877**	**371,925**	**930,690**
As at June 30, 2019						
Pension Funds	22,172	29,028	133,411	416,248	680,933	1,281,792
Gratuity Funds	44,290	44,197	174,946	473,547	609,951	1,346,931

		2020	2019
		(Rupees '000)	
18.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 18.1	**438,828**	497,738
	Accrued liabilities - note 18.1	**1,983,522**	2,003,300
	Electricity charges payable - note 18.2	**360,474**	111,633
	Royalty payable - note 18.3	**491,377**	257,505
	Excise duty payable	**190,458**	9,936
	Advances from customers - note 18.4	**263,452**	142,817
	Retention money	**72,309**	138,625
	Security deposits - note 13.3	**212,143**	238,582
	Workers' Profits Participation Fund - note 18.5	**81,274**	127,722
	Workers' Welfare Fund - note 18.6	**229,034**	218,034
	Payable to provident fund - note 18.7	**27**	86
	Taxes deducted at source and payable to statutory authorities	**45,925**	19,639
	Others - note 18.1	**7,237**	7,218
		4,376,060	3,772,835

18.1 Creditors, accrued liabilities and other liabilities include Rs. Nil, Rs. 5.96 million and Rs. 5.76 million (2019: Rs. 23.91 million, Nil and Rs. 5.8 million) respectively in respect of amounts due to related parties.

18.2 This includes Rs. 179.86 million (2019: Rs Nil) and Rs. 52.35 million (2019: Rs Nil) in respect of Industry Support Package Adjustment and Fuel Charge Adjustment respectively.

18.3 The Government of Balochistan vide Notification No. SOT(MMD)4-1/2017/748-68 dated September 6, 2017 enhanced the royalty rates of shale and limestone by Rs. 30 / ton and Rs.40 / ton respectively.

The Group has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan. Consequently, on the directions of the Court, the Group has furnished a bank guarantee of Rs. 316.37 million for the additional portion of royalty.

18.4 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note - 2.18 is satisfied.

		2020	2019
		(Rupees '000)	
	Opening balance	**142,817**	190,084
	Advance received during the year	**9,421,069**	12,089,787
	Revenue recognised during the year	**(9,300,434)**	(12,137,054)
	Closing balance	**263,452**	142,817
18.5	**Workers' Profits Participation Fund**		
	At beginning of the year	**127,722**	163,000
	Charge for the year - note 27	**81,274**	127,722
		208,996	290,722
	Interest on funds utilised in Holding Company's business - note 29	**708**	1,476
		209,704	292,198
	Less: Amount paid to the Fund	**(128,430)**	(164,476)
		81,274	127,722

18.6 This includes provision of Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2020, 2019, 2017, 2016 and 2015 respectively. The Company has not paid these amounts until it is ascertained as to whether the same is required to be paid to Federal or Provincial government.

18.7 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

19. UNCLAIMED DIVIDEND

The Company is in the process of depositing the amount into a separate profit bearing account with a scheduled bank.

20. ACCRUED MARK-UP

Accrued mark-up comprises of mark-up on short term borrowings and long term loan.

		2020	2019
		(Rupees '000)	
21.	**SHORT-TERM BORROWINGS**		
	Short-term running finance - notes 21.1 & 21.2	**-**	1,419,202
	Export refinance facility - note 21.1 & 21.4	**4,869,000**	2,000,000
	Current maturity of long-term loan - note 15	**33,750**	1,250,000
		4,902,750	4,669,202

21.1 The facilities available from various banks amount to Rs. 7.41 billion (2019: Rs. 4 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2020 and 2021.

21.2 The rates of mark-up range between one-month KIBOR minus 0.2% and one-month KIBOR plus 0.5% (2019: one month KIBOR minus 0.2% and one-month KIBOR plus 0.5%) per annum.

21.3 The facilities for opening letters of credit and guarantees as at June 30, 2020 amounted to Rs. 5.5 billion (2019: Rs. 4.50 billion) of which unutilised balance at year end amounted to Rs. 4.41 billion (2019: Rs. 3.4 billion).

21.4 The export refinance facilities available from different banks are secured by way of hypothecation of stock-in-trade and book debts and carry mark up ranging between State Bank of Pakistan (SBP) export refinance rate plus 0.75% to 1%.

22. CONTINGENCIES AND COMMITMENTS

22.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the Holding Company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The Holding Company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the Holding Company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court.

Consequential upon the decision of the Supreme Court of Pakistan, directing the petitioners to remand back the matter pertaining to Competition Act, 2010. The Holding Company received a notice from CCP on October 18, 2017 calling the Holding Company for further information in order to proceed with the matter. The Holding Company, thereafter, has filed a constitutional petition in Sindh High Court and challenged sections 42, 43 and 44 of Competition Act, 2010 as well as constitution of Competition Appellate Tribunal. The Sindh High Court has granted a stay order in favour of the Holding Company and the matter is pending before the Sindh High Court.

Based on the opinion of the Holding Company's legal advisors, the management is hopeful that the ultimate outcome of these petitions / appeal will be in favour of the Holding Company and hence no provision has been recognised in these consolidated financial statements for the aforementioned amount of penalty.

22.2 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Holding Company in relation to its filed sales tax returns for the months of July 2015 through August 2017 alleging that Holding Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Holding Company. The Holding Company has now filed an appeal at the Appellate Tribunal Inland Revenue against the judgement of the CIRA which is pending adjudication.

Further, in 2019, another order was passed by DCIR against the Holding Company in relation to its filed sales tax returns for the months of July 2013 through June 2018 in which the Holding Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and of building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Holding Company filed an appeal to the CIRA.

During the year, CIRA passed an order reducing the demand to 153 million. The Holding Company has filed an appeal to Appellate Tribunal against the said order. Subsequent to the year end, the Appellate Tribunal granted stay order in favour of the Holding Company and the matter is pending adjudication.

Based on the advice of Holding Company's tax counsels, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these consolidated financial statements.

22.3 Commitments for capital expenditure outstanding as at June 30, 2020 amounted to Rs. 5.83 million (2019: Rs. 3.90 million).

	2020	2019
	(Rupees '000)	
23. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sale of goods	**20,346,161**	20,007,518
Sales tax	**(2,497,293)**	(3,315,401)
Federal excise duty	**(2,478,140)**	(2,774,174)
	(4,975,433)	(6,089,575)
Rebates, discount and commission	**(409,655)**	(232,345)
Net local sale of goods	**14,961,073**	13,685,598
Export sales	**9,722,781**	7,826,603
Freight	**(735,736)**	(731,267)
	8,987,045	7,095,336
	23,948,118	20,780,934

23.1 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenue.

23.2 Export sales comprise of sales made in the following regions:

		2020	2019
		(Rupees '000)	
	Africa and Middle East Asia	**1,245,372**	957,005
	Sri Lanka	**5,168,309**	3,772,448
	Bangladesh	**2,749,956**	2,791,058
	Others	**559,144**	306,092
		9,722,781	7,826,603
24.	**COST OF SALES**		
	Raw materials consumed	**4,851,735**	1,898,128
	Packing materials consumed	**1,375,628**	1,477,791
	Cement packaging and loading charges	**54,968**	36,017
	Salaries, wages and benefits - note 24.1	**1,984,139**	1,810,609
	Fuel	**5,439,072**	7,011,641
	Electricity and water	**2,319,185**	2,202,318
	Stores and spares consumed	**515,057**	658,188
	Repairs and maintenance	**133,549**	173,315
	Insurance	**62,248**	62,575
	Vehicle running and maintenance	**146,441**	135,820
	Security expenses	**166,121**	137,092
	Depreciation	**931,184**	773,912
	Other expenses - note 24.2	**95,076**	15,660
		18,074,403	16,393,066
	Add: Opening semi- finished goods and work-in-process	**975,008**	529,009
	Less: Closing semi- finished goods and work-in-process	**(913,751)**	(975,008)
	Cost of goods manufactured	**18,135,660**	15,947,067
	Add: Opening stock of finished goods	**168,795**	199,760
	Less: Closing stock of finished goods	**(196,912)**	(168,795)
		18,107,543	15,978,032

24.1 Salaries, wages and benefits include Rs. 62.2 million and Rs. 41.11 million (2019: Rs. 63.41 million and Rs. 38.30 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

24.2 This includes provision / (reversal) for slow moving and obsolete items amounting to Rs. 6.71 million (2019: Rs. (0.24) million).

		2020	2019
		(Rupees '000)	
25.	**DISTRIBUTION COSTS**		
	Salaries, wages and benefits - note 25.1	**108,750**	100,366
	Handling and other export related expenses	**1,328,451**	1,070,177
	Commission on export sales	**106,006**	100,590
	Carriage outward on local sales	**267,192**	106,222
	PSI marking fee	**19,482**	21,965
	Advertisement and sales promotion	**4,264**	8,947
	Travelling and entertainment	**1,983**	2,558
	Other expenses	**4,366**	3,995
		1,840,494	1,414,820

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

25.1 Salaries, wages and benefits include Rs. 4.51 million and Rs. 2.63 million (2019: Rs. 4.50 million and Rs. 2.49 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2020	2019
		(Rupees '000)	
26.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and benefits - note 26.1	**358,542**	345,446
	Depreciation	**35,764**	21,001
	Rent, rates and taxes	**21,557**	18,290
	Utilities	**4,895**	5,192
	Insurance	**946**	1,437
	Repairs and maintenance	**13,943**	13,299
	Communication and printing	**22,334**	21,413
	Travelling and entertainment	**10,287**	8,669
	Legal and professional charges	**21,978**	27,196
	Auditors' remuneration - note 26.2	**5,290**	4,704
	Donations - note 26.3	**6,840**	5,893
	Other expenses	**39,773**	32,609
		542,149	505,149

26.1 Salaries, wages and benefits include Rs. 15.21 million and Rs. 6.78 million (2019: Rs. 14.85 million and Rs. 6.67 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2020	2019
		(Rupees '000)	
26.2	**Auditors' remuneration**		
	Audit fee (including consolidation)	**2,500**	2,500
	Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	**1,150**	1,150
	Taxation services	**1,080**	375
	Other certifications, attestations and other services	**235**	535
	Out-of-pocket expenses	**325**	144
		5,290	4,704

26.3 This includes donation given to The Citizens Foundation Rs. 6.50 million (2019: Rs. 5.89 milliion). None of the directors or their spouses had any interest in the donee.

		2020	2019
		(Rupees '000)	
27.	**OTHER EXPENSES**		
	Workers' Profits Participation Fund - note 18.5	**81,274**	127,722
	Workers' Welfare Fund	**11,000**	22,034
		92,274	149,756

		2020	2019
		(Rupees '000)	
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on PLS savings accounts under interest / markup arrangements	17,149	10,589
	Gain on sale of open ended mutual fund units	4,809	-
	Exchange gain - net	76,829	204,452
	Income from non-financial assets		
	Gain on disposal of operating assets	2,623	3,125
	Others		
	Export rebate	-	18,503
	Scrap sales	43,973	55,462
	Others	1,495	1,672
		146,878	293,803
29.	**FINANCE COST**		
	Bank charges and commission	58,998	49,085
	Mark-up on:		
	Long term loans	305,196	375,874
	Short term borrowings	152,832	220,764
	Interest on Workers' Profits Participation Fund - note 18.5	708	1,476
	Finance charges on finance lease	8,624	1,245
		526,358	648,444
30.	**INCOME TAX EXPENSE**		
	Current		
	- for the year	(310,864)	(430,210)
	- prior years	-	36,000
	Deferred	(114,136)	64,210
		(425,000)	(330,000)
30.1	**Relationship between tax expense and accounting profit**		
	Profit before income tax	2,992,101	2,403,201
	Tax at the applicable rate of 29% (2019: 29%)	(867,709)	(696,928)
	Effect of final tax regime	14,962	33,777
	Effect of change in tax rate	-	40,895
	Effect of exempt income	423,287	-
	Effect of income taxable at lower rate	(673)	-
	Reversal of prior years' tax provision	-	36,000
	Others	5,133	256,256
		(425,000)	(330,000)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
		(Rupees '000)	
31.	**BASIC AND DILUTED EARNINGS PER SHARE**		
	Profit attributable to owners of the Holding Company	**1,983,257**	2,073,201
	Weighted average number of outstanding shares at the end of year (in thousands)	**137,427**	137,427
	Basic and diluted earnings per share	**Rs. 14.43**	Rs. 15.09

31.1 Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2020 and 2019 which would have any effect on the earnings per share if the option to convert is exercised.

		2020	2019
		(Rupees '000)	
32.	**CASH GENERATED FROM OPERATIONS**		
	Profit before income tax	**2,992,101**	2,403,201
	Add / (Less): Adjustments for non-cash charges and other items		
	Depreciation	**966,948**	794,912
	Gain on disposal of property, plant and equipment	**(2,623)**	(3,125)
	Gain on sale of open ended mutual fund units	**(4,809)**	-
	Provision / (reversal) for stores, spares and loose tools	**6,707**	(239)
	Interest income	**(17,149)**	(10,589)
	Finance cost	**526,358**	648,444
	Employee benefit obligations	**81,974**	82,769
	Share of net income of associate accounted for using the equity method	**(5,923)**	(24,665)
	Profit before working capital changes	**4,543,584**	3,890,708
	Effect on cash flow due to working capital changes		
	(Increase) / decrease in current assets		
	Inventories	**(1,352,812)**	242,768
	Trade receivables	**248,260**	(85,144)
	Loans and advances	**(133,122)**	(9,432)
	Short term deposits and prepayments	**12,601**	(24,730)
	Tax refunds due from Government - Sales tax	**126,066**	106,683
	Other receivables	**11,858**	34,931
		(1,087,149)	265,076
	Increase / (decrease) in current liabilities		
	Trade and other payables	**582,056**	(983,095)
		(505,093)	(718,019)
	Cash generated from operations	**4,038,491**	3,172,689
33.	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances - note 13 (excluding TDR having term of more than 3 months)	**1,472,063**	450,262
	Short-term running finance - note 21	**-**	(1,419,202)
	Export refinance facility - note 21.1 & 21.4	**(4,869,000)**	(2,000,000)
		(3,396,937)	(2,968,940)

34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for remuneration to Chief Executive, Executive Director and Executives are as follows:

	Chief Executive		Executive Director		Executives	
	2020	2019	**2020**	2019	**2020**	2019
	(Rupees '000)					
Managerial remuneration	**36,690**	33,355	**18,894**	17,176	**209,793**	228,791
Housing allowance	**10,006**	9,097	**5,485**	4,987	**63,489**	52,805
Utility allowance	**4,447**	4,043	**1,219**	1,108	**14,109**	11,734
Bonus	**20,384**	18,531	**12,190**	10,158	**107,832**	107,566
Retirement benefits	**-**	-	**4,672**	4,248	**36,633**	30,939
Others	**7,184**	5,343	**5,248**	3,466	**39,226**	29,508
	78,711	70,369	**47,708**	41,143	**471,082**	461,343
	1	1	**1**	1	**71**	79

The Chief Executive, Executive Director and certain Executives are provided with free use of Group maintained cars and are also provided with medical facilities in accordance with their entitlements.

In addition to the above, fee paid to 4 (2019: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 4.4 million (2019: Rs. 3.7 million).

	2020	2019
	(Rupees '000)	
35. TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties during the year are as follows:		
Holding company		
Dividend paid	**462,105**	770,176
Bonus shares issued	**-**	192,544
Recovery of expenses	**1,057**	2,364
Group companies		
Purchase of goods	**511,026**	482,601
Reimbursement of expenses	**2,963**	5,847
Recovery of expenses from related parties	**7,619**	7,515
Sale of goods	**245**	-
Purchase of shares by group company	**899**	-
Other related parties		
Payments made to retirement benefit funds	**158,414**	186,464
Key management personnel		
Loans and advances recovered during the year	**-**	4,005
Salaries and other short-term employee benefits	**121,747**	107,264
Post-employment benefits	**4,672**	4,248
Sale of goods	**2,829**	-

The related party status of outstanding balances as at June 30, 2020 is included in other receivables and trade and other payables. These are settled in the ordinary course of business.

35.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Parent / Holding Company	Lebanon	84.06%
2.	Attock Petroleum Limited	Group Company / Common directorship	N/A	N/A
3.	Attock Refinery Limited	Group Company / Common directorship	N/A	N/A
4.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A	N/A
5.	National Refinery Limited	Group Company / Common directorship	N/A	N/A
6.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A	N/A
7.	The Attock Oil Company Limited	Group Company / Common directorship	N/A	N/A
8.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A

	2020	2019
36. NUMBER OF EMPLOYEES		
Number of employees at June 30		
- Regular	974	970
- Contractual	116	27
	1090	997
Average number of employees during the year		
- Regular	952	952
- Contractual	99	30
	1051	982

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

37.1 Financial risk factors

The Group's activities expose it to variety of financial risks namely market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

37.2 Financial assets and liabilities by category and their respective maturities

	2020			2019		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	**66,622**	**138,758**	**205,380**	111,312	147,533	258,845
Trade receivables	**548,068**	-	**548,068**	795,061	-	795,061
Other receivables	**37,074**	-	**37,074**	48,932	-	48,932
Bank balances	**1,459,494**	-	**1,459,494**	409,184	-	409,184
Cash in hand	**41,569**	-	**41,569**	41,078	-	41,078
	2,152,827	**138,758**	**2,291,585**	1,405,567	147,533	1,553,100
Financial liabilities						
Long term finance	**33,750**	**236,250**	**270,000**	1,250,000	2,187,500	3,437,500
Trade and other liabilities	**3,074,540**	-	**3,074,540**	3,254,687	-	3,254,687
Unclaimed dividend	**10,416**	-	**10,416**	10,182	-	10,182
Short term borrowings	**4,869,000**	-	**4,869,000**	3,419,202	-	3,419,202
Accrued markup	**33,590**	-	**33,590**	143,867	-	143,867
	8,021,296	**236,250**	**8,257,546**	8,077,938	2,187,500	10,265,438
On statement of financial position date gap	**(5,868,469)**	**(97,492)**	**(5,965,961)**	(6,672,371)	(2,039,967)	(8,712,338)
Net financial liabilities						
Interest bearing	**(4,229,327)**	**(236,250)**	**(4,465,577)**	(4,573,998)	(2,039,967)	(6,613,965)
Non-interest bearing	**(1,639,142)**	**138,758**	**(1,500,384)**	(2,098,373)	-	(2,098,373)
	(5,868,469)	**(97,492)**	**(5,965,961)**	(6,672,371)	(2,039,967)	(8,712,338)

a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices Group borrowings are on variable interest rate exposing Group to interest rate risk.

At June 30, 2020, the Group has variable interest bearing financial liabilities of Rs. 5.17 billion (2019: Rs. 7 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 103.45 million (2019: Rs. 140.01 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Group's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2020, trade and other payables of Rs. 184.52 million (2019: Rs. 689.41 million), trade receivables of Rs. 392.19 million (2019: Rs. 536.72 million) and bank balance of Rs. 703.73 million (2019: Rs. 129.06 million) are exposed to foreign currency risk.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 18.75 million (2019: Rs. 0.21 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, trade debts and bank balances.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 0.54 million (2019: Rs. 0.28 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables, and trade debts.

As at June 30, 2020, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 0.01 million (2019: Rs. 0.01 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the Group only as at the statement of financial position date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument company, its issuer, or factors affecting all similar financial instrument traded in the market. The Group has no investment at June 30, 2020 which is subject to change in market price.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 2,291.6 million (2019: Rs. 1,553.1 million) the financial assets exposed to the credit risk amounts to Rs. 2,250 million (2019: Rs. 1,512 million). The carrying values of financial assets are as under:

	2020	2019
	(Rupees '000)	
Trade receivables	**548,068**	795,061
Deposits, loans, advances and other receivables	**242,454**	307,777
Bank balances	**1,459,494**	409,184
	2,250,016	1,512,022

Trade receivables of the Group are not exposed to significant credit risk as the Group trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2020, secured and unsecured trade receivables amounted to Rs. 337.03 million and Rs. 211.04 million (2019: Rs. 768.74 million and Rs. 26.32 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade receivables relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2019: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 97.62 million (2019: Rs. 122.41 million) are secured against their retirement benefits.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by PACRA, Moody's Investor Services or JCR-VIS.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

d) **Fair values of the financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

37.3 Capital Risk Management

The Group's objectives when managing capital are to safeguard Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratio at June 30, 2020 was as follows:

	2020	2019
	(Rupees '000)	
Total borrowings	**5,139,000**	6,856,702
Cash and bank - note 13	**(1,501,063)**	(450,262)
Net debt	**3,637,937**	6,406,440
Equity	**18,364,717**	16,955,354
Total capital	**22,002,654**	23,361,794
Debt to capital ratio	**17%**	27%

	2020	2019
	(Metric tons)	
38. CAPACITY AND PRODUCTION		
Production capacity		
- Clinker	**2,883,000**	2,883,000
- Cement	**3,027,150**	3,027,150
Actual production		
- Clinker	**2,828,898**	3,184,363
- Cement	**1,766,734**	2,447,665

38.1 The production capacity is based on standard 300 days basis. Actual production is based on actual production days.

		2020	2019
		(Metric tons)	
38.2	**Saqr Al Keetan for Cement Production Company Limited**		
	Production capacity		
	- Cement	456,000	-
	Actual production		
	- Cement	559,624	-

39. DETAILS OF SUBSIDIARY COMPANY

Name of Subsidiary	Financial year end
Saqr Al-Keetan for Cement Production Company Limited	June 30

Set out below is summarised financial information of subsidiary that has NCI:

	2020	2019
Percentage Holding	60.00%	60.00%
	(Rupees '000)	
Total Assets	6,769,626	4,753,845
Total Liabilities	113,784	195,395
Total Comprehensive Income	1,459,610	-
Allocated to NCI	583,844	-
Accumulated NCI	583,844	-
Cash and Cash Equivalent	715,506	147,677

40. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 26, 2020 has proposed cash dividend of Rs. 3.5 per share (2019: Rs. 4 per share) amounting to Rs. 481 million (2019: Rs. 550 million) subject to the approval of the Holding Company in the forthcoming annual general meeting.

41. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors on August 26, 2020.

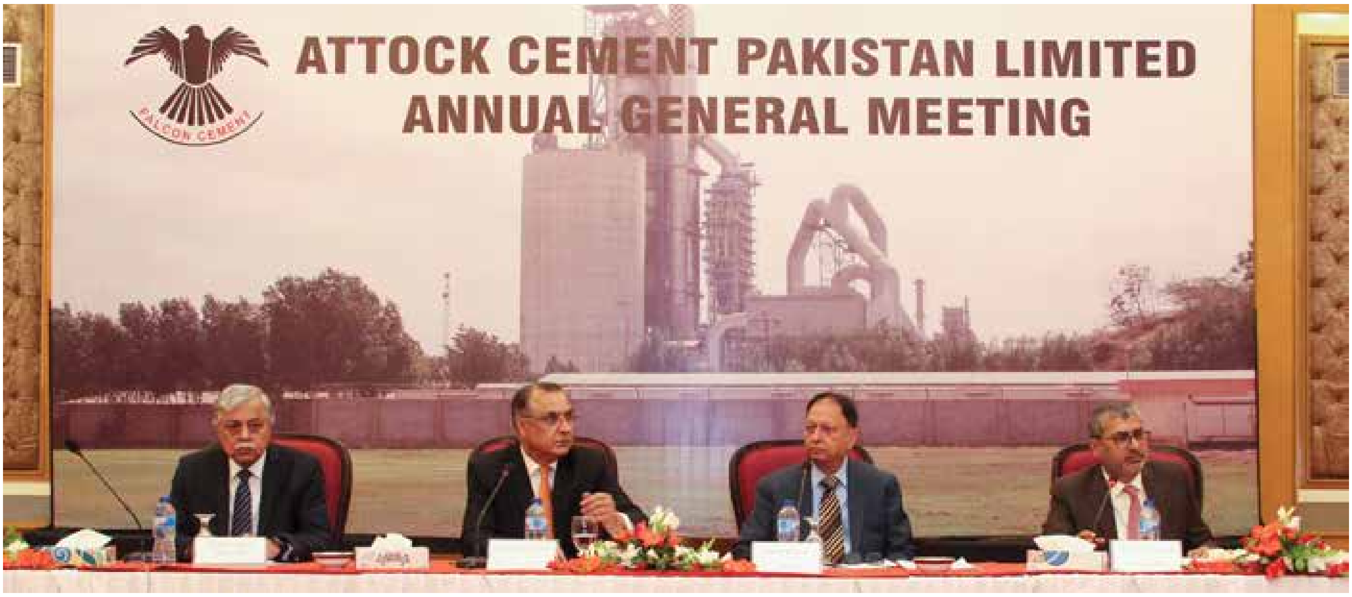
Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

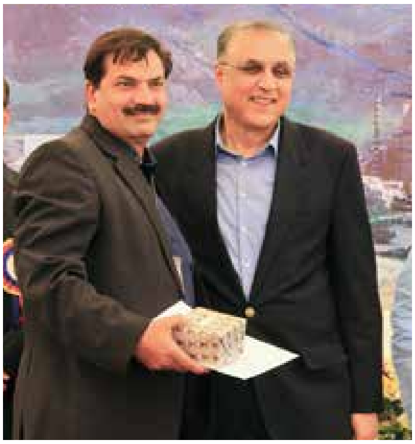
Abdus Sattar
Director

EVENTS

40th ANNUAL GENERAL MEETING



LONG SERVICE AWARD



CORPORATE BRIEFING SESSION

EVENTS OF THE YEAR

مادی حقیقت سے متعلق بیان(statement)
کمپنیز ایکٹ 2017 کے سیکشن(3)134 کے تحت بیان

کمپنیز ایکٹ 2017 کے سیکشن (3)134، SECP کے جاری کردہ SRO 423(I)/2018 dated April 3, 2018 برائے خصوصی کارروائی کہ تحت یہ بیان(statement) درج ذیل ہے، کمپنیز ایکٹ 2017 کے سیکشن 182 کے تحت ممبران سے منظوری لینی ہوتی ہے۔

جناب عرفان امان اللہ جو کہ آلٹرنیٹ ڈائریکٹر کے عہدہ پر فائز ہیں انکو دو سال کے لیے ماہانہ مساوی اقساط کی کٹوتی کہ بنیاد پر(house rent advance) کی منظوری دینی ہے جو کہ کمپنی کے ملازمین کے تعلق کے مینوئل کے عین مطابق ہے۔

1. کمپنی کے ڈائریکٹر کو لون کی منظوری:

(a	فرد کا نام	جناب عرفان امان اللہ
(b	لون کی تفصیل اور اسکا سبب	ہاؤس رینٹ ایڈوانس برائے مکان کی تعمیر
(c	لون کی رقم	10,970,664 روپے
(d	شرح سود	صفر فیصد
(e	کمپنی نے تحفظ وصول کرلیا / وصول کرے گی	ریٹائرمنٹ بینیفٹ
(f	لون کی واپسی کی اقساط/شرائط	24 ماہ کی مساوی اقساط
(g	کمپنیز ایکٹ 2017 کے سیکشن 182 کے تحت کمپنی کے ڈائریکٹر کو لون کی ادائیگی کے لیے SECP سے ماقبل اجازت/منظوری ازحد ضروری ہے سے متعلق disclosure۔	کمپنی جلاسِ عام میں ممبران کی منظوری کے بعد SECP سے مذکورہ اجازت/منظوری حاصل کرے گی۔
(h	دوسرے اصولی شرائط	بالفرض استعفٰی / برطرفی کی صورت میں بقایا لون فائنل settlement سے وصول کیا جائیگا۔
(i	کمپنی کی ڈائریکٹرز یا ان کے رشتہ داروں کو لون سے متعلق کمپنی کی مختصر پالیسی	نا قابلِ اطلاق

کمپنیز ایکٹ 2017 کے سیکشنز 143 تا 145 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے متعلقہ کلاز کے تحت ممبر ووٹ کاسٹ کرنے کے لیے پوسٹل بیلٹ یا الیکٹرانک ذریعہ استعمال کرسکتا ہے۔

راضی نامہ(consent) برائے ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کے سیکشن (2)132 کے تحت اگر کمپنی کو جغرافیائی محلِ وقوع کے حامل ممبران (جنکی حصص کی ملکیت کی شرح 10% یا زائد ہو) کی جانب سے اجلاسِ عام کے انعقاد سے 7 دن قبل راضی نامہ (consent) موصول ہوجاتا ہے تو اس علاقے میں دستیاب ویڈیو کانفرنس کی سہولت کے نتیجے میں کمپنی اس علاقے میں ممبران کی سہولت کے لیے ویڈیو کانفرنس کے انعقاد کے لیے اقدامات کرے گی۔ اس سہولت کے حصول کے لیے کمپنی کو مندرجہ ذیل ایڈریس پر درخواست موصول ہوجانا چاہیے؛

کمپنی سیکریٹری
اٹک سیمنٹ پاکستان لیمیٹڈ
ڈی۔70، بلاک 4، کہکشاں 5 کلفٹن، کراچی

لاوارث ڈیویڈنڈ اور غیر وصول شدہ حصص سرٹیفکیٹ

کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت مطلوب عمل پر کمپنی پہلے ہی عمل پیرا ہوچکی ہے جسکے تحت اس نے حصص یافتگان کو مطلع کیا تھا کہ وہ اپنے لاوارث اور غیر وصول شدہ حصص سرٹیفیکیٹ کے لیے قانون کے تحت وصولی کا دعوٰی کر سکتے ہیں۔

ایسے تمام حصص یافتگان جنکے ڈیویڈنڈ یا حصص سرٹیفیکیٹ ابھی بھی غیر وصول شدہ ہیں ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ کمپنی سے اپنے مذکورہ دعوٰی کے لیے رابطہ کر سکتے ہیں۔

فزیکل شیئرز کے سنٹرل ڈیپوزیٹری میں جمع کروانے سے متعلق:

کمپنیز ایکٹ 2017 کے مطابق ہر موجودہ لسٹڈ کمپنی کو چاہیئے کہ وہ ہدایت شدہ طریقہ کار کے تحت تمام فزیکل شیئرز کو بک انٹری فام میں چار سال کی مدت کے اندر اندر تبدیل کرے اس تاریخ سے چار سال جس دن کمیشن نے اس سلسلے میں رہنمائی کی تھی یعنی مئی 2017۔
ان ہدایات کی روشنی میں حصص یافتگان جو فزیکل سرٹیفیکیٹ کے حامل ہیں ان کو ترغیب دی جاتی ہے کہ وہ اپنے شیئرز CDC میں کسی بھی بروکر یا انوسٹر (جنکا CDC میں براہِ راست اکاؤنٹ ہو) کے ساتھ اپنا SUB-ACCOUNT کھلوا کر اپنے فزیکل شیئرز کو scripless form میں جمع کرادیں۔
ایسا کرنا حصص یافتگان کو قابل بنائے گا کہ وہ اپنی معلومات کو ممبرز رجسٹر کے ساتھ ترتیب میں کرلیں گے جس سے کمپنی موثر اور بروقت رابطہ کرسکے گی حصص یافتگان سے، نتیجتاً کسی بھی طرح کے استحقاق (entitelement) کی برقت ادائیگی بھی ممکن ہوجائے گی۔ مزید یہ کہ scripless form میں ہونے کی وجہ سے محفوظ بھی ہونگے اور خرید و فروخت میں بھی تیزی ممکن ہوگی۔

سالانہ مالیاتی حسابات کی CD / DVD کے ذریعہ ترسیل

کمپنی نے اپنے حصص یافتگان کو سالانہ مالیاتی حسابات کی ترسیل انکے دیے گیے ایڈریس پر کر دی ہے۔ چھپی ہوئی کتاب کی صورت میں مالیاتی حسابات حصص یافتگان کی درخواست پر مہیا کی جائیں گی۔ درخواست فارم برائے چھپی ہوئی کتاب کمپنی کے ویب سائٹ میں موجود ہے۔ جو کہ یہ ہے www.attockcement.com

سالانہ مالیاتی حسابات کی ای میل کے ذریعہ ترسیل

SECP نے بذریعہ SRO 787(I) /2014 مورخہ 8 ستمبر 2014 حصص یافتگان کو ایک آپشن مہیا کیا ہے کہ وہ بذریعہ ای میل کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات اور اجلاسِ عام کے نوٹس وصول کر سکتے ہیں۔ لہٰذا دلچسپی رکھنے والے ممبران سے درخواست ہے کہ ای میل کے ذریعہ آڈٹ شدہ مالیاتی حسابات اور اجلاسِ عام کے نوٹس کی وصولی کے لیے کمپنی کی ویب سائٹ www.attockcement.com پر موجود درخواست/راضی نامہ کی تکمیل کر کے کمپنی کو بھیج دیں۔ بہر حال کمپنی ممبر کی درخواست پر انکو سالانہ مالیاتی حسابات چھپی ہوئی کتاب کی شکل میں مفت فراہم کرے گی۔

کمپنی کی ویب سائٹ پر آڈٹ شدہ مالیاتی حسابات کی دستیابی

30 جون 2020 کے آڈٹ شدہ مالیاتی حسابات کمپنی کی ویب سائٹ www.attockcement.com پر دستیاب کر دیئے ہیں اسکے علاوہ سہ ماہی اور شش ماہی مالیاتی حسابات بھی موجود ہیں۔

حصص یافتگان کو بذریعہ بینک ڈیویڈنڈ کی ادائیگی

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت اہل حصص یافتگان صرف اور صرف بذریعہ بینک ہی ڈیوڈنڈ (اپنے بتائے ہوئے بینک میں) وصول کر سکیں گے۔ لہٰذا حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک کی تفصیلات (IBAN FORMAT) (اگر پہلے سے مہیا نہ کی ہو) براہِ راست کمپنی کے شیئر رجسٹرار کو (فیزیکل کی صورت میں) یا اپنے متعلقہ بروکر / PARTICIPANT (CDC کی صورت میں) جو بھی صورت ہو، جمع کروائے۔ متعلقہ فارم کمپنی کی ویب سائٹ www.attockcement.com پر دستیاب ہے۔

ڈائریکٹرز کے لیے انتخابات

کمپنیز ایکٹ 2017 کے سیکشن (3)159 کے تحت کوئی بھی شخص جو ڈائیریکٹر کا انتخاب لڑنے میں دلچسپی رکھتا ہو وہ اجلاسِ عام کے انعقاد سے 14 دن قبل کمپنی کو اسکے رجسٹرڈ آفس میں اپنے امیدوار ہونے سے متعلق نوٹس مندرجہ ذیل دستاویزات کے ساتھ جمع کرائے گا/ گی:

(i) تکمیل شدہ فارم 28 پر امیدوار برائے ڈائریکٹر کا دستخط شدہ راضی نامہ؛

(ii) اپنے آفس کے ایڈریس کے ساتھ امیدوار کا تفصیلی پروفائل جمع کرانا تاکہ SRO 1196(I) dated October 3, 2019 کے تحت اجلاس عام کے انعقاد سے 7 دن قبل کمپنی اپنی ویب سائٹ پر لگا سکے؛

(iii) لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے مہیا کردہ اہلیت کے معیار کے مطابق امیدوار کا وضاحتی اعلان کہ وہ ڈائریکٹر کا انتخاب لڑنے کے لیے اہل ہے۔

قائم مقام کی تقرری کے لئے:

i) شیئر ہولڈر جو اجلاس میں شرکت کرنے، بات کرنے اور ووٹ کاسٹ کرنے کا مجاز ہو وہ کسی دوسرے شخص کو اپنا قائم مقام مقرر کر سکتا / سکتی ہے جو اجلاسِ عام میں شرکت اور ووٹ کاسٹ کر سکے۔ دستخط شدہ تقرری نامہ اجلاسِ عام کے انعقاد سے 48 گھنٹہ قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانا چاہیے۔ قائم مقام کے تقرری کا فارم اجلاسِ عام کے نوٹس کے ساتھ منسلک ہے۔

ii) جن دو افراد سے پراکسی فارم کی تصدیق کروائی جائے گی ان کے نام، ایڈریس اور CNIC نمبر پراکسی فارم پر درج کیے جائیں گے۔

iii) بینی فیشل آنرز اپنی تصدیق شدہ شناختی کارڈ کی یا پاسپورٹ کی کاپی پراکسی فارم کے ساتھ منسلک کرے گا / گی۔

iv) کارپوریٹ شیئر ہولڈر کی صورت میں، بورڈ آف ڈائریکٹر کی قرارداد / پاور آف اٹارنی، امیدوار کے شخصی دستخط کے ساتھ اجلاس کے وقت (تاوقتیکہ پہلے فراہم کی گئی ہو) مہیا کرنا ہوگی۔

v) شیئر ہولڈر کے قائم مقام جو اجلاس میں ویڈیو لنک کے ذریعے شرکت کریں گے وہ مندرجہ ذیل مزید معلومات مہیا کریں گے جن کی تصدیق کے بعد ہی قائم مقام کو ویڈیو لنک کے ذریعے شرکت کے لیے LOGIN ID کی تفصیلات مہیا کی جائیں گی۔

درکار معلومات:

قائم مقام کا نام، CNIC نمبر، ممبر کا فولیو / CDC اکاونٹ نمبر، زیرِ استعمال موثر موبائل نمبر اور ای میل ایڈریس

انکم ٹیکس کے قانون (INCOME TAX ORDINANCE, 2001) کے سیکشن 150 کے تحت انکم ٹیکس کی کٹوتی

انکم ٹیکس آرڈیننس 2001 کے تحت نقد ڈیویڈنڈ کی مد میں ادائیگی پر مندرجہ ذیل شرح سے انکم ٹیکس کی کٹوتی کی جائے گی:

a) ایکٹیو ٹیکس پیئرز کی لسٹ (ATL) میں نام موجود ہونے کی صورت میں 15% کٹوتی ہوگی:

b) ایکٹیو ٹیکس پیئرز کی لسٹ (ATL) میں نام موجود نہ ہونے کی صورت میں 30% کٹوتی ہوگی:

i) تمام حصص یافتگان کو مطلع کیا جاتا ہے کہ وہ اپنا نام FBR کی ویب سائٹ پر موجود ایکٹیو ٹیکس پیئرز کی لسٹ (ATL) میں اپنا نام چیک کریں اور اپنے نام کی موجودگی کے لئے ضروری اقدامات کریں بصورتِ دیگر اگر نام موجود نہ ہوا تو متعلقہ شرح سے انکم ٹیکس کی کٹوتی کی جائے گی۔

ii) جوائنٹ اکاونٹ ہونے کی صورت میں برائے مہربانی اپنے حصص کے شرح کے متعلق معلومات دیں اور اسکے ساتھ ساتھ (ATL) میں اپنے نام کے متعلق اطلاع دیں۔

iii) ڈیویڈنڈ کی آمدنی پر انکم ٹیکس کی کٹوتی سے استثنٰی اسی صورت میں ملے گا جب استثنٰی کی قابلِ قبول کاپی کمپنی کے رجسٹرار M/s FAMCO ASSOCIATS (PVT) LIMITED کوانکے ایڈریس 8-F, BLOCK-6, PECHS, Nursery, Shahrah-e-Faisal, near Hotel Faran, Karachi پر ممبران کے کھاتے کے بند ہونے کے پہلے دن تک مل جائیں۔

کورونا وائرس: کمپنی کے سالانہ اجلاسِ عام کے انعقاد کے لیے ہنگامی منصوبہ بندی:

SECP نے اپنے 2020 کے سرکلر نمبر 05 مورخہ 17 مارچ 2020 اور 2020 کے سرکلر نمبر 25 مورخہ 31 اگست 2020 کے تحت حصص داران کی صحت وسلامتی سے متعلق رہنمائی فراہم کی ہے۔

جسکے تحت کمپنی اپنے حصص یافتگان کو ویڈیو لنک کے ذریعہ اجلاس کے کورم کی تکمیل کا خیال رکھتے ہوئے کمپنی کے سالانہ اجلاس میں حصّہ لینے کی سہولت مہیا کرے گی۔

جو شیئر ہولڈر ویڈیو لنک کے ذریعے اجلاس میں حصّہ لینا چاہتے ہیں ان سے درخواست ہے کہ مندرجہ ذیل معلومات کمپنی سکریٹری کے آفس (پتہ ذیل میں درج ہے) میں سالانہ اجلاس کے انعقاد سے 48 گھنٹہ قبل یعنی مورخہ 20 اکتوبر 2020 کو 12 بجے دن تک موصول ہوجانی چاہئیں۔

درکار معلومات:

شیئر ہولڈر کا نام، قومی کمپیوٹرائزڈ شناختی کارڈ نمبر، فولیو/ CDC اکاؤنٹ نمبر، موبائل نمبر اور ای میل ایڈریس

حصص یافتگان سے درخواست ہے کہ زیرِ استعمال موبائل فون نمبر اور ای میل ایڈریس دیں تاکہ بروقت رابطہ ممکن بنایا جاسکے۔

رابطہ بات چیت کا ذریعہ:

مندرجہ بالا معلومات درج ذیل طریقے سے مہیا کی جاسکتی ہیں:

a) موبائل / واٹس ایپ: 0308-0972181

b) ای میل ایڈریس: meetings@attockcement.com

ویڈیو لنک کی تفصیلات اور زوم ایپلی کیشن میں کنکشن کے لیے login ID دلچسپی رکھنے والے حصص یافتگان کو مہیا کی جائیں گی جو مندرجہ بالا درکار معلومات 20 اکتوبر 2020 کو 12 بجے یا اس سے قبل کمپنی کو فراہم کریں گے۔

حصص یافتگان کو ترغیب دی جاتی ہے کہ وہ کمپنی کی جانب سے رابطہ کے لیے مہیا کردہ ذریعہ کو استعمال کرتے ہوئے بذریعہ فون یا ای میل اپنے ممکنہ سوالات اور کمنٹس بھیجیں جنکو دورانِ اجلاس عام مناسب انداز سے حل کیا جائے گا۔

نوٹس:

1) کمپنی کے ممبران کا رجسٹر اور شیئر ٹرانسفر کے کھاتے جمعرات 15 اکتوبر 2020 تا جمعرات 22 اکتوبر 2020 بند رہیں گے (دونوں ایّام شامل ہیں)۔

2) صرف وہی ممبران اجلاس میں شرکت اور ووٹ کاسٹ کرنے کے اہل ہونگے جنکے نام 14 اکتوبر 2020 کو کمپنی کے رجسٹر پر موجود ہونگے۔

3) ایسے ممبران جو اپنے کیش ڈیویڈنڈ سے زکوٰۃ کی کٹوتی رکوانا چاہتے ہیں، انہیں چاہیئے کہ متعلقہ قانون کے مطابق غیر عدالتی اسٹامپ پیپر پر باضابطہ دستخط کے ساتھ ڈیکلریشن جمع کرادیں۔

4) ممبران سے درخواست ہے کہ اپنے ایڈریس میں کسی بھی تبدیلی سے کمپنی کو بروقت مطلع کریں۔

اکتالیسواں سالانہ اجلاس عام

بذریعہ نوٹس ہٰذا اطلاع دی جاتی ہے کہ اٹک سیمنٹ پاکستان لیمیٹڈ کا اکتالیسواں سالانہ اجلاسِ عام بروز جمعرات مورخہ 22 اکتوبر 2020 بوقت ایک بجے دن بذریعہ ویڈیو لنک منعقد ہوگا، جس میں درج ذیل کارروائی عمل میں لائی جائے گی:

عمومی کارروائی:

1) کمپنی کے 30 جون 2020 کو ختم ہونے والے سال کے آڈٹ شدہ اکاونٹس بمع ڈائیریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔

2) بورڈ آف ڈائیریکٹرز کی جانب سے 30 جون 2020 کو ختم ہونے والے سال کے لیے 35 فیصد حتمی کیش ڈیوڈنڈ (3.50 روپے فی شیئر) کی سفارش پر غور و خوض کرنا اور موزوں سمجھے جانے پر منظوری۔

3) مالی سال 21-2020 کے لیے آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین۔

4) 25 جون 2020 کو منعقدہ اجلاس میں بورڈ آف ڈائریکٹرز کی طے کردہ تعداد کے مطابق سات (7) ڈائریکٹرز کا تین سال کی مدت کے لیے انتخاب۔ ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

i)	جناب لیث غیث فراؤن	ii)	جناب وائل غیث فراؤن
iii)	جناب شعیب انور ملک	iv)	جناب عبدالستار
v)	آغا شیر شاہ	vi)	جناب ساجد نواز
vii)	جناب بابر بشیر نواز		

ریٹائر ہونے والے ڈائریکٹرز دوبارہ منتخب ہونے کے لیے اہل ہیں۔

خصوصی کارروائی:

5) عرفان امان اللہ صاحب جو کہ آلٹرنیٹ ڈائریکٹر کے منصب پر فائز ہیں انکو کمپنی کے Employee Relation مینوئل کے تحت مساوی ماہانہ کٹوتی کی بنیاد پر (SECP کی اجازت کے بعد) -/Rs. 10,970,664 دو سال کے لیے ہاؤس رینٹ ایڈوانس دیے جانے سے متعلق سفارش پر غور و خوض کرنا اور موزوں سمجھے جانے پر منظوری۔

6) چیئرمین کی اجازت سے کسی نئے ایجنڈا سے متعلق کارروائی۔

کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت خصوصی کارروائی کے سلسلے میں مادی حقیقت پر مشتمل اسٹیٹمنٹ اس اجلاس کے نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ

عرفان امان اللہ
(کمپنی سیکریٹری)
کراچی 01 اکتوبر 2020

دوسری جانب، لاگتوں کے حوالے سے ایک اور اہم معاملہ جس نے کمپنی کے منافع کو متاثر کیا ہے، وہ حکومت کی جانب سے دیئے جانے والے انڈسٹریل سپورٹ پیکج کے ضمن میں 3/kwh روپے رعایت کا جولائی 2019 سے واپس لیا جانا ہے۔ COVID-19 کے بعد کی صورتحال میں کوئلہ کی قیمتوں میں نمایاں حد تک کمی آئی ہے اور یہ توقع کی جارہی ہے کہ عالمی وبا کے خاتمہ کے بعد اس میں تیزی سے اضافہ ہوگا اور عالمی معیشتیں شٹ ڈاؤن کے اثرات سے سنبھل پائیں گی۔ افراطِ زر سے متعلقہ دیگر اثرات جیسے ڈیزل کی قیمتیں اور روپے کی قدر میں کمی آئندہ بھی کمپنی کے منافعے کو دباؤ کا شکار رکھیں گے۔

تاہم نیا پاکستان ہاؤسنگ اسکیم، تعمیراتی پیکج اور بڑے ڈیمز کی تعمیر کے تحت حکومت کی جانب سے اٹھائے جانے والے اقدامات سے طلب میں خاصا اضافہ ہوسکتا ہے اگرچہ 2020-21 میں مجموعی ترقیاتی پیداوار (GDP) کم رہنے کی توقع ہے۔ نیا پاکستان ہاؤسنگ اسکیم کے ضِمن میں حکومت نے اس پروگرام کے لئے تقریباً 30 ارب روپے کی سبسڈی مختص کرنے کا اعلان کیا ہے۔ مزید برآں، کمرشل بینکوں کی جانب سے کم قیمت گھروں کی تعمیر کے لئے 5 فیصد سے 7 فیصد تک کم شرحِ سود پر رعایتی قرضہ جات فراہم کئے جائیں گے۔ حکومت 1 سے 2 سال کی مدت میں تقریباً 10 لاکھ گھروں کی تعمیر کا ارادہ رکھتی ہے۔

آپ کی انتظامیہ تیزی سے بدلتے ریگیولیٹری نظام اور مارکیٹ کے محرکات سے مکمل مطابقت رکھتی ہے اور مقامی اور برآمدی مارکیٹس دونوں میں اپنی تینوں پیداواری لائنوں سے کلنکر اور سیمنٹ کی پیداوار، مقامی اور علاقائی سطح پر دستیاب تمام مارکیٹس تک رسائی حاصل کر کے 100 فیصد فروخت کے حصول کے لئے ہر ممکن کوشش کر رہی ہے۔ لاگتوں کو ہر ممکن حد تک کم کرنے اور مفید قیمت سیلز مکس بنانے کی کوشش کی جارہی ہے تاکہ منافع میں زیادہ سے زیادہ اضافہ کیا جاسکے۔

بحکم بورڈ

بابر بشیر نواز

چیف ایگزیکٹو آفیسر

26 اگست، 2020

کراچی

اغراض ومقاصد

بورڈ کی اس کمیٹی کے اغراض ومقاصد درج ذیل ہیں:

- ڈائریکٹرز (ایگزیکٹیو اور نان ایگزیکٹو) اور سینئر مینجمنٹ کے ممبران کے مشاہرے کے تعین کے لئے ایک پالیسی فریم ورک بورڈ کے غور و خوض اور منظوری کے لئے تجویز کرنا۔ سینئر مینجمنٹ لیول کی وضاحت بورڈ کی جانب سے متعین کی جائے گی جو عمومی طور پر چیف ایگزیکٹو آفیسر کی سطح کے بعد مینجمنٹ کی پہلی پرت پر مشتمل ہوتی ہے؛
- بحیثیت مجموعی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے سالانہ جائزے کی کارروائی منعقد کرنا، چاہے براہِ راست ہو یا بیرونی آزاد کنسلٹنٹ کی تقرری کے ذریعے، اور اگر ایسی تقرری کی جائے تو اس مقصد کے لئے ڈائریکٹرز رپورٹ میں ایک بیان شامل کیا جائے جس میں کنسلٹنٹ کا کام، اہلیت اور تقرری کی اہم شرائط بیان کی گئی ہوں:
- بورڈ کو ہیومن ریسورس مینجمنٹ کی پالیسیوں کی تجاویز دینا؛
- بورڈ کو کمپنی کے چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، جانچ، ترقی، معاوضوں (بشمول ریٹائرمنٹ کے فوائد) کی تجاویز دینا؛
- اہم انتظامی عہدوں پر تقرریوں کے لئے جو براہ راست چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو جوابدہ ہوں چیف ایگزیکٹو آفیسر کی تجاویز جیسے معاملات پر غور و خوض اور ان کی منظوری دینا؛ اور
- اگر ہیومن ریسورس اور ریمونریشن کنسلٹنٹس کا تقرر کیا گیا ہو تو ان کے کوائف کا کمیٹی کو علم ہونا اور ان کی جانب سے ایک بیان دیا جانا کہ آیا ان کا کمپنی کے ساتھ کوئی اور تعلق بھی ہے۔

مستقبل کی توقعات

پاکستانی معیشت ان دنوں COVID-19 کے مابعد اثرات سے گزر رہی ہے جس نے تمام معاشی اور مالیاتی عوامل کو متاثر کیا ہے۔ معیشت کے بڑے پیمانے کی پیداواری شعبے نے حال ہی میں ختم ہونے والے مالی سال میں نمایاں حد تک منفی نمو ظاہر کی ہے۔ تاہم کاروباری شعبہ کے دوبارہ کھلنے کے بعد اب حالات بہتری کی جانب گامزن ہیں۔

حکومت نے معیشت کو دوبارہ معمول پر لانے کے لئے لاک ڈاؤن میں نرمی، شرحِ سود کو 13.25 فیصد سے کم کر کے 7 فیصد پر لانے اور تعمیراتی شعبہ کے لئے مراعاتی پیکج کے اعلان سمیت متعدد اقدامات کئے ہیں۔ ان اقدامات کے نتیجہ میں معیشت اب بحالی کے راستے پر گامزن ہے اور مارکیٹ میں مثبت رجحان دیکھا گیا ہے جس کی وجہ سے متعدد مصنوعات کی طلب میں اضافہ کا رجحان ہے۔

ملک میں تقریباً 25 ملین میٹرک ٹن سالانہ سیمنٹ کی اضافی سپلائی کی موجودگی میں کمپنی کے لئے اپنی استعداد کا 100 فیصد سیمنٹ فروخت کرنا ایک انتہائی مشکل کام ہوگا جبکہ مقامی استعداد کی کھپت تقریباً 60 فیصد ہے۔ لہٰذا انتظامیہ اچھے انداز سے مارکیٹ مکس کے ذریعے اپنی فروخت میں اضافہ کی کوششیں کر رہی ہے جہاں وہ مقامی فروخت کے ذریعہ بہتر خالص منافع حاصل کر سکے اور اضافی مقدار سیمنٹ اور/یا کلنکر کی صورت میں علاقائی مارکیٹوں میں فروخت کر سکے۔

12- ضروری قانونی تقاضوں کی تکمیل کرنا؛

13- ان قوانین پر عمل درآمد کا جائزہ لینا اور اس کی نمایاں خلاف ورزیوں کی نشاندہی کرنا؛

14- اسٹاف اور انتظامیہ کے لئے ایسے انتظامات کا جائزہ لینا کہ جن میں مالیاتی اور دیگر معاملات میں کسی خرابی کی صورت میں آڈٹ کمیٹی کو مکمل رازداری کے ساتھ رپورٹ کر سکیں اور اس کے انسداد اور تخفیف کے لئے اقدامات بروئے کار لانا؛

15- بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ کسی بھی مسئلے یا معاملے کو زیر غور لانا۔

16- ایکسٹرنل آڈیٹرز

- ایکسٹرنل آڈیٹرز کے تقرر کے لئے تجاویز دینا؛
- ایکسٹرنل آڈیٹرز کے استعفوں اور سبکدوشی کے امور کا جائزہ لینا؛
- آڈٹ فیس کا تعین؛
- ایکسٹرنل آڈیٹرز کی جانب سے کمپنی کو ہر قسم کی خدمات، بشمول مالیاتی حساب کا آڈٹ کی فراہمی کو یقینی بنانا؛
- ایکسٹرنل آڈیٹرز کو ہر قسم کا تعاون فراہم کرنا اور عبوری اور حتمی محاسبے کے بعد سامنے آنے والے اہم مشاہدات یا دیگر امور جن کی آڈیٹرز نشاندہی کرنا چاہیں، ان پر گفت وشنید کرنا۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے نئے کوڈ آف کارپوریٹ گورننس کے قانون کے تحت ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے جس کے ارکان یہ ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ
1	آغا شیر شاہ	چیئرمین / نان ایگزیکٹو ڈائریکٹر
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر

اغراض ومقاصد (Terms of Reference)

1- کمپنی کے اثاثوں کی حفاظت کے لئے مناسب اقدامات کا تعین کرنا؛

2- نتائج کے ابتدائی اعلانات کا بیرونی ابلاغ اور اشاعت سے قبل جائزہ لینا؛

3- بورڈ آف ڈائریکٹرز کی منظوری سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی رپورٹس کا جائزہ لینا، جس میں درج ذیل نکات پر خصوصی توجہ مرکوز ہوگی:

- فیصلہ کاری اور جانچ سے متعلق امور؛
- آڈٹ کے نتیجے میں اہم توافق (Adjustments)؛
- معمول کی کارگزاری کی تفہیم؛
- اکاؤنٹنگ پالیسیوں اور معمولات میں کسی قسم کی تبدیلی؛
- قابلِ اطلاق اکاؤنٹنگ معیارات کی پیروی؛
- درج شدہ قوانین اور دیگر قانونی ضوابط کی ضروریات کی تعمیل؛ اور
- اہم متعلقہ پارٹی لین دین۔

4- ایکسٹرنل آڈٹ کی معاونت کرنا اور عبوری اور حتمی آڈٹس سے سامنے آنے والے اہم مشاہدات پر آڈیٹرز سے تبادلہ خیال کرنا یا کوئی بھی دیگر معاملات جن کی آڈیٹرز نشاندہی کرنا چاہتے ہوں (جہاں ضروری ہو، انتظامیہ کی عدم موجودگی میں بھی ایسا کیا جاسکتا ہے۔)؛

5- ایکسٹرنل آڈیٹرز کی جانب سے جاری کردہ مینجمنٹ لیٹر کا جائزہ اور اس پر انتظامیہ کے ردِعمل کا جائزہ لینا؛

6- انٹرنل اور ایکسٹرنل آڈیٹرز کے درمیان ہم آہنگی اور روابط کو یقینی بنانا؛

7- انٹرنل آڈٹ کے دائرہ کار اور حدود کا جائزہ لینا اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ کو مناسب وسائل دستیاب ہیں اور اسے درست انداز میں مقرر کیا گیا ہے؛

8- اندرونی تفتیش کے بعد دھوکہ دہی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے کیسز کو زیرِغور لانا اور ان پر انتظامیہ کے ردِعمل کا جائزہ لینا؛

9- اس بات کو یقینی بنانا کہ داخلی ضبط کا نظام (Internal Control System) مالیاتی اور کارگزاری شعبوں میں قائم ہے، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے ریکارڈ مرتب کرنے کے لئے اکاؤنٹنگ کا نظام فعال ہے اور رپورٹنگ کا ڈھانچہ بھی موزوں اور مؤثر ہے؛

10- داخلی ضبط کے نظام پر بیان کا بورڈ آف ڈائریکٹرز کی تصدیق سے قبل جائزہ لینا؛

11- چیف ایگزیکٹو سے مشاورت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے واضح کردہ خصوصی منصوبے، روپے کی قدر کے مطالعے اور دیگر امور کا آغاز اور ان پر اقدامات کرنا اور ایسے کسی معاملے کو ایکسٹرنل آڈیٹرز یا کسی دوسرے بیرونی ادارے کو منتقل کرنے پر غور کرنا؛

k) ڈائریکٹرز، ایگزیکٹیوز، ان کی ازواج اور نابالغ بچوں کی جانب سے سال 20-2019 کے دوران کی جانے والی حصص کی لین دین کی تفصیلات صفحہ 41 پر دی گئی ہیں؛ اور

l) گزشتہ 06 سال کے بنیادی آپریٹنگ اور مالیاتی اعداد و شمار کی تفصیلات صفحہ 49 پر موجود ہیں۔

ڈائریکٹرز کے مشاہرہ کی پالیسی

کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ میٹنگز میں شرکت کے لئے ڈائریکٹرز کے اعزازیہ / مشاہرہ کی پالیسی کی منظوری دی ہے۔ بورڈ میٹنگز میں شرکت کے لئے میٹنگ فیس مقرر کی گئی ہے جبکہ بورڈ میٹنگز میں شرکت کے لئے ہونے والے اخراجات کی ادائیگی (Reimbursement) کے لئے بھی پالیسی وضع کی گئی ہے۔ ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لئے مشاہرہ کی پالیسی یکساں ہے۔

ہولڈنگ کمپنی

فراؤن انویسٹمنٹ گروپ لمیٹڈ ہولڈنگ S.A.L، لبنان (PIGL)، لبنان میں قائم شدہ ایک کمپنی ہے جس کا رجسٹرڈ دفتر بیروت میں واقع ہے۔ PIGL اٹک سیمنٹ پاکستان لمیٹڈ کے 84.06 فیصد حصص کی مالک ہے۔

حصص یافتگی کا خاکہ

30 جون، 2020 تک کمپنی کی حصص یافتگی کا خاکہ صفحہ 41 پر دیا گیا ہے۔

آڈیٹرز

41ویں سالانہ اجلاس عام کے اختتام پر کمپنی کے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی منظوری دے دی ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹر نے کاروباری انتظام کاری کے قانون کے مطابق ایک آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان یہ ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ
1	آغا شیر شاہ	چیئرمین / نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	رکن / نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	رکن / نان ایگزیکٹو ڈائریکٹر

d) مالیاتی حسابات بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جو کہ پاکستان میں قابل اطلاق ہیں، کے مطابق مرتب کئے گئے ہیں؛

e) داخلی ضبط (Internal control) کا نظام مستحکم ہے اور اس کی موٗثر انداز سے نگرانی اور اطلاق یقینی بنایا جاتا ہے؛

f) کمپنی کی معمول کے انداز سے کارگزار رہنے کی صلاحیت پر کوئی شکوک وشبہات نہیں ہیں؛

g) کاروباری انتظام کی بجا آوری کے حوالے سے درج شدہ ضوابط کے مطابق کوئی خصوصی اخراج نہیں ہے؛

h) میعادی بینیفٹ اسکیموں میں سرمایہ کاریوں کی قدر ان کے متعلقہ حالیہ کھاتوں کے مطابق درج ذیل ہے:

	روپے ملین میں	اختتامی سال
پروویڈنٹ فنڈ (غیر آڈٹ شدہ)	749	30 جون، 2020
گریجویٹی فنڈز (غیر آڈٹ شدہ)	427	30 جون، 2020
پنشن فنڈز (غیر آڈٹ شدہ)	367	30 جون، 2020

i) زیر جائزہ سال میں کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگز منعقد ہوئیں۔ ڈائریکٹرز اور چیف ایگزیکٹو کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر/ چیف ایگزیکٹو کا نام	عہدہ	حاضریوں کی تعداد
1	جناب لیث غیث فراوٗن	چیئر مین/ نان ایگزیکٹو ڈائریکٹر	5
2	جناب وائل غیث فراوٗن	نان ایگزیکٹو ڈائریکٹر	5
3	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	5
4	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
5	آغا شیر شاہ	نان ایگزیکٹو/ انڈیپینڈنٹ ڈائریکٹر	3
6	جناب ساجد نواز	نان ایگزیکٹو ڈائریکٹر	5
7	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر اور چیف ایگزیکٹو	5

j) زیر جائزہ سال میں آڈٹ کمیٹی کی 04 میٹنگز منعقد ہوئیں، ڈائریکٹرز کی حاضری کی تفصیلات درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر/ چیف ایگزیکٹو کا نام	عہدہ	حاضریوں کی تعداد
1	آغا شیر شاہ	چیئر مین/ نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	2
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	4
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	4

صحت، تحفظ اور ماحول (ہیلتھ، سیفٹی اور انوائرمنٹ)

کمپنی نے ISO 9001، ISO 14001 اور OHSAS 18001 کے تقاضوں پر عمل کرتے ہوئے معیاری ماحول، صحت اور تحفظ کا ایک مکمل مینجمنٹ سسٹم نافذ کیا ہے۔ فلٹر بیگس کی بروقت تبدیلی اور ویسٹ ہیٹ کی ریکوری کی بدولت فضلات کا اخراج NEQ کے منظور شدہ معیارات کی مقرر کردہ حدود کے اندر ہے۔

کمپنی اس بات پر یقین رکھتی ہے کہ کمپنی کے اردگرد کے علاقے میں شجرکاری مہم جیسے اقدامات ماحول کی حفاظت میں اہم کردار ادا کر سکتے ہیں۔ کمپنی نے گزشتہ دو سالوں میں اپنے اطراف کے علاقے (حب، بلوچستان) میں تقریباً 4,000 سے زائد درخت لگائے ہیں تاکہ قرب و جوار میں شجرکاری میں اضافہ کیا جا سکے۔ اس کے علاوہ اٹک سیمنٹ کے ملازمین نے بھی تقریباً 2,000 سے زائد پودے اپنے ڈپارٹمنٹ کے اردگرد لگائے ہیں۔

مزید برآں، ACPL نے کاربن کے اخراج میں نمایاں کمی کے لئے یونائیٹڈ نیشنز فریم ورک کنونشن آن کلائمیٹ چینج (UNFCCC) سے رجسٹرڈ ایک جدید ترین ویسٹ ہیٹ ریکوری سسٹم (WHRS) نصب کیا ہے تاکہ کاربن کے اخراج میں عالمی معیارات کے مطابق کمی کی جا سکے۔ اس کے علاوہ ACPL کے جدید ترین بیگ ہاؤس پروجیکٹ سے گرد کے بہت چھوٹے ذرات بھی فضا میں نہیں پھیلتے۔ اس پروجیکٹ کو جدید حکمتِ عملی کے تحت ڈیزائن کیا گیا ہے تاکہ فضا کو مؤثر انداز میں صاف رکھا جا سکے اور اس طرح ہمارا پورا پیداواری پلانٹ 100 فیصد تک گرد و غبار سے پاک رہے۔

منصوبوں پر پیش رفت

بصرہ، عراق میں سیمنٹ گرائنڈنگ یونٹ

بصرہ میں سیمنٹ گرائنڈنگ یونٹ نے یکم ستمبر 2019 سے پیداوار کا آغاز کر دیا ہے اور پلانٹ کسی بھی بڑے ابتدائی مسئلہ کا سامنا کئے بغیر مسلسل پیداوار دیتا رہا ہے۔ زیرِ جائزہ مدت میں ستمبر 2019 تا جون 2020 کے دوران کمپنی نے 544,325 میٹرک ٹن سیمنٹ فروخت کیا۔

شمسی توانائی کا پلانٹ

جیسا کہ پہلے آگاہ کیا گیا تھا، بورڈ نے فیکٹری کی حدود میں 20 میگاواٹ کے کیپٹیو (Captive) سولر پاور پلانٹ کی تنصیب کی منظوری دی ہے۔ COVID-19 کی وجہ سے یہ منصوبہ روک دیا گیا تھا، تاہم اب اس پر کام کا آغاز ہو گیا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

ڈائریکٹرز بذریعہ ہذا تصدیق کرتے ہیں کہ:

a) منسلکہ مالی حسابات کمپنی کے حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کا راست جائزہ پیش کرتے ہیں؛

b) کمپنی نے کھاتوں کی کتابیں باقاعدہ مرتب کی ہیں؛

c) مالیاتی حسابات مرتب کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا باقاعدہ اطلاق کیا گیا ہے اور کھاتوں کے تخمینہ جات کی معقول اور محتاط جانچ کی گئی ہے؛

کارپوریٹ سماجی ذمہ داری

کمپنی ایک کاروباری فرد کی حیثیت سے اپنی سماجی ذمہ داریوں کا بخوبی ادراک رکھتی ہے اور اپنے کارپوریٹ سماجی ذمہ داری کے پروگرام پر سنجیدگی سے عمل درآمد کرتی ہے۔ مقامی نوجوانوں کو روزگار کے مواقع کی فراہمی کے ساتھ ساتھ کمپنی اپنے کام کی جگہ اور علاقے کے تمام اسٹیک ہولڈرز کے لئے صحت، تعلیم اور ماحول کے شعبہ جات میں فعال انداز میں کام کرتی ہے۔ کمپنی اپنے فیکٹری ایریا اور اطرف کے متعدد دیہات کو پینے کا صاف پانی فراہم کرتی ہے۔ اس سرگرمی کے تحت تقریباً 15,000 سے زائد افراد کو پورا سال باقاعدگی سے پینے کا صاف پانی مہیا کیا گیا۔

مزید برآں، کمپنی نے COVID-19 سے متعلقہ متعدد اقدامات کے تناظر میں حب اور گردونواح کے نادار افراد میں خوراک کی تقسیم کے لئے لسبیلہ چیمبر آف کامرس اینڈ انڈسٹری کو خاصی بڑی رقم عطیہ کی جو COVID-19 کے باعث نافذ لاک ڈاؤن کی وجہ سے بری طرح متاثر ہوئے تھے۔

کمپنی نے سخی داد گوٹھ، راہو گوٹھ، جمل خان گوٹھ، رمضان مری گوٹھ، عبداللہ گوٹھ اور حاجی مبارک گوٹھ میں 10 عدد واٹر فلٹریشن پلانٹ نصب کئے ہیں۔ اس کے علاوہ دوریجی روڈ، وہراب میں دو عدد سولر واٹر اسکیمز بھی قائم کی ہیں۔

کمپنی اپنے زیر انتظام دو اسکولوں، فیلکن پبلک اسکول اور TCF کی زیر سرپرستی ڈاکٹر غیث رشاد فراؤن کیمپس میں تقریباً 900 طالب علموں کو مفت تعلیم فراہم کر رہی ہے۔ ڈاکٹر غیث رشاد فراؤن کیمپس میں سیکنڈری کلاسوں کا آغاز ہو گیا ہے اور نئی سائنس اور کمپیوٹر لیب کی تعمیر کا کام حال ہی میں مکمل کر لیا گیا ہے۔

کمپنی نے راہو گوٹھ اسکول میں طالبات کے لئے نئے کلاس رومز اور 10 عدد واش رومز تعمیر کروائے ہیں۔ اس کے علاوہ کمپنی نے گورنمنٹ مڈل اسکول، کولوی گوٹھ، حب میں مرمت اور بحالی کا کام بھی کروایا ہے۔

زیرِ جائزہ سال میں کمپنی نے ACPL فیکٹری کے نزدیک واقع TCF اسکول میں آئی کیمپ قائم کیا جہاں آنکھوں کے مختلف امراض کے 190 مریضوں کا مفت علاج کیا گیا۔ اس کے علاوہ، دوسری جانب کمپنی کے قائم کردہ میڈیکل سینٹر میں فلاحی سرگرمیاں پورا ہفتہ جاری رہتی ہیں جس سے ہر روز اوسطاً 150 مریض فائدہ اٹھاتے ہیں۔

ہم نے لیڈی میڈیکل اور نرسنگ آفیسر کی خدمات بھی حاصل کر رکھی ہیں جو خواتین کے گائنی اور آبسٹیٹریشن سے متعلقہ مسائل کو دیکھتی ہیں اور ہفتہ میں 4 دن او پی ڈی کرتی ہیں۔

مزید برآں کمپنی نے حال ہی میں جام غلام قادر ہسپتال کے ایمرجنسی وارڈ کی مرمت کروائی ہے اور مریضوں کو صفائی کی بہتر سہولیات کی فراہمی کے لئے واش رومز دوبارہ تعمیر کروائے ہیں۔ اٹک سیمنٹ پاکستان لمیٹڈ نے ضلع لسبیلہ کے سب سے پہلے ایمرجنسی یونٹ کی تعمیر کا بھی آغاز کیا ہے۔ مزید برآں، حب سول ہسپتال میں ایک جدید ICU یونٹ میڈیکل ایمرجنسی کی صورت میں مقامی افراد کو اہم طبی آلات اور وینٹیلیٹرز فراہم کئے ہیں۔

مزید برآں گوٹھ حاصل بزنجو، ساکران میں واقع کمپنی کی ویلفیئر ڈسپنسری تسلی بخش انداز میں کام کر رہی ہے اور قریبی آبادی کو ادویات فراہم کر رہی ہے۔

افرادی قوت

کمپنی اپنی افرادی قوت پرزبردست بھروسہ کرتی ہے اوراس بات کا ادراک رکھتی ہے کہ مثبت رویوں، بہترین صلاحیتوں اورقوت تخلیق کے ساتھ اس کا افرادی سرمایہ مجموعی ادارہ جاتی کارکردگی میں اضافے کی صلاحیت رکھتا ہے۔ آج کے تیز رفتار صنعتی ماحول میں کمپنی اپنی افرادی قوت پر مسلسل سرمایہ کاری کرتی ہے اور دورانِ ملازمت اور ملازمت سے متعلق تربیت دونوں کے لئے لچکدار منصوبے بناتی ہے جو اس کی افرادی قوت کی پالیسیوں میں بنیادی اہمیت کی حامل ہیں۔

کمپنی کے ٹیلنٹ ہنٹ (Talent Hunt) پروگرام کے تحت کمپنی ہر سال بڑی تعداد میں نئے گریجویٹس بھرتی کرتی ہے اور انہیں ان کی مستقبل کی ذمہ داریوں کی تربیت فراہم کرتی ہے۔ کمپنی کا تربیتی پروگرام نوجوان انجینئرز میں انتہائی مقبول ہے اور ہر سال کمپنی کے اس پروگرام کو زبردست پذیرائی ملتی ہے۔

کارکردگی میں اضافے کے لئے ایک باقاعدہ پرفارمنس ڈویلپمنٹ پروگرام (PDP) مرتب کیا گیا ہے تاکہ ہر ملازم کو وسیع مواقع کی فراہمی کے ذریعے مستقبل میں قائدانہ کردار کے لئے تیار کیا جاسکے۔ کمپنی میں ملازمین کی تنخواہ اور دیگر مراعات مارکیٹ کے مسابقتی معیار کے مطابق ہیں اور ان کی انفرادی کارکردگی کے درست جائزے کے بعد دی جاتی ہیں۔ اس سلسلے میں معیار کی پیمائش کے لئے تسلسل کے ساتھ مارکیٹ سروے کئے جاتے ہیں۔

کمپنی اپنے ملازمین کے ساتھ آزادانہ روابط پر یقین رکھتی ہے اور انہیں اپنی رائے، نظریات اور خیالات اپنے اعلیٰ افسران کے سامنے پیش کرنے کے تمام مواقع فراہم کرتی ہے تاکہ ان کے خیالات سنے جائیں اور انہیں اہمیت دی جائے۔ کمپنی اپنے ملازمین کو معاوضے کی ادائیگی اور کیریئر کی ترقی کے مواقع، دونوں اعتبار سے بہترین مواقع فراہم کرنے پر یقین رکھتی ہے۔

کمپنی اپنے ملازمین کے لئے باقاعدگی سے مختلف ایونٹس اور تقاریب منعقد کرتی رہتی ہے تاکہ ملازمین میں کمپنی کے ساتھ وابستگی کا احساس پیدا ہو کیونکہ کمپنی اپنے ملازمین کے ساتھ بہتر اور مستحکم تعلقات پر یقین رکھتی ہے اور ایک سازگار پیداواری ماحول فراہم کرتی ہے۔

بین الادارہ جاتی روابط کے فروغ کے لئے ٹیم بلڈنگ سرگرمیوں اور دیگر ترقیاتی پرگراموں کا تسلسل سے انعقاد کیا جاتا ہے جو کمپنی کی مجموعی پیداوار میں اضافے کا باعث بنتے ہیں۔ اس کے علاوہ ملازمین سے متعلق پالیسیوں، کمپنی میں پائے جانے والے مجموعی ماحول کو چیک کرنے اور ملازمین کو مزید سہولتوں کی فراہمی کے لئے مزید فیصلے کرنے کے حوالے سے ملازمین سروے اور فیڈ بیک سیشنز کا تسلسل کے ساتھ انعقاد کیا جاتا ہے۔

ملازمین کی استعداد کار کو مزید وسعت دینے کے لئے کمپنی کا ایچ آر ڈپارٹمنٹ ٹیکنیکل اور نان ٹیکنیکل انتظامیہ کے ساتھ مل کر ایسے شعبوں کی نشاندہی کرتا ہے جن میں سوفٹ اسکل سمیت متعدد کوالٹی ٹریننگ اور ڈویلپمنٹ پروگرام منعقد کئے جاتے ہیں۔ کمپنی کے اندر سے ٹریننگ دینے کی صلاحیت رکھنے والے افراد کی نشاندہی کی جاتی ہے جن کو ٹریننگ کی ضروریات کی تکمیل اور مؤثر بنانے کے لئے تیار کیا جاتا ہے۔

26 اگست، 2020 کو منعقدہ اجلاس میں بورڈ نے 30 جون، 2020 کو ختم ہونے والے سال کے لئے 3.50 روپے فی حصص کے اعتبار سے 481 ملین روپے حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔

قومی خزانے میں ادائیگی

زیرِ جائزہ سال کے دوران کمپنی نے سیلز ٹیکس، انکم ٹیکس، ایکسائز ڈیوٹی اور دیگر قانونی لیویز کی مد میں 5,956 ملین روپے قومی خزانے میں جمع کرائے ہیں۔ اس کے علاوہ کمپنی نے اپنے حصص یافتگان، ملازمین، ڈسٹری بیوٹرز، سپلائرز اور کنٹریکٹرز سے ودہولڈنگ انکم ٹیکس کی مد میں کٹوتی کر کے اس مد میں جمع شدہ تقریباً 388 ملین روپے بھی قومی خزانے میں جمع کروائے ہیں۔ مزید برآں زیرِ جائزہ سال کے دوران آپ کی کمپنی نے برآمدات کے ذریعے تقریباً 63 ملین امریکی ڈالرز کا قیمتی زرِ مبادلہ بھی کمایا ہے۔

مارکیٹنگ

سال 20-2019 کے دوران جنوب کی مقامی مارکیٹ میں، جہاں آپ کی کمپنی واقع ہے، معاشی سست روی اور زیادہ شرحِ سود کے باعث تعمیراتی سرگرمیاں بدستور دباؤ کا شکار رہیں جس کی وجہ سے تعمیراتی شعبہ میں سرمایہ کاری میں کمی ہوئی۔ مالی سال کا اختتام COVID-19 کے تباہ کن اثرات کے ساتھ ہوا اور لاک ڈاؤن کے نفاذ کے حکومتی اقدامات نے ملک میں مجموعی طور پر معاشی سرگرمیوں کو بڑی حد تک متاثر کیا اور سیمنٹ کا شعبہ اس سے مستثنیٰ نہ تھا۔ مزید برآں، علاقے کی بڑی برآمدی مارکیٹوں میں بھی COVID-19 کے باعث لاک ڈاؤن رہا جس نے سیمنٹ کی برآمد کو بری طرح متاثر کیا۔

نتیجتاً، جنوبی مارکیٹ میں پورے سال کی بنیاد پر مجموعی مقامی طلب نے حجم کے اعتبار سے 29 فیصد منفی نمو ظاہر کی اور مارچ 2020 سے مئی 2020 تک لاک ڈاؤن کی مدت کے دوران 48 فیصد منفی نمو ریکارڈ کی گئی۔ تاہم علاقائی مارکیٹوں میں بڑی مقدار میں کلنکر اور سیمنٹ کی برآمد نے اس نقصان کی کافی حد تک تلافی کر دی اور مجموعی برآمدات میں 46 فیصد اضافہ دیکھنے میں آیا۔ اس کے نتیجے میں جنوب کی مارکیٹ میں خالص کمی 4 فیصد رہی۔

تاہم کمپنی نے اپنے بہترین معیار اور بہتر برانڈ امیج کے باعث کراچی کی مرکزی مارکیٹ میں شرح حجم اور قیمت دونوں کے اعتبار سے اپنا امتیازی مقام برقرار رکھا۔ بہرحال آہستہ آہستہ شمالی برانڈز کی آمد اور جنوبی مارکیٹ میں نئی استعداد کے باعث کمپنی کو زیریں پنجاب کی مارکیٹوں میں اپنی موجودگی برقرار رکھنے اور بالائی اور زیریں سندھ اور بلوچستان کے کچھ حصوں میں مارکیٹ شیئر برقرار رکھنے میں سخت مسابقت کا سامنا رہا۔

زیرِ جائزہ سال میں کمپنی کی مجموعی مقامی فروخت گزشتہ سال کے مقابلہ میں 613,113 میٹرک ٹن (33 فیصد) کم ریکارڈ کی گئی۔ مقامی فروخت کے حوالے سے کمپنی نے اپنی توجہ کراچی کی مرکزی مارکیٹ پر مرکوز رکھی، جو کہ بدستور ملک کی بہترین منافع بخش مارکیٹ ہے، اور اس بات کو یقینی بنایا کہ کمپنی حجم اور قیمت دونوں کے اعتبار سے اس مارکیٹ میں اپنی نمایاں حیثیت برقرار رکھے تاکہ زیادہ منافع کاری اور مناسب مارجن / منافع کو یقینی بنایا جائے۔

مقامی فروخت میں اس زبردست گراوٹ کے اثرات کو زائل کرنے کے لئے آپ کی کمپنی نے جزائر بحر ہند، قطر، بنگلہ دیش اور سری لنکا کی علاقائی مارکیٹوں میں اپنی موجودگی برقرار رکھنے کی کوششوں کو تیز کیا اور بڑی مقدار میں سیمنٹ اور کلنکر برآمد کیا۔ اس کے نتیجہ میں مجموعی برآمدات میں 331,407 میٹرک ٹن (25 فیصد) کا اضافہ ہوا۔

(ii) فائدہ مندی

کمپنی نے مالی سال 20-2019 میں بعداز ٹیکس منافع گزشتہ سال کے 2,073 ملین روپے کے مقابلے میں 1,107 ملین روپے حاصل کیا جو کہ 966 ملین روپے (47 فیصد) کمی کو ظاہر کرتا ہے۔

کمپنی کا موجودہ خام (Gross) مارجن 23 فیصد اور عمل کار (Operating) مارجن 11 فیصد رہا جو گزشتہ سال بالترتیب 23 فیصد اور 15 فیصد تھا۔

زیر جائزہ سال میں لاگت کے بنیادی پیمانوں میں اہم تغیرات، جن کے نتیجے میں منافعے کی شرح میں کمی واقع ہوئی، درج ذیل ہیں:

- بین الاقوامی مارکیٹ میں کوئلے کی قیمت میں کمی کے باعث کل فروخت کی فی میٹرک ٹن پیداواری لاگت میں 111 روپے فی میٹرک ٹن کمی واقع ہوئی۔ اگرچہ زیرِ جائزہ سال میں بجلی، کاغذی تھیلوں (Paper bags) اور نقل وحمل کے اخراجات میں اضافہ ہوا تاہم غیر معمولی سیلز مکس کی وجہ سے بیگ سیمنٹ کے مقابلہ میں Bulk کلنکر کی فروخت زیادہ رہی جس کی وجہ سے مجموعی فی میٹرک ٹن پیداواری لاگت میں کمی آئی۔

- زیرِ جائزہ سال میں کلنکر اور سیمنٹ دونوں کی مجموعی برآمدات کی مقدار میں اضافہ کی وجہ سے تقسیم کی لاگت میں گزشتہ سال کے مقابلہ میں 416 ملین روپے (29 فیصد) کا اضافہ ہوا۔

- طویل مدتی اور قلیل مدتی فنانسنگ پر شرحِ سود میں کمی اور لائن نمبر 3 پروجیکٹ کے لئے حاصل کئے گئے طویل مدتی قرضہ کی مکمل ادائیگی کے باعث فنانسنگ کی لاگت میں 123 ملین روپے (19 فیصد) کی کمی ہوئی۔ کمپنی نے اپنے ورکنگ کیپیٹل کی ضروریات کی تکمیل کے لئے اسٹیٹ بینک آف پاکستان کی منظوری کے بعد کم شرح سود پر ایکسپورٹ ری فنانس کی سہولت سے بھی استفادہ کیا۔

(iii) اختصاص

زیر جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

2019	2020	
(روپے 000 میں)		
2,073,201	**1,107,491**	بعداز ٹیکس منافع
69,803	**(104,586)**	جمع: دیگر مجموعی آمدنی
2,143,004	**1,002,905**	سال کی کل مجموعی آمدنی
13,727,410	**14,725,189**	غیر تخصیص شدہ منافع b/f
15,870,414	**15,728,094**	دستیاب منافع برائے اختصاص
		اختصاص:
		2018-19 کے لئے ادا کردہ حتمی نقد ڈیویڈنڈ
(916,180)	**(549,708)**	4.0 روپے فی حصص نقد ڈیویڈنڈ (2017-18: 8.0 روپے فی حصص)
(229,045)	**-**	جاری کردہ بونس حصص: کوئی نہیں (2017-18: 20 حصص برائے فی 100 حصص)
14,725,189	**15,178,386**	غیر تخصیص شدہ منافع C/f

کمپنی نے سری لنکا اور جزائر بحر ہند کی مارکیٹوں میں 522,084 میٹرک ٹن(19-2018: 590,195 میٹرک ٹن) سیمنٹ برآمد کیا، جو گزشتہ سال کے مقابلہ میں 12 فیصد کمی کو ظاہر کرتا ہے۔اس کمی کی بنیادی وجہ COVID-19 کے پھیلاؤ کے باعث ان مارکیٹوں کی بندش تھی۔

زیر جائزہ سال کے دوران کمپنی نے بنگلہ دیش، سری لنکا اور مشرقی افریقہ کی علاقائی مارکیٹوں میں اپنے اعلیٰ معیار کے کلنکر کی برآمد جاری رکھی اور 1,157,292 میٹرک ٹن کلنکر برآمد کیا جو گزشتہ سال کے مقابلہ میں 53 فیصد اضافہ کو ظاہر کرتا ہے۔

مجموعی طور پر کمپنی کی کلنکر اور سیمنٹ کی فروخت 2,923,734 میٹرک ٹن ریکارڈ کی گئی جو گزشتہ سال کے مقابلہ میں 281,706 میٹرک ٹن(8.8 فیصد) کمی کو ظاہر کرتی ہے۔

مالیاتی کارکردگی

آپ کی کمپنی کے 30 جون، 2020 کو ختم ہونے والے مالی سال کے اہم مالیاتی نتائج، گزشتہ سال کی اسی مدت کے نتائج کے تقابل کے ساتھ درج ذیل ہیں:

	2019-20	2018-19	(کمی)	(کمی)
	روپے ملین میں			%
خالص فروخت	**18,501**	20,781	(2,280)	(11)
خام منافع	**4,249**	4,803	(554)	(12)
منافع قبل از ٹیکس	**1,532**	2,403	(871)	(36)
منافع بعد از ٹیکس	**1,107**	2,073	(966)	(47)
آمدنی فی حصص (روپے میں)	**8.06**	15.09	(7.03)	(47)

(i) فروخت کی کارکردگی

کمپنی کی فروخت سے حاصل ہونے والی مجموعی آمدنی میں گزشتہ سال کے مقابلے میں 2,280 ملین روپے(11 فیصد) کی کمی ہوئی ہے۔اس کی بڑی وجہ گزشتہ سال کے مقابلے میں 281,706 میٹرک ٹن سیمنٹ اور کلنکر کی کم مقدار میں فروخت تھی۔جنوب کی پُرکشش مارکیٹ میں نئی استعداد اور شمالی برانڈز کی آمد کی وجہ سے مقامی مارکیٹوں میں قیمتِ فروخت میں سخت مقابلے کا رجحان جاری رہا۔ برآمدی مارکیٹوں میں قیمتیں 5 فیصد کے مارجن (-/+) کے ساتھ کم وبیش گزشتہ سال کی قیمتوں کے برابر رہیں۔بہتر سیلز مکس اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث فروخت کردہ فی میٹرک ٹن سیمنٹ پر خالص منافع میں 326 روپے فی میٹرک ٹن(5%) کا اضافہ ہوا جس سے برآمدات سے حاصل شدہ آمدنی پر مثبت اثرات مرتب ہوئے۔

تاہم کلنکر کی برآمدات سے حاصل شدہ آمدنی پاکستان میں برآمد کے لئے دستیاب کلنکر کی وافر مقدار میں موجودگی کی وجہ سے 4.65 امریکی ڈالر فی میٹرک ٹن کم ہوگئی جس کی وجہ جنوبی مارکیٹ میں دو نئے پلانٹس کا پیداوار شروع کرنا تھا اور اس کی وجہ سے پاکستان میں برآمد کے لئے دستیاب کلنکر کی مقدار میں اضافہ ہوا۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مسرت کے ساتھ 30 جون، 2020 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

پیداوار اور فروخت

سال 2019-20 کے دوران کمپنی نے کلنکر کی مجموعی پیداواری استعداد کا 98 فیصد حاصل کیا جو گزشتہ سال سے کچھ کم ہے، اس کمی کی بنیادی وجہ COVID-19 کے پھیلاؤ کو روکنے کے لئے حکومت کی جانب سے نافذ کئے جانے والے لاک ڈاؤن کے باعث پلانٹ کی بندش تھی۔

پیداوار اور فروخت کے اعداد و شمار کی تفصیلات درج ذیل چارٹ میں واضح کی گئی ہیں:

	2019-20	2018-19
	مقدار میٹرک ٹن میں	
کلنکر کی پیداوار	**2,828,898**	3,184,363
سیمنٹ کی پیداوار	**1,766,734**	2,437,425
سیمنٹ کی فروخت		
مقامی	**1,244,358**	1,857,471
برآمدات	**522,084**	590,195
کُل	**1,766,442**	2,447,666
کلنکر کی فروخت - برآمدات	**1,157,292**	757,774
کُل فروخت	**2,923,734**	3,205,440

کمپنی نے مقامی اور برآمدی مارکیٹ میں 1,766,442 میٹرک ٹن سیمنٹ فروخت کیا جو گزشتہ سال کے مقابلے میں 28 فیصد کم ہے جس میں سے 1,244,358 میٹرک ٹن سیمنٹ (سال 2018-19 کے دوران یہ مقدار 1,857,471 میٹرک ٹن تھی) مقامی مارکیٹ میں فروخت کیا، جو گزشتہ سال کے مقابلہ میں 33 فیصد کمی کو ظاہر کرتا ہے۔ اس کمی کی بنیادی وجہ زیادہ قیمتوں کی حامل جنوبی مارکیٹ میں بڑی تعداد میں شمالی برانڈز کی آمد اور اس کے ساتھ ساتھ حکومت کی جانب سے COVID-19 کی وبا کے پھیلاؤ کو روکنے کے لئے تقریباً 90 دنوں کے لئے لاک ڈاؤن کا نفاذ تھا۔ اس دوران تمام بڑی معاشی سرگرمیاں بشمول تعمیرات تعطل کا شکار رہیں۔

Form of Proxy

41st Annual General Meeting of Attock Cement Pakistan Limited

I/We ____
of____
being a member(s) of Attock Cement Pakistan Limited holding ______________________
ordinary shares as per share register folio No. ____________________ or CDC participant ID No. and sub-account No. ___________________________ hereby appoint ________________________
of ____ or failing him / her ______________________of
_____________________________________ as my / our Proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 41st Annual General Meeting of the Company to be held on October 22, 2020 and at any adjournment thereof.

Signed this ____________________________ day of __________________ 2020.

____
Signature
(Signature must agree with the specimen signature registered with the Company)

Witness:

1. Name: ______________________________
   Address: ____________________________
   CNIC / Passport No. ____________________

2. Name: ______________________________
   Address: ____________________________
   CNIC / Passport No. ____________________

Important Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, D-70 Block-4, Kehkashan-5, Clifton, Karachi-75600, not less than 48 hours before the time of holding the meeting and must be duly witnessed.

2. A Proxy need not be a member of the Company.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

3. The proxy shall produce his / her original CNIC / Passport at the time of the meeting.

4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

نمائندگی فارم

اٹک سیمنٹ پاکستان لمیٹڈ کا 41 واں سالانہ اجلاسِ عام

میں/ہم ____________ ____________ بحیثیت ممبر (ممبران) اٹک سیمنٹ پاکستان لمیٹڈ اور
شیئر رجسٹر فولیو نمبر ____________ یا سی ڈی سی انویسٹر اکاؤنٹ نمبر/سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر ____________ اور ذیلی
اکاؤنٹ نمبر ____________ کے مطابق ____________ عمومی حصص کا/کے مالک، بذریعہ ہذا ____________
____________ کو اوران کی عدم موجودگی میں ____________ ____________ کو
اپنا/ہمارا نمائندہ مقرر کرتا ہوں/کرتے ہیں اور اٹک سیمنٹ پاکستان لمیٹڈ کے ۲۲ اکتوبر، ۲۰۲۰ کو منعقد ہونے والے اجلاسِ عام یا اس کے ملتوی شدہ اجلاس میں شرکت کرنے اور اپنی جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتے ہیں۔

دستخط شدہ ____________ بروز
____________ ۲۰۲۰

دستخط

(دستخط کمپنی میں رجسٹرڈ شدہ دستخط کے مطابق ہونے چاہئیں)

گواہ:

1- نام ____________
پتہ ____________
کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ____________

2- نام ____________
پتہ ____________
کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ____________

اہم نکات:

1- یہ نمائندگی فارم، مکمل طور پر پُر اور باقاعدہ دستخط شدہ، اجلاس کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر D-70، بلاک-4، کہکشاں-5، کلفٹن کراچی-75600 پر موصول ہو جانا چاہئے اور فارم تصدیق شدہ ہونا چاہئے۔

2- نامزد نمائندے کے لئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔

3- اگر کوئی ممبر ایک سے زائد افراد کو اپنا نمائندہ مقرر کرتا ہے اور اس کی جانب سے نمائندگی کے ایک سے زائد انسٹرومنٹ کمپنی کو جمع کروائے جاتے ہیں تو ایسی صورت میں تمام انسٹرومنٹس غیر مؤثر سمجھے جائیں گے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے:

1- نمائندگی فارم دو گواہان سے تصدیق شدہ ہونا چاہئے اور فارم پر ان افراد کا نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج ہونا چاہئے۔

2- نمائندگی فارم کے ہمراہ مستفید مالکان اور نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی نقول منسلک ہونی چاہئیں۔

3- نمائندے کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ پیش کرنا ہوگا۔

4- حکومتِ پاکستان، اسٹیٹ بینک آف پاکستان، کارپوریٹ ادارہ ہونے کی صورت میں نمائندگی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ دستخط کے نمونے اور پُر کسی فارم کے ہمراہ کمپنی کو جمع کروانے ہوں گے۔

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