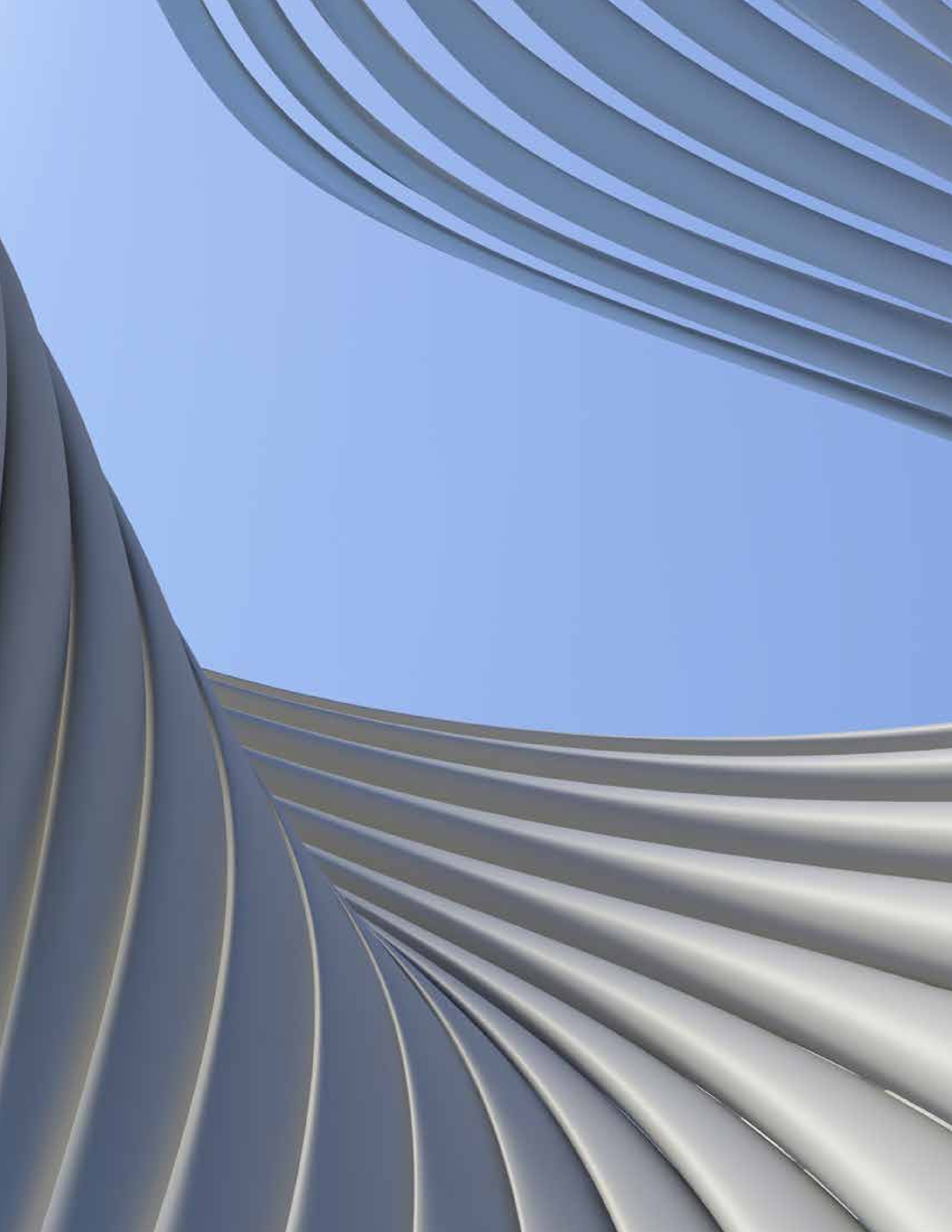
THE STRENGTH
KOHAT CEMENT

Building a Foundation for

INNOVATION and GROWTH

ANNUAL REPORT 2021



FINANCIAL HIGHLIGHTS 2021

Shareholders' Equity	22,224	Rs. in Million	2020: **18,726**
Sales Revenue	24,057	Rs. in Million	2020: **11,300**
Return on Equity	15.74	Percentage	2020: **(2.37)**
Current Ratio	1.30	Ratio	2020: **0.83**
Earnings / (Loss) per Share	17.41	Rupees	2020: **(2.21)**
EBIDTA to Sales	27.57	Percentage	2020: **5.77**
Price Earning Ratio	11.86	Ratio	2020: **(62.22)**
Interest Cover Ratio	10.45	Ratio	2020: **(0.36)**

CONTENTS

Management Information

Financial Statements

VISION, MISSION AND CORPORATE STRATEGY

Our Vision

Be the best in the eyes of all stakeholders

Our Mission is to Provide

- Our Customers with quality cement at competitive pricing
- Our Shareholders with good returns and sustainable growth
- Our Employees with care and career development opportunities

Our Corporate Strategy

Stay ahead of competition by adopting latest technology with efficient and progressive teamwork in an environment of good governance and professionalism.

ABOUT THE COMPANY

Company Information

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2015 certified company, with an annual capacity of 4.78 Million tons of Grey Clinker and 135 thousand tons of White Clinker. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

Our Culture

Open communication, transparency and good ethical behavior form the basis of our corporate values.

Our executive management has a very 'hands on' approach and thus is involved in the day-to-day activity of the company.

No person in the management hierarchy is unapproachable; our carefully designed communication procedures ensure that any complaint or feedback is brought to the notice of the management.

Our employees experience a healthy work life balance and a constant growth in both their professional and personal life.

To help achieve our employee's full potential and foster their learning, we frequently nominate our employees for trainings, workshops and seminars.

CORPORATE INFORMATION

Board of Directors

Mr. Aizaz Mansoor Sheikh	Chairman/Non-Executive Director
Mr. Nadeem Atta Sheikh	Chief Executive
Mrs. Hafsa Nadeem	Non-Executive Director
Mrs. Hijab Tariq	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director
Mr. Ahmad Sajjad Khan	Independent Non-Executive Director
Mr. Talha Saeed Ahmed	Independent Non-Executive Director

Audit Committee

Mr. Talha Saeed Ahmed	Chairman
Mr. Aizaz Mansoor Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

HR&R Committee

Mr. Ahmad Sajjad Khan	Chairman
Mr. Nadeem Atta Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

Company Secretary

Mr. Muhammad Asadullah Khan

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

Hameed Majeed Associates (PVT) Limited
H.M. House,
7-Bank Square, Lahore
Tel: 042 - 37235081-82
Fax: 042 - 37358817

Registered Office and Works

Kohat Cement Company Limited
Rawalpindi Road, Kohat.
Tel: 0922 - 560990
Fax: 0922 - 560405

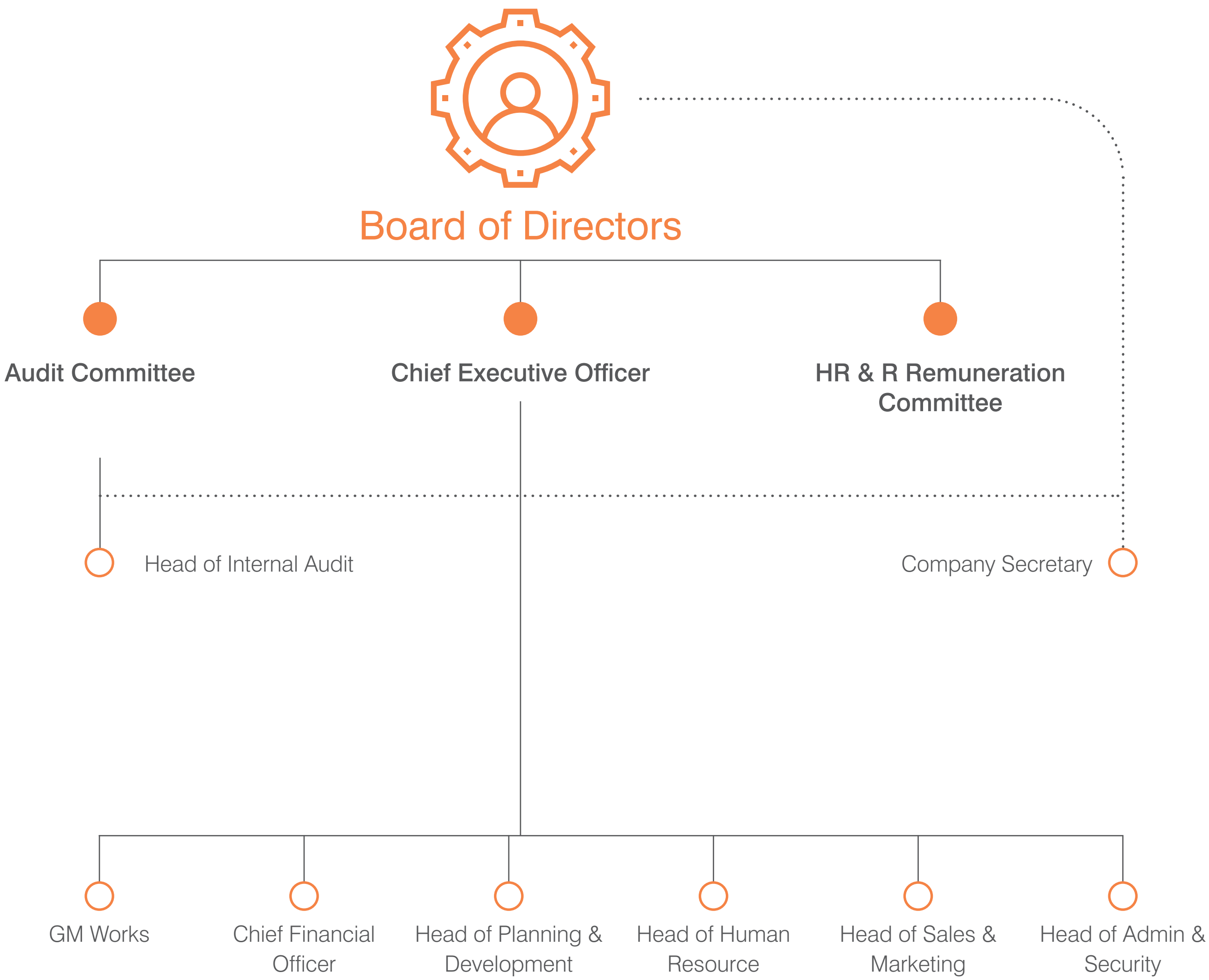
Head Office

37- P Gulberg - II, Lahore.
Tel: 042 - 11 111 5225
Fax: 042 - 3575 4990
Email: mis@kohatcement.com
Web: www.kohatcement.com

Bankers of the Company

The Bank of Punjab
Habib Bank Limited
Askari Bank Limited
The Bank of Khyber
Samba Bank Limited
Standard Chartered Bank (Pak) Ltd
Soneri Bank Limited
Allied Bank Limited
United Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
JS Bank Limited
Dubai Islamic Bank Limited
Bank Islami (Pakistan) Limited

ORGANOGRAM


Board of Directors
Audit Committee
Chief Executive Officer
HR & R Remuneration Committee
Head of Internal Audit
Company Secretary
GM Works
Chief Financial Officer
Head of Planning & Development
Head of Human Resource
Head of Sales & Marketing
Head of Admin & Security

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 42nd Annual General Meeting (AGM) of the shareholders of Kohat Cement Company Limited (the "Company") will be held on Monday, October 04, 2021 at 11:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2021 together with Auditors' and Directors' Reports and Chairman's Review.

2. To appoint Auditors and to fix their remuneration.

   The members are hereby notified that the retiring auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants have given their consent to act as Auditors of the Company and Board Audit Committee & the Board of Directors have also recommended their reappointment.

Special Business

3. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2021, under the authority of the members as given in the last annual general meeting held on October 28, 2020.

4. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2022 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required.

By order of the Board:

Muhammad Asadullah Khan
Company Secretary

Lahore: September 13, 2021

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 04, 2021.

Item No. 3: Ratification / Approval of Related Party Transactions

The Company carried out following transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transaction approved by the Board of Directors and under the authority of special resolution of the members as approved by them in the last annual general meeting held on October 28, 2020. All these transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

<table>
<tr><th>Name of Related Party</th><th>Interested Directors</th><th>Nature of Relationship</th><th>Description of Transaction</th><th>Pricing Policy</th><th>Amount (Rs.)</th></tr>
<tr><td rowspan="5">Kohat Cement Educational Trust (KCET)</td><td>Mr. Aizaz Mansoor Sheikh</td><td rowspan="2">Trustees of KCET</td><td rowspan="5">Contribution made to KCET (which runs school within the vicinity of KCCL factory)</td><td rowspan="5">n/a</td><td rowspan="5">4,818,679</td></tr>
<tr><td>Mr. Nadeem Atta Sheikh</td></tr>
<tr><td>Mr. Muhammad Rehman Sheikh</td><td>Son of Mr. Aizaz Mansoor Sheikh</td></tr>
<tr><td>Mrs. Hafsa Nadeem</td><td>Spouse of Mr. Nadeem Atta Sheikh</td></tr>
<tr><td>Mr. M. Atta Tanseer Sheikh</td><td>Brother of one of the Trustees of KCET</td></tr>
<tr><td rowspan="5">Ultra Pack (Private) Limited (UPPL)</td><td>Mr. Aizaz Mansoor Sheikh</td><td rowspan="2">Substantial shareholders and directors of ANS Capital which is holding Company of KCCL and UPPL</td><td rowspan="5">Purchase of poly propylene bags for packing of cement</td><td rowspan="5">Open market price</td><td rowspan="5">1,336,482,978</td></tr>
<tr><td>Mr. Nadeem Atta Sheikh</td></tr>
<tr><td>Mrs. Hafsa Nadeem</td><td rowspan="3">Shareholders of ANS Capital which is holding Company of KCCL and UPPL</td></tr>
<tr><td>Mr. M. Atta Tanseer Sheikh</td></tr>
<tr><td>Mrs. Shahnaz Aizaz</td></tr>
</table>

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"Resolved that following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors, during the financial year ended June 30, 2021 be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	4,818,679
Ultra Pack (Pvt.) Limited	Purchase of poly propylene bags for packing of cement	1,336,482,978

Item No. 4: Authorization to the Company to transact with certain related parties

The Company shall continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm's length basis during the financial year ending June 30, 2022 and till the date of next annual general meeting. The majority of directors are interested in these transactions due to the reasons mentioned below, therefore, these related party transactions have to be approved by the members of the Company in terms of Sections 207 and 208 of the Companies Act, 2017.

Name of Related Party	Interested Directors	Nature of Relationship	Description of Transaction	Pricing Policy
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital which is holding Company of KCCL and UPPL	Sale of cement and purchase of poly propylene bags for packing of cement	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital which is holding Company of KCCL and UPPL		
	Mr. M. Atta Tanseer Sheikh			
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET	n/a
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh		
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh		
	Mr. M. Atta Tanseer Sheikh	Brother of one of the Trustees of KCET		
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital which is holding Company of KCCL and UKPL	Sale of cement and purchase of paper bags for packing of cement	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital which is holding Company of KCCL and UKPL		
	Mr. M. Atta Tanseer Sheikh			
Palace Enterprises (Private) Limited (PEL)	Mr. Aizaz Mansoor Sheikh	Shareholders and Directors of PEL	Availing hospitality Services, etc.	Open market price
	Mr. Nadeem Atta Sheikh			
	Mrs. Hafsa Nadeem	Shareholder of PEL and spouse of Mr. Nadeem Atta Sheikh		
	Mr. Muhammad Rehman Sheikh	Shareholder of PEL and son of Mr. Aizaz Mansoor Sheikh		
	Mrs. Hijab Tariq	Shareholder of PEL		

These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

"Resolved that the Company be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2022 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Name of Related Party	Description of Transaction
Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET
Ultra Pack (Pvt.) Limited	Sale of cement and purchase of poly propylene bags for packing of cement
Ultra Kraft (Pvt.) Limited	Sale of cement and purchase of paper bags for packing of cement
Palace Enterprises (Private) Limited	Availing Hospitality Services, etc.

Further Resolved that Chief Executive of the Company be and is hereby authorized to take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)."

Notes:

1. **Closure of Share Transfer Books**

   The register of members and the share transfer books of the Company will be closed from Monday, September 27, 2021 to Monday, October 04, 2021 (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7-Bank Square, Lahore, up to the close of business on Friday, September 24, 2021 will be treated in time for the purpose of attending the meeting.

2. **Right to appoint Proxy**

   A member is entitled to appoint a proxy in his/her place to attend, speak and vote instead of him/her. A member can appoint only one proxy in his/her place who can exercise all rights of a member in the meeting. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. A proxy must be a member of the Company and all members are entitled to inspect during the business hours of the Company all proxies lodged with the Company. Form of proxy in English and Urdu Language is enclosed herewith and also available on Company's website: www.kohatcement.com.

3. **Attendance through Video-Conference**

   Pursuant to the provisions of the Companies Act, 2017, the shareholder(s) residing in a city holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the annual general meeting. The demand for video-link facility shall be received by the Company Secretary at the head office of the Company, 37-P, Gulberg II, Lahore, at least seven (7) days prior to the date of the meeting on the Standard Form which can be downloaded from the Company's website: www.kohatcement.com.

4 **Attendance through Electronic Medium**

   The members are encouraged to attend the AGM online through ZOOM, by following the below guidelines:

   a. The member shall get himself registered for Zoom meeting by filling and submitting the request on proforma available on Company's website (www.kohatcement.com) along with legible copy of CNIC, not later than September 27, 2021 to the Company Secretary through courier at 37-P Gulberg 2, Lahore or by e-mail at mis@kohatcement.com.

   b. Zoom Link shall be sent by the Company only on email ID/Phone Number registered with the CDC (in case of book entry securities) or with the Share Registrar (in case of physical shares).

   c. Members may send their comments / suggestions on any of the agenda item to Company Secretary on its email ID; mis@kohatcement.com or whatsapp no. 0300-4513435.

5. **Intimation of Change in Address**

   The members are requested to notify the change of their registered addresses, if any, immediately to Company's Independent Share Registrar.

6. **Placement of Annual Report on Website & its Circulation through DVD/CD**

   The Annual Report containing financial statements of the Company for the year ended 30 June 2021 along with Auditors and Directors Report thereon, the Chairman's Review and notice of AGM etc. have been circulated through CDs and have also been placed on the company's website: www.kohatcement.com.

The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

7. Transmission of Annual Report through Email

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Report in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form available on the Company's website: www.kohatcement.com and send the said form duly filled in and signed to the Company's Share Registrar.

8. Attendance at AGM

A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.

The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the AGM.

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan.

For attending the meeting

i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original computerized national identity card (CNIC) or original passport at the time of attending the meeting.

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

For appointing proxies

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

ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

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

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

9. Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017, the company is required to replace its physical shares with book-entry form. The Shareholders having physical shareholding are requested to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

CHAIRMAN'S REVIEW

Kohat Cement Company Limited fulfills all the requirements as set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition, procedures and meetings of the Board of Directors (the Board) and its committees.

The Board evaluates its own performance and effectiveness annually to ensure that its overall performance and effectiveness meets the expectations and objectives of the Company. Areas where improvements are required are duly considered and action plan is prepared accordingly. The overall performance of the Board for the year ended 30th June 2021 was satisfactory and in line with the best corporate governance practices.

The Composition of the Board is well balanced between executive, non-executive and independent Directors. Corporate strategy and objectives have been set such as to align the Vision of the Company.

The progress of New Greenfield cement plant at Khushab, Punjab is satisfactory and the management expects to establish the LC by end of 2021. Increased energy prices and pressure on Pak Rupee may stress the profitability of the Company in future. The management hopes to overcome this challenge through economies of scale, optimal energy mix and operational efficiencies.

Company's policies for safety of its employees and society during the Pandemic (COVID 19) were remarkable as the first concern of the Company was the health and safety of its employees. The Company's management followed all recommendations of the Government and laid down SOPs to control the spread of COVID 19.

Aizaz Mansoor Sheikh
Chairman

Lahore: August 31, 2021

چیئرمین کی جائزہ رپورٹ

کوہاٹ سیمنٹ کمپنی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اسکی کمیٹیوں کی تشکیل اور باقی معاملات کا تعین کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء کے وضع کردہ ضوابط کے مطابق ہے۔

بورڈ اپنی کارکردگی کا سالانہ جائزہ لیتا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ اس کی مجموعی کارکردگی کمپنی کی توقعات اور مقاصد کے مطابق ہے۔

وہ معاملات جن میں بہتری کی ضرورت ہو، انہیں مدنظر رکھتے ہوئے منصوبہ بندی کی جاتی ہے۔ 30 جون، 2021ء کو ختم ہونے والے مالی سال کے دوران بورڈ کی مجموعی کارکردگی قابل اطمینان اور کارپوریٹ گورنینس کے بہترین طریقوں کے مطابق تھی۔

بورڈ کی تشکیل میں ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کی تعداد میں توازن رکھا گیا ہے۔ کاروباری حکمت عملی اور مقاصد کمپنی کے بنیادی مقصد کو مدنظر رکھتے ہوئے ترتیب دیئے جاتے ہیں۔

خوشاب میں نئے سیمنٹ پلانٹ کے منصوبے میں قابل اطمینان پیش رفت ہو رہی ہے اور مینجمنٹ 2021ء کے اختتام تک لیٹر آف کریڈٹ بھی کھولنے کے لئے پر امید ہے۔ توانائی کی بڑھتی قیمتیں اور پاکستانی روپے پر دباؤ مستقبل میں کمپنی کے منافع پر اثر انداز ہوسکتا ہے۔ مینجمنٹ امید کرتی ہے کہ وہ ان مشکلات پر اپنی بہترین کارکردگی کے ذریعے قابو پالے گی۔

عالمی وباء (Covid-19) سے ملازمین اور سوسائٹی کے تحفظ کے لئے کمپنی کی پالیسیاں قابل ذکر تھیں، کیونکہ کمپنی کے لئے ملازمین کی صحت اور تحفظ اولین ترجیح ہے۔ کمپنی کی مینجمنٹ اس وباء سے تحفظ کے لئے حکومتی تجاویز اور نافذ العمل احتیاطی تدابیر پر عمل پیرا ہے۔

اعزاز منصور شیخ

چیئرمین

31 اگست، 2021ء

DIRECTORS' REPORT
to the Shareholders

The Directors of your Company are pleased to present the Annual Report together with audited financial statements and Auditors' report thereon for the year ended June 30, 2021.

Industry Review

Record breaking growth rate in sales volume has been witnessed by the Cement Industry during the current Financial Year ended June 30, 2021, as summarized below:

	FY 2021	FY 2020	Growth
	Metric Tons		
Local Dispatches	48,118,942	39,965,044	20.40%
Export Dispatches	9,313,832	7,847,098	18.69%
Total Dispatches	57,432,774	47,812,142	20.12%

Government's initiatives for real estate sector along with CPEC related activities elevated growth rate of cement consumption in the current fiscal year. This trend is likely to continue in the years to come.

Business Review

The production and sales data of your company is summarized below;

	FY 2021	FY 2020	Growth %
	Metric Tons		
Clinker Production	3,351,141	2,167,139	54.63%
Cement Production	3,781,635	2,369,769	59.58%
Local Dispatches	3,567,806	2,113,612	68.80%
Export Dispatches	176,204	97,741	80.28%
Total Dispatches	3,744,010	2,211,353	69.31%

New production Line 4 was fully operational for the whole year and the company was well poised to meet the enhanced market demand.

Financial performance

Financial results of your Company are summarized hereunder:

	FY 2021	FY 2020
	Rupees	
Net Sales	24,057,375,992	11,300,240,540
Gross Profit/(Loss)	5,965,349,059	(24,320,312)
Gross Profit Ratio	24.80%	(0.22)%
Operating Profit/(Loss)	5,403,010,020	(147,612,766)
Operating Profit Ratio	22.46%	(1.31)%
EBITDA	6,633,702,723	651,467,518
Profit/(Loss) after tax	3,497,507,247	(443,735,698)
Profit after tax Ratio	14.54%	(3.93)%
Earnings/(Loss) per share (Rs.)	17.41	(2.21)

The enhanced profitability is primarily attributable towards better selling prices, increased sales volume and reduced production cost. The Company successfully managed to improve its operational efficiencies through efficient energy mix.

The Company is current on its all debt obligations.

PACRA maintains long-term and short-term entity rating of Kohat Cement at A and A1 respectively with Stable outlook. These ratings denote a low expectation of credit risk and indicate a strong capacity for timely repayment of financial commitments.

Appropriations

Considering the cash requirements for new Greenfield Cement line in Khushab, Punjab; the Board of Directors has not recommended any dividend for the year.

Future Prospects

Government's focus on low-cost housing projects and availability of subsidized house financing shall be the key drivers for cement industry and shall benefit the cement sector in coming years. However, increasing coal prices in international markets, projected hike in electricity prices, weakening PKR against USD, persistent resurgence of COVID-19 and geopolitical developments are the key concerns which may affect the cement demand as well as the profitability of the cement sector as well as of your company.

Greenfield Cement Production Line in Khushab, Punjab

The Company has obtained all the requisite regulatory approvals for setting up the Cement Plant. Acquisition of land is in process and it is expected that contracts for supply of plant shall be executed and LC for import of plant & machinery shall be established by 2QFY22.

Risk Management framework

Pursuant to Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulation 2019, the Company has developed and implemented a Risk Management Policy and prepared a risk register. The Policy envisages identification of risks and procedures for assessment and mitigation thereof on a timely basis. Risk management policies and systems are reviewed periodically to meet with changes in market conditions and other external environment including changes in legal framework of the country applicable to Company's activities.

Key Business Risks identified by your Company

There have not been any material change in key business risks of the Company during the year under review; which have been identified as under:

COVID - 19 – The COVID-19 emerged from China, became a pandemic caused harm not only to human but also to economy. Lockdowns, implementation of SOPs, and reduced business hours to combat the contagious COVID-19, hit operations of businesses; however, due to pent-up demands, Government incentives and construction projects, it did not adversely affect the operations of the Company, nevertheless, risk shall remain there till the elimination of disease.

Fuel costs – Cement manufacturing process is very energy intensive. Fuel prices are rising continuously post year-end driven by the global demand supply scenario and depreciation of PKR. The Company continues to explore alternative sources.

Regulatory and Compliance – With the ever evolving regulatory framework in the country the risk of non-compliance looms large and carry reputational risks. Your Company has taken steps to automate the compliance procedures and has deployed adequate measures for periodic review mechanisms of the regulatory framework to ensure complete compliance with all statutes. The steps taken by the Company includes outsourcing of experts' opinions and their representation wherever required by the Company.

Competition Risks – With every new capacity addition in the cement industry, sale volume, market share and profitability stands challenged. The Company continues to enhance brand equity through enhanced marketing activities and customer centricity.

Financial Risks – Your Company's exposure to credit risk, liquidity risk and market risk (interest rate risk, foreign exchange risk and price risk) is subject to market dynamics. Please refer note no. 38 of the audited financial statements highlighting Company's exposure to these risks and control procedures to mitigate them.

Adequacy of Internal Financial Controls

Effective internal financial controls system is in place under the supervision of qualified and experienced team who are well conversant with the policies and procedures of the Company.

The Company and the Environment

The Company believes in health and safety practices for its employees and the environment. Environmental protection is an integral element of the Company's business strategy, which is defined by the management in consultation with the environment professionals. The Company is using the latest technology aiming to eliminate pollution and hazardous emissions from its production and other business operations. The Company is using state of the art technologies including Bag Filter System, Waste Heat Recovery Systems (WHRS) and Water Recycling Plants etc. to keep the environment safe.

Bag Filter System with all its modest technologies collects dust to keep the environment even dust free from all packing operations of the Company.

WHRS not only reduces the carbon emissions on environment but also harness the excess heat to produce electricity thus reducing the burden on national grid. Going ahead, the Company will install WHRS into its design for all its future cement manufacturing facilities.

In order to preserve water, the Company has set up a water recycling plant at works whereby 20% of present annual water requirement of Plant is being fulfilled with the recycled water.

KCCL is promoting a variety of environmental conservation activities in collaboration with local communities and KCCL employees. The company has successfully promoted “GO GREEN Plantation Drive” wherein voluntary participation by the employees of the Company and local community was encouraged resulting in massive plantation activities.

Employee Safety

Fourth wave has gripped Pakistan with rising cases of highly transmissible delta variant of SARS COV 2. Company is vigilant in playing its role to safeguard its employees and society at large to contain the outbreak. All Government’s introduced SOPs are implemented by the Company to be binding on all employees during office hours, whereas all employees have also been fully vaccinated.

Composition of Board of Directors

As at 30th June 2021, the Board of Directors of the Company comprises eight directors, composition of which is as under:

Male	6
Female	2
Total Number of Directors	8

Independent Non-Executive Directors

Mr. Ahmad Sajjad Khan
Mr. Talha Saeed Ahmed

Other Non-Executive Directors - Female

Mrs. Hafsa Nadeem
Mrs. Hijab Tariq
Mrs. Shahnaz Aizaz (resigned on 26-10-2020)

Other Non-Executive Directors - Male

Mr. Aizaz Mansoor Sheikh
Mr. Muhammad Atta Tanseer Sheikh
Mr. Muhammad Rehman Sheikh (appointed on 26-10-2020)

Executive Director

Mr. Nadeem Atta Sheikh (Chief Executive)

Composition of Committees of the Board

Following were the committees of the Board as on 30th June 2021:

a) Audit Committee

Mr. Talha Saeed Ahmed - Chairman
Mr. Aizaz Mansoor Sheikh - Member
Mr. Muhammad Atta Tanseer Sheikh - Member

b) Human Resource and Remuneration (HR&R) Committee

Mr. Ahmad Sajjad Khan - Chairman
Mr. Nadeem Atta Sheikh - Member
Mr. Muhammad Atta Tanseer Sheikh - Member

Board and its Committee Meetings

Board of Directors

During the year, Mrs. Shahnaz Aizaz resigned from office of director and Mr. Muhammad Rehman Sheikh was appointed by the Board to fill in this casual vacancy on the Board. The Board of Directors met Six (6) times during the financial year ended June 30, 2021:

Name of Director	No. of meetings attended
Mr. Aizaz Mansoor Sheikh	6/6
Mr. Nadeem Atta Sheikh	6/6
Mrs. Shahnaz Aizaz	1/1
Mrs. Hafsa Nadeem	6/6
Mrs. Hijab Tariq	6/6
Mr. Muhammad Rehman Sheikh	4/5
Mr. Muhammad Atta Tanseer Sheikh	6/6
Mr. Ahmad Sajjad Khan	6/6
Mr. Talha Saeed Ahmed	6/6

Board Audit Committee

The Board Audit Committee met Four (4) times during the financial year ended June 30, 2021; detail of attendance by members is as under:

Name of Members	No. of meetings attended
Mr. Talha Saeed Ahmed - Chairman	4
Mr. Aizaz Mansoor Sheikh	4
Mr. Muhammad Atta Tanseer Sheikh	4

Human Resource & Remuneration (HR&R) Committee

The Board HR&R held One (1) meeting during the financial year ended June 30, 2021, detail of attendance by members is as under:

Name of Member	No. of meetings attended
Mr. Ahmad Sajjad Khan – Chairman	1
Mr. Nadeem Atta Sheikh	1
Mr. Muhammad Atta Tanseer Sheikh	1

Directors' Training Program

All directors of the Company fully comply with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to Directors' Training Certification (DTC), except one Independent Director namely Mr. Ahmad Sajjad Khan who shall comply with the Regulations within prescribed time period.

Trading in Company's shares

Trading in Company's shares by a Director and an Executive during the current financial year is given as under:

			Shares Purchased	Shares Sold
i)	Mr. Aizaz Mansoor Sheikh	Director	--	70,000
ii)	Mr. Faisal Atta Sheikh	Executive	4,000	--

The term "executive" as determined by the Board of Directors remained unchanged which means the Chief Financial Officer, General Manager Works, Head of Sales and Marketing and all whole time working Directors of the Company.

Directors' remuneration and its policy

The Company has formal policy and transparent procedure for determining remuneration of Non-Executive Directors/ Independent Directors and Executive Directors. Non-Executive Directors including Independent Directors are entitled to only meeting fee along with reimbursement of travel and accommodation expense incurred for attending meetings of the Board or its Committees as approved by the Board of Directors. Executive Directors and Chairman of Company are entitled to remuneration as per criteria set by Board in the policy.

Corporate Social Responsibility

The Company is vigorously complying with its Corporate Social Responsibility (CSR). A detailed report indicating CSR activities of Company for the year under reference is attached.

Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls its 110,482,320 ordinary shares constituting 55% of its total paid up share capital.

Financial highlights

Key operating & financial data of last six years is included in this report.

Outstanding statutory dues

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in Note No. 9 to the audited financial statements and on face of statement of financial position. There is no overdue amount on account of taxes and duties.

Statement on value of staff retirement funds

The value of investments of provident fund based on its unaudited accounts as at June 30, 2021 is Rs. 249.263 million (2020: Rs. 226.92 million).

Pattern of shareholding

The Pattern of Shareholding along with categories of shareholding is included in this report.

External auditors

The present auditors, M/s. KPMG Taseer Hadi and Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. As suggested by the Board Audit Committee, the Board of Directors has recommended the re-appointment of present auditors of the Company for the ensuing year.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Acknowledgments

We really admire for the sincere efforts and services put in by all the stakeholders including the company's employees for their excellent support and efforts, hard work and trust.

For and on behalf of the Board

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: August 31, 2021

اہم مالیاتی جھلکیاں:

اس رپورٹ میں گذشتہ 6 سال کی اہم کاروباری اور مالی معلومات فراہم کی گئیں ہیں۔

واجب الادا قانونی محاصل:

قانونی طور پر واجب الادا ٹیکسیز اور ڈیوٹیز کی تفصیل مالی کھاتہ جات کے نوٹ نمبر 9 میں بیان کردی گئی ہے۔
کسی قسم کے ٹیکسیز یا ڈیوٹیز کی ادائیگی زائد المیعاد نہیں ہے۔

سٹاف ریٹائرمنٹ فنڈز کی مالیت:

30 جون، 2021ء تک پراویڈنٹ فنڈز کے غیر آڈٹ شدہ کھاتہ جات کے مطابق پراویڈنٹ فنڈز کی سرمایہ کاری کی مالیت 249.263 ملین روپے ہے جو کہ گزشتہ مالی سال 30 جون، 2020ء میں 226.92 ملین روپے تھی۔

شیئر ہولڈنگ کی تفصیل:

کمپنی کے حصص کے مالکان کی معلومات بمع درجہ بندی اس رپورٹ میں فراہم کردی گئی ہیں۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں، انہوں نے اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کی آئندہ سال کیلئے دوبارہ تقرری کی سفارش کی ہے۔

مالی سال کے بعد کے معاملات:

زیر جائزہ مالی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک ایسے کوئی قابل ذکر معاملات نہیں پائے گئے جو کمپنی کی مالی حالت پر اثر انداز ہوں۔

اظہار تشکر:

ہم کمپنی کے تمام شراکت داروں اور کمپنی سے منسلک افراد بشمول کمپنی کے ملازمین کی مخلصانہ کاوشوں اور خدمات کو سراہتے ہیں اور ان کے بہترین تعاون، محنت اور اعتماد کے لئے شکر گزار ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

طلحہ سعید احمد
ڈائریکٹر

ندیم عطاء شیخ
چیف ایگزیکٹو

لاہور: 31 اگست، 2021ء

ایگزیکٹوڈائریکٹرز:

جناب ندیم عطاء شیخ (چیف ایگزیکٹو)

بورڈ کمیٹیز کی تفصیل:

30 جون، 2021ء کو بورڈ کی کمیٹیز کی تفصیل درج ذیل ہے۔

۱۔ آڈٹ کمیٹی

جناب طلحہ سعید احمد (چیئرمین)
جناب اعزاز منصور شیخ (رکن)
جناب محمد عطاء تنصیر شیخ (رکن)

۲۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی

جناب احمد سجاد خان (چیئرمین)
جناب ندیم عطاء شیخ (رکن)
جناب محمد عطاء تنصیر شیخ (رکن)

بورڈ اور اسکی کمیٹیوں کے اجلاس:

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر جائزہ مالی سال کے دوران محترمہ شہناز اعزاز شیخ بورڈ آف ڈائریکٹر کے عہدہ سے مستعفی ہوئیں اور اس خالی شدہ آسامی کے لئے جناب محمد رحمان شیخ کی تقرری کی گئی۔ 30 جون، 2021ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت
جناب اعزاز منصور شیخ	6/6
جناب ندیم عطاء شیخ	6/6
محترمہ شہناز اعزاز شیخ	1/1
محترمہ حفصہ ندیم	6/6
محترمہ حجاب طارق	6/6
جناب محمد رحمان شیخ	4/5
جناب محمد عطاء تنصیر شیخ	6/6
جناب احمد سجاد خان	6/6
جناب طلحہ سعید احمد	6/6

بورڈ آڈٹ کمیٹی کے اجلاس:

30 جون، 2021ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت کی تعداد
جناب طلحہ سعید خان (چیئرمین)	4
جناب اعزاز منصور شیخ	4
جناب محمد عطاء تنصیر شیخ	4

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس:

30 جون، 2021ء کو اختتام ہونے والے مالی سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا ایک اجلاس ہوا، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت کی تعداد
جناب احمد سجاد خان (چیئرمین)	1
جناب ندیم عطاء شیخ	1
جناب محمد عطاء تنصیر شیخ	1

تربیتی پروگرام برائے ڈائریکٹرز:

کمپنی کے تمام ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019 کے تحت ''ڈائریکٹرز تربیتی پروگرام'' سے متعلقہ اسناد حاصل کر چکے ہیں، ماسوائے ایک انڈیپنڈنٹ ڈائریکٹر جناب احمد سجاد خان جو اِن ضوابط کی تعمیل مقررہ مدت میں کرلیں گے۔

کمپنی کے شیئرز کی خرید وفروخت:

زیر جائزہ مالی سال کے دوران کمپنی کے ڈائریکٹرز اور ایگزیکٹو کے کمپنی کے شیئرز سے متعلقہ خرید وفروخت کی معلومات درج ذیل ہیں۔

	خرید	فروخت
۱۔ جناب اعزاز منصور شیخ ڈائریکٹر	-	70,000
۲۔ جناب فیصل عطاء شیخ ایگزیکٹو	4,000	-

بورڈ آف ڈائریکٹرز کی وضع کی گئی ''ایگزیکٹوز'' کی تعریف میں کوئی تبدیلی نہیں ہوئی، اور اس میں چیف فائنینشل آفیسر، سربراہ سیلز اینڈ مارکیٹنگ، جنرل مینیجر ورکس اور کمپنی کے تمام ورکنگ ڈائریکٹرز شامل ہیں۔

ڈائریکٹرز کے معاوضہ کے تعین کا نظام:

نان۔ایگزیکٹو/انڈیپنڈنٹ اور ایگزیکٹو ڈائریکٹرز کے معاوضے کے تعین کیلئے کمپنی کی باقاعدہ پالیسی اور شفاف طریقہ کار موجود ہے، جس کے تحت تمام نان ایگزیکٹو ڈائریکٹرز صرف بورڈ آف ڈائریکٹرز کے یا اسکی کمیٹی کے اجلاس میں شرکت کی فیس، سفر اور قیام کے ان تمام اخراجات کی وصولی کے اہل ہیں جن کی منظوری بورڈ آف ڈائریکٹرز نے دی ہو۔ ایگزیکٹو ڈائریکٹرز اور چیئرپرسن پالیسی کے مطابق وضع کئے گئے ضوابط کے مطابق معاوضوں کے اہل ہیں۔

کاروباری سماجی ذمہ داری:

کمپنی اپنی کاروباری سماجی ذمہ داریوں کی ادائیگی کے لئے کوشاں ہے۔ زیر جائزہ سال کے دوران جاری رہنے والی کاروباری سماجی ذمہ داریوں کی تفصیل منسلک کردی گئی ہے۔

ہولڈنگ کمپنی:

اے این ایس (ANS) کیپٹل پرائیویٹ لمیٹڈ جس کا رجسٹرڈ آفس لاہور میں قائم ہے پاکستانی قوانین کے تحت قائم کی گئی کمپنی ہے، یہ ادارہ کوہاٹ سیمنٹ کمپنی کی ہولڈنگ کمپنی ہے اور کمپنی کے 110,482,320 عام حصص کا مالک ہے جو کہ کمپنی کے کل عام حصص کا 55% ہے۔

COVID-19: COVID-19 کا چائنہ سے آغاز ہوا اور پھر ایسی عالمی وباء بنی جس نے انسانوں کے ساتھ ساتھ معیشت کو بھی نقصان پہنچایا۔ COVID-19 سے نمٹنے کے لئے لاک ڈاؤن، حفاظتی احتیاتی تدابیر کا نفاذ اور کاروباری اوقات میں کمی کے باعث کاروباری سرگرمیاں متاثر ہوئیں؛ تاہم سیمنٹ کی طلب میں غیر متوقع اضافہ، حکومت کی جانب سے فراہم کی گئی سہولیات اور تعمیراتی منصوبہ جات کی بدولت کمپنی کے کاروبار پر منفی اثرات نہ مرتب نہ ہوئے۔ تاہم وباء کے مکمل خاتمے تک خطرات کا اندیشہ رہے گا۔

ایندھن کی لاگت: سیمنٹ کی پیداوار کے لئے بہت زیادہ توانائی درکار ہوتی ہے۔ بین الاقوامی سطح پر بڑھتی ہوئی ایندھن کی طلب اور روپے کی قدر میں کمی کی وجہ سے اس کی قیمتوں میں مسلسل اضافہ ہو رہا ہے۔ اس مسئلے کے پیشِ نظر آپکی کمپنی ایندھن کے متبادل ذرائع کی مسلسل تلاش میں ہے۔

قوانین اور ان کی تعمیل: مسلسل بدلتے ہوئے ملکی قوانین کی موجودگی میں عدم تعمیل کا احتمال ہے جس سے دیگر کاروباری نقصانات کے ساتھ کمپنی کی ساکھ کو بھی نقصان پہنچنے کا خطرہ ہے۔ اس لئے کمپنی نے ان قوانین کی خودکار تعمیل کا نظام تشکیل دیا ہے اور اس بات کا بھی اہتمام کیا گیا ہے کہ ملکی قانونی ڈھانچہ میں تبدیلی کا متواتر جائزہ لیا جائے تاکہ تمام قوانین پر عمل درآمد کو یقینی بنایا جا سکے۔ اس حوالے سے کمپنی اپنی ضرورت کے مطابق ماہرین کی آراء سے مستفید ہوتی ہے بلکہ بوقت ضرورت یہ ماہرین کمپنی کی نمائندگی بھی کرتے ہیں۔

مسابقتی خطرات: سیمنٹ کی صنعت کی پیداواری گنجائش میں ہر نئے اضافے سے فروخت کے حجم، مارکیٹ شئیر اور منافع کو خطرات کا سامنا کرنا پڑتا ہے۔ کمپنی کاروباری سرگرمیوں اور صارفین کی رائے کو مدنظر رکھتے ہوئے اپنی مصنوعات میں بہتری کو جاری رکھے ہوئے ہے۔

مالیاتی خطرات: کاروباری حالات میں اتار چڑھاؤ (شرح سود، زرمبادلہ اور قیمتوں میں تبدیلی کے خطرات) کی بدولت کمپنی کو کریڈٹ، لیکویڈٹی اور دیگر خطرات کا سامنا کرنا پڑ سکتا ہے۔ ان خطرات کی تفصیل کے لئے آڈٹ شدہ مالیاتی حسابات کے نوٹ نمبر 38 کو ملاحظہ کریں، جس میں ان خطرات کے حوالے سے کنٹرولز اور نمٹنے کے طریقہ کار کو بیان کر دیا گیا ہے۔

موثر مالیاتی کنٹرولز کا نظام:

کمپنی میں مالیاتی کنٹرول کا موثر نظام موجود ہے جسکی نگرانی کے لئے جن افراد کا تقرر کیا گیا ہے وہ قابل اور تجربہ کار ہونے کے ساتھ ساتھ کمپنی کی پالیسیوں اور طریقہ کار سے مکمل آگاہ ہیں۔

کمپنی اور ماحولیات:

کمپنی اپنے ملازمین اور ماحول کی صحت کے لئے حفاظتی تدابیر پر عمل پیرا ہے اور ماحولیاتی تحفظ کمپنی کی کاروباری حکمت عملی کا کلیدی حصہ ہے، جس کا نظام کمپنی کی انتظامیہ نے ماحولیاتی ماہرین کے اشتراک سے تشکیل دیا ہے۔ کمپنی اپنی پیداوار اور کاروباری معاملات کے نتیجے میں پیدا ہونے والی آلودگی اور مضر صحت اخراج کو روکنے کے لئے جدید ٹیکنالوجی کا استعمال کر رہی ہے۔ ماحول کو محفوظ رکھنے کے لئے کمپنی جدید ترین ٹیکنالوجیز بشمول بیگ فلٹر سسٹم، ویسٹ ہیٹ ریکوری سسٹم اور واٹر ریسائکلنگ پلانٹ وغیرہ استعمال کر رہی ہے۔

بیگ فلٹر سسٹم سیمنٹ پیکنگ کے دوران پیدا ہونے والے گرد و غبار کو اپنے جدید سسٹم کے ذریعے اکٹھا کر کے ماحول کو صاف رکھتا ہے۔

ویسٹ ہیٹ ریکوری سسٹم نہ صرف ماحول پر کاربن کے اثرات کو کم کرتا ہے، بلکہ پلانٹ کی فاضل حرارت کو استعمال کر کے بجلی پیدا کرتا ہے، جس کی بدولت نیشنل گرڈ پر بوجھ کم ہو جاتا ہے۔ کمپنی مستقبل کے تمام پیداواری منصوبہ جات میں ویسٹ ہیٹ ریکوری سسٹم کی تنصیب کا ارادہ رکھتی ہے۔

پانی کے تحفظ کیلئے کمپنی کی انتظامیہ نے فیکٹری میں ریسائکلنگ پلانٹ کی تنصیب کی ہے، جس سے فیکٹری میں پانی کی ضرورت کا 20% پورا کیا جا رہا ہے۔

کوہاٹ سیمنٹ کمپنی مقامی افراد اور اپنے ملازمین کے اشتراک سے ماحولیاتی تحفظ کی بہت سی سرگرمیوں کو فروغ دے رہی ہے۔ کمپنی نے بہت کامیابی سے شجرکاری مہم چلائی، جس میں کمپنی کے ملازمین اور مقامی افراد کی رضا کارانہ شرکت سے علاقے میں بے شمار پودے لگائے گئے ہیں۔

ملازمین کا تحفظ:

انتہائی متعدی ڈیلٹا کورونا وائرس جو کہ کورونا وائرس کی چوتھی لہر شمار کیا جاتا ہے نے پاکستان کو تیزی سے اپنی لپیٹ میں لے لیا ہے۔ کمپنی اپنے ملازمین اور سوسائٹی کو اس وباء سے بچانے کے لئے مستعدی سے اپنا کردار ادا کر رہی ہے۔ تمام ملازمین دفتری اوقات کے دوران حکومتی نافذ العمل احتیاتی تدابیر پر عمل کرنے کے پابند ہیں، جبکہ تمام ملازمین مکمل طور پر ویکسینیشن بھی کروا چکے ہیں۔

بورڈ آف ڈائریکٹرز کی تفصیل:

30 جون، 2021ء کو آٹھ (8) رکنی بورڈ آف ڈائریکٹرز کی تفصیل درج ذیل ہے۔

مرد ڈائریکٹرز	6
خاتون ڈائریکٹرز	2
کل ڈائریکٹرز	8

انڈیپنڈنٹ نان۔ایگزیکٹو ڈائریکٹرز:

جناب احمد سجاد خان

جناب طلحہ سعید احمد

دیگر نان۔ایگزیکٹو ڈائریکٹرز (خواتین):

محترمہ حفصہ ندیم

محترمہ حجاب طارق

محترمہ شہناز اعزاز (26 اکتوبر، 2020ء کو مستعفی ہوئیں)

دیگر نان۔ایگزیکٹو ڈائریکٹرز (مرد):

جناب اعزاز منصور شیخ

جناب محمد عطاء تنصیر شیخ

جناب محمد رحمان شیخ (26 اکتوبر، 2020ء کو تقرری ہوئی)

ڈائریکٹرزرپورٹ برائے حصص داران

کوہاٹ سیمنٹ کمپنی لمیٹڈ(کمپنی) کے ڈائریکٹرز 30 جون، 2021ءکوختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس اورآڈیٹرزرپورٹ بصدمسرت پیش کرتے ہیں۔

انڈسٹری کا جائزہ:

30 جون، 2021ءکوختم ہونے والے مالی سال کے دوران سیمنٹ انڈسٹری کی ترسیلات کے حجم میں ریکارڈ توڑ شرح نمو حاصل ہوئی، جس کا خلاصہ درج ذیل ہے:

	2021	2020	شرح نمو
	میٹرک ٹن		
مقامی ترسیلات	48,118,942	39,965,044	20.40%
برآمدات	9,313,832	7,847,098	18.69%
کل ترسیلات	57,432,774	47,812,142	20.12%

تعمیراتی شعبے کے حوالے سے حکومتی اقدامات اور CPEC سے متعلقہ سرگرمیوں نے زیر جائزہ مالی سال کے دوران سیمنٹ کی کھپت کی شرح میں اضافہ کیا۔ آئندہ سالوں میں اسی بڑھوتری کی توقع ہے۔

کاروباری جائزہ:

ذیل میں پیداوار اور ترسیلات کے نتائج کا خلاصہ دیا گیا ہے:

	2021	2020	شرح نمو
	میٹرک ٹن		
کلنکر کی پیداوار	3,351,141	2,167,139	54.63%
سیمنٹ کی پیداوار	3,781,635	2,369,769	59.58%
اندرون ملک فروخت	3,567,806	2,113,612	68.80%
برآمدات	176,204	97,741	80.28%
کل فروخت	**3,744,010**	**2,211,353**	**69.31%**

نئی پروڈکشن لائن 4 سے پورے مالی سال کے دوران پیداوار جاری رہی جسکی بدولت کمپنی مارکیٹ میں سیمنٹ کی طلب کو پورا کرنے میں کامیاب رہی۔

مالیاتی کارکردگی:

کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

	2021	2020
	روپے	
کل فروخت	24,057,375,992	11,300,240,539
خام منافع /نقصان	5,965,349,059	(24,320,312)
شرح خام منافع	24.80%	(0.22)%
آپریٹنگ منافع /(نقصان)	5,403,010,020	(147,612,766)
شرح آپریٹنگ منافع	22.46%	(1.31)%
منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور اموراٹائزیشن	6,633,702,723	651,467,518
نفع /(نقصان) بعداز ٹیکس	3,497,507,247	(443,735,698)
بعداز ٹیکس نفع کی شرح	14.54%	(3.93)%
فی شیئرآمدنی /(نقصان) (روپے /شیئر)	**17.41**	**(2.21)**

سیمنٹ کی قیمت فروخت میں مناسب اضافہ، اضافی ترسیلات اور پیداواری لاگت میں کمی، کمپنی کے نفع میں اضافہ کا باعث ہیں۔ انرجی (ایندھن) کے مناسب اور بہتر استعمال کے باعث کمپنی اپنی آپریشنل افادیت کو بہتر بنانے میں کامیاب رہی ہے۔

کمپنی اپنی مالی ذمہ داریوں کو بروقت ادا کررہی ہے۔

PACRA نے کمپنی کی طویل وقلیل المدتی انفرادی کریڈٹ ریٹنگ کو بلترتیب "A" اور "A1" درجہ میں رکھا ہے۔ یہ درجہ بندیاں کمپنی کی جانب سے متوقع کم کریڈٹ رسک اور مالیاتی ذمہ داریوں کو بروقت ادا کرنے کی قوی صلاحیت کو ظاہر کرتی ہیں۔

منافع کی تقسیم:

خوشاب میں نئے سیمنٹ پلانٹ کی تنصیب کے لئے مالی ضروریات کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے زیرِ جائزہ مالی سال کے لئے ڈیویڈنڈ تجویز نہیں کیا۔

مستقبل کے امکانات:

کم لاگت کے گھروں کی تعمیر کے منصوبہ جات اور گھروں کی تعمیر کے لئے رعایتی قرضہ جات کی دستیابی حکومت کی ترجیحات رہیں جو آنے والے برسوں میں سیمنٹ انڈسٹری کی ترقی میں کلیدی کردار ادا کریں گے، تاہم عالمی منڈیوں میں کوئلے کی بڑھتی ہوئی قیمتیں، بجلی کی قیمت میں متوقع اضافہ، ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، Covid-19 کا متعدد بار پھیلاؤ اور جغرافیائی سیاسی تبدیلیوں کے باعث سیمنٹ کی طلب اور سیمنٹ کی صنعت بشمول آپکی کمپنی کے منافع پر منفی اثرات مرتب ہوسکتے ہیں۔

خوشاب میں نئے سیمنٹ پلانٹ کی تنصیب کا منصوبہ:

کمپنی نے نئے سیمنٹ پلانٹ کی تنصیب کے حوالے سے درکار تمام قانونی اجازت نامے حاصل کر لئے ہیں۔ اس مقصد کے لئے زمین کا حصول جاری ہے اور امید ہے کہ مالی سال 2022ء کی دوسری سہ ماہی کے دوران پلانٹ ومشینری کی فراہمی کے معاہدے بھی طے پا جائیں گے اور درآمد کے لئے لیٹر آف کریڈٹ بھی حاصل ہو جائے گا۔

کاروباری خطرات سے بچاؤ کی حکمت عملی:

کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء کے ضوابط کی تکمیل میں کمپنی نے کاروباری خطرات سے بچاؤ کی پالیسی اور رسک رجسٹر تشکیل دیا ہے۔ یہ پالیسی کمپنی کو لاحق خطرات کی نشان دہی اور ان کا جائزہ لینے اور ان کے بروقت تخفیف کے طریقہ کار کی طرف رہنمائی کرتی ہے۔ کاروباری حالات ودیگر بیرونی عوامل بشمول کمپنی سے متعلقہ ملکی قانونی ڈھانچے میں تبدیلی کو مدنظر رکھتے ہوئے ان پالیسیوں اور نظام کا باقاعدگی سے جائزہ لیا جاتا ہے۔

کمپنی کو ممکنہ لاحق کلیدی خطرات:

زیرِ جائزہ مالی سال کے دوران کمپنی کو ممکنہ طور پر درپیش کاروباری خطرات میں گزشتہ سال کے مقابلے میں کوئی قابلِ ذکر تبدیلی نہیں ہوئی، جو درج ذیل ہیں:

CORPORATE SOCIAL RESPONSIBILITY

The foremost priority of Board of Directors (BOD) of the Company is the well-being of society, its employees and all business partners. Under the leadership of BOD, the Company effectively contributed towards discharge of its Corporate Social Responsibility (CSR). Amongst others, the main areas of concern of the Company remained the following:

a) Community Welfare
b) Health and Safety
c) Educational Assistance
d) Sports Initiatives
e) Ethics, Transparency and compliance of statutory framework
f) Market sustainability though selling reliable products
g) Employee safety
h) Sustaining Environment to ensure long-term growth

A brief description of the Company's (CSR) Program is as under:

a) Community Welfare

i. Free Micro Finance (Economic Development/ employment generation)

In 2014 the Company signed a MOU with "Akhuwat", a non-profit organization well known for its generous activities for the betterment of society, whereby a revolving limit of Rs.10 million was approved and paid by the Company to Akhuwat with the aim to pay interest free loans to skilled and unskilled deserving people of Kohat enabling them to earn their respectful livelihood.

During the year, another amount of Rs. 5 million was paid by the Company to Akhuwat to enhance the aforesaid limit to Rs. 15 million. The Company also paid Rs. 1.32 million to Akhuwat to meet its administrative cost of operating Akhuwat Branch in Kohat. As of today, numerous families have benefited from the micro finance facility under this scheme.

ii. Street Pavement, Drainage and Water supply

The Company spent Rs.10.95 million to reconstruct streets and drainage lines in Babri Banda, a village adjacent to the plant. Company also spent Rs. 3.8 million for improving water supply in the locality by installing a new RO plant in Babri Banda.

iii. Installation of Solar Panels/Systems and Street Lights

The Company spent an aggregate amount of Rs. 11.240 million in provision and installation of Solar Systems and Street Lights in the nearby Villages and Masajids of its factory at Kohat.

iv. Financial Assistance of widows and others

Kohat Cement continued to financially assist various persons including widows of its former employees by paying an aggregate amount of Rs. 1 million.

v) **Free distribution of Food**

KCCL spent an amount of Rs. 0.750 during the year in free distribution of food.

b) Health & Safety

Health and safety measures undertaken by the Company include the following:

i. **Basic Health Unit**

Dispensary and ambulance operates 24/7 basis and provides free services to its employees and their families.

ii. **Medicare Health Foundation**

The Company paid an amount of Rs. 0.30 million to Medicare Health Foundation, a health care provider.

iii. **Al-Khidmat Foundation Pakistan**

The Company made partnership with Al-Khidmat Foundation Pakistan (Naseem Khan Memorial Hospital Kohat) to provide healthcare facilities in Kohat. An amount of Rs. 2.40 million has been spent during the year towards this noble cause.

iv. **Cleanliness Activity**

Rs. 0.11 million were spent by the Company for cleanliness drive undertaken by Company to create awareness towards cleanliness.

c) Educational Assistance

The Company continued promoting education as part of its CSR plans as summarized below:

i) **Kohat Cement Educational Trust (KCET)**

KCET is mainly sponsored by the Company in providing educational services to students belonging to Kohat in general and children of employees of the Company in particular. KCET joined hands with The Country School with the sole purpose to bring maximum quality in its educational services. As part of Company's CSR, an amount of Rs. 4.819 million has been paid to KCET to help paying expenses of the School.

ii) **Educational Scholarships**

"Kohat Cement Scholarship Program" (KCSP)" was started in September 2018 with the primary aim to create opportunities for eligible needy students to get good education.

The Company contributed Rs. 0.70 million during the year to Namal College and towards scholarships to eligible students for their well education from Quaid Institute of Technology Kohat, Government College of Technology Kohat, UET Peshawar, UOP Peshawar and Cadet College Kohat.

iii) **Parho Likho Pakistan**

KCCL paid an amount of Rs. 0.60 million to 'Parho Likho Pakistan' as tuition fee of deserving children.

d) Sports Initiatives

Games help make a person focused, disciplined, committed and a team player. Hence, it is imperative that amiable conditions are provided so that individuals can engage themselves in some sporting activity.

To promote sports, KCCL spent Rs. 1.78 million during the year towards various sports activities.

e) Ethics, Transparency and compliance of statutory framework

The Company is enthusiastic in developing ethical values in its employees, promoting a culture of team work, adoption of best ethical practices, performance encouragement, transparency and compliance of all applicable statutory framework. KCCL's HR activities including employee induction, development, compensation, evaluation and promotion are carried out on the basis of merit, suitability and transparency. Moreover, the Company continues to promote diversity and equal employment opportunity along with providing a safe workplace free from discrimination, hostility and harassment. Any discrimination against or harassment of an employee based on age, gender, race, religion, marital status, etc., is regarded as violation and results in disciplinary action as per the Company rules.

HR Department of Company pays major attention towards achieving aforesaid CSR targets by educating employees by arranging various indoor and outdoor activities. Employees are encouraged to participate in different workshops held by well-known professionals for better learning and understanding of various principles and team building attitude.

f) Market sustainability though selling reliable products

Company manufactures its products not with the sole aim of earning profits but also to implement its CSR plan of selling quality products in the market. The CSR intention of the Company played a vital role in capturing the market.

g) Employee safety

Employees' care continued to be the major concern of the Company. The Company has arranged a comprehensive health insurance plan for its employees at its own cost. The Company's efforts to contain the widespread COVID 19 amongst the employees, its partners and society were exceptional. It strongly implemented all Government's introduced SOPs, at its own cost including provision of face masks, hand sanitizer, free SARS COV 2 tests of suspected employees and preference of work from home.

h) Environment -Plantation Drive

KCCL is committed to provide better environment to the future generations. For this purpose, the Company is enthusiastic in promoting "GO GREEN Plantation Drive" to maximize plantation. A number of significant initiatives are taken to promote Plantation in-line with the vision of the honourable Prime Minister of Pakistan. KCCL is proud to share that the Company has planted 51,008 trees during the year and spent an amount of Rs. 0.57 million towards this initiative. Moreover, the Company spent Rs. 0.27 million towards maintenance of plant nursery situated at Kohat.

Contribution to National Exchequer

The Company contributed Rs. 13,314 million (2020: Rs. 7,841 million) to the National Exchequer in the form of duties and taxes and further deposited Rs. 344.2 million (2020: 311.7 million) into National Treasury being income tax deducted on payments made to various persons in terms of income tax laws. Company also earned Foreign Exchange of USD 6.4 million (2020: USD 3.81 million) equivalent to Rs. 1,028 million (2020: 598 million) for the country by exporting cement during the year.

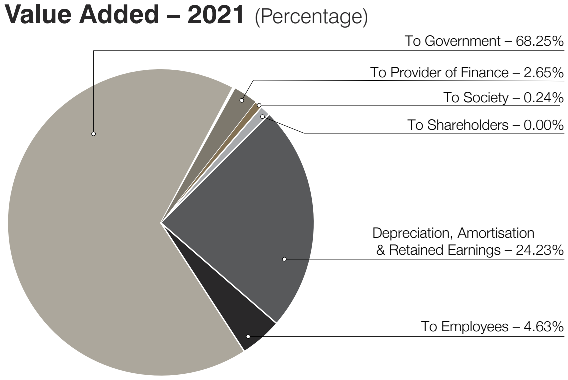
Nadeem Atta Sheikh	**Talha Saeed Ahmed**
Chief Executive	Director

Lahore: August 31, 2021

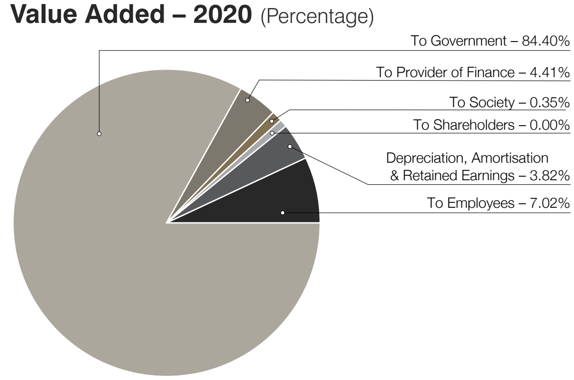
STATEMENT OF VALUE ADDED

	2021		2020	
	Rs.	%	Rs.	%
Value Added				
Gross Revenue Generated	35,800,413,509		19,515,550,181	
Materials & Services	(16,289,789,802)		(10,223,518,693)	
	19,510,623,707		9,292,031,488	
To Employees as Remuneration	**904,078,323**	**4.63%**	**652,631,142**	**7.02%**
To Government as Taxes (Income tax, Sales tax, Excise Duty and Others)	**13,313,788,303**	**68.25%**	**7,841,367,523**	**84.40%**
To Provider of Finance as Finance Cost	**517,055,413**	**2.65%**	**409,702,183**	**4.41%**
To Society as Donation	**47,501,702**	**0.24%**	**32,986,060**	**0.35%**
To Shareholders as Dividend	**–**	**0.00%**	**–**	**0.00%**
Depreciation, Amortisation & Retained Earnings	**4,728,199,948**	**24.23%**	**355,344,580**	**3.82%**
	19,501,623,707	**100%**	**9,292,031,488**	**100%**

Value Added – 2021 (Percentage)



Value Added – 2020 (Percentage)



KEY FINANCIAL DATA

for the Last Six Years

	2021	2020	2019	2018	2017	2016
Balance sheet (Rs. 000)						
Shareholders equity	22,223,539	18,726,673	19,672,639	17,976,738	15,306,258	13,770,090
Non-current liabilities	6,291,138	6,750,446	6,118,326	1,660,565	2,102,230	2,313,269
Current liabilities	7,572,244	6,279,548	5,523,905	3,679,030	2,783,703	3,261,783
Non-current assets	26,238,123	26,519,044	25,708,607	12,909,271	11,263,417	10,126,766
Current assets	9,848,799	5,237,624	5,606,262	10,407,062	8,928,774	9,218,376
Profit & loss account (Rs. 000):						
Sales - net	24,057,376	11,300,241	15,645,649	13,438,843	13,540,305	14,019,843
Gross profit / (loss)	5,965,349	(24,320)	4,173,146	4,325,361	5,827,368	6,496,565
EBITDA	6,633,703	651,468	4,311,505	4,603,050	6,017,066	6,691,965
EBIT	5,403,010	(147,613)	3,722,137	4,076,883	5,519,886	6,252,183
Profit/(loss) before tax	4,885,955	(557,315)	3,676,071	3,970,352	5,434,924	6,174,067
Profit/(loss) after tax	3,497,507	(443,736)	2,468,656	2,979,995	3,544,815	4,408,075
Cash flows (Rs. 000):						
Cash flows from:						
Operations	6,012,031	246,219	6,012,465	4,628,024	5,417,049	5,859,322
Operating activities	5,089,316	(502,396)	4,745,271	3,026,005	3,565,091	2,979,188
Investing activities	(3,950,178)	(18,793)	(13,089,733)	(3,271,934)	(1,305,493)	(1,350,292)
Financing activities	(943,014)	838,909	4,453,920	(790,815)	(2,684,888)	(1,816,880)
Cash and cash equivalents at the beginning of the year	1,001,606	683,886	4,574,428	5,611,172	6,036,461	6,224,446
Cash and cash equivalents at the end of the year	1,197,729	1,001,606	683,886	4,574,428	5,611,172	6,036,461
RATIO ANALYSIS						
Profitability Ratios						
Gross profit ratio	24.80%	-0.22%	26.67%	32.19%	43.04%	46.34%
Net profit to sales ratio	14.54%	-3.93%	15.78%	22.17%	26.18%	31.44%
EBITDA to sales ratio	27.57%	5.77%	27.56%	34.25%	44.44%	47.73%
Return on equity	15.74%	-2.37%	12.55%	16.58%	23.16%	32.01%
Return on capital employed	21.27%	-0.61%	14.43%	24.09%	36.54%	47.59%
Liquidity Ratios						
Current ratio	1.30	0.83	1.01	2.83	3.21	2.83
Quick ratio	0.75	0.31	0.63	2.07	2.39	2.19
Cash flow from operations to sales ratio	24.99%	2.18%	38.43%	34.44%	40.01%	41.79%
Cash to Current Liabilities	0.16	0.16	0.12	1.24	2.02	1.85
Investment/market ratios						
Earnings per share	17.41	(2.21)	12.29	14.84	17.65	21.95
Price Earning Ratio	11.86	(62.22)	4.27	8.29	12.99	11.93
Price to Book ratio	1.15	0.87	0.34	1.06	2.28	2.72
Dividend Yield Ratio	0.00%	0.00%	4.76%	4.06%	6.11%	2.29%
Dividend Payout Ratio	0.00%	0.00%	20.34%	33.70%	79.33%	27.34%
Dividend Cover Ratio	-	-	4.92	2.97	1.26	3.66
Cash Dividend per share	-	-	2.50	5.00	14.00	6.00
Cash Dividend	0%	0%	25%	50%	140%	60%
Stock Dividend	0%	0%	0%	30%	0%	0%
Market Value per Share						
- Closing	206.49	137.45	52.53	123.07	229.26	261.92
- High	262.00	152.00	134.43	225.01	311.00	283.00
- Low	136.50	40.12	47.55	112.50	216.00	181.54
Breakup value per share of Rs. 10 each	110.64	93.23	97.94	89.50	76.20	68.56
Capital Structure Ratios						
Debt to equity ratio	21:79	27:73	22 : 78	2:98	6:94	10:90
Interest coverage ratio	10.45	(0.36)	80.80	38.27	64.97	80.04
Weighted average cost of debt	8%	6%	1%	8%	8%	2%
Debt Service Coverage Ratio	7.08	0.37	3.85	13.19	15.99	7.17
Loan Life Coverage Ratio	4.00	3.29	3.64	42.17	21.54	13.84
Activity/Turnover Ratios						
Inventory turnover ratio	5.75	3.46	7.38	4.84	5.93	6.74
No. of days in inventory	63.47	105.50	49.46	75.46	61.52	54.34
Debtor turnover ratio	24.46	22.86	21.91	20.82	39.39	54.17
No. of days in receivables	14.92	15.97	16.66	17.53	9.27	6.76
Creditors turnover ratio	10.82	8.86	18.25	7.46	31.40	13.38
No. of Days in Payables	33.74	41.21	20.00	48.95	11.63	27.28
Operating cycle	44.66	80.26	46.12	44.04	59.16	33.82
Total assets turnover ratio	0.67	0.35	0.50	0.58	0.67	0.72
Fixed assets turnover ratio	1.11	0.50	1.95	1.69	1.84	1.82

GLOSSARAY OF TERMS

Gross profit ratio

Gross profit represents the profit remaining after the production costs have been subtracted from revenue. The Gross profit ratio is the relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net profit margin

This ratio is determined by dividing net income (after tax) with net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/ falling price of the goods sold.

Return on equity

A percentage that indicates how well common stockholders' invested money is being used. ROE is a measure of financial performance calculated by dividing net income (after tax) by shareholders' equity. Whether ROE is considered satisfactory will depend on what is normal for the industry as a whole. Net income is calculated before dividends paid to common shareholders and after dividends to preferred shareholders and interest to lenders.

Return on capital employed

Return on capital employed (ROCE) is a financial ratio that can be used in assessing a company's profitability and capital efficiency. ROCE measures company's profitability considering both equity and debt. This can help neutralize financial performance analysis for companies with significant debt. There are two components required to calculate return on capital employed: earnings before interest and tax and average capital employed i.e. shareholders' equity plus long-term debts.

Current ratio

This ratio is calculated by dividing current assets with current liabilities of the company. This ratio indicates company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Cash flow from operations to sales ratio

This ratio is calculated by dividing operating cash flows of a company to its sales revenue. This ratio indicates about the ability of a company to generate cash from its sales. In other words, it shows the ability of a company to turn its sales into cash. It is expressed as a percentage. The higher this ratio is the better it is for the company.

Earnings per share

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Price Earning Ratio

The price-earnings ratio is the ratio of a company's share market value to the company's earnings per share. This ratio is used for valuing companies and to find out whether they are overvalued or undervalue.A high P/E ratio could mean that a company's stock is overvalued, or else that investors are expecting high growth rates in the future.

Price to Book ratio

This ratio is calculated by market value of share divided by total assets minus intangible assets. The ratio is used to compare a business's net assets that are available in relation to the sales price of its stock.

Debt to equity ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

Interest coverage ratio

The interest coverage ratio is a measure of a company's ability to honor its interest payments. It is calculated as EBIT divided by the total interest expense / finance Cost.

Debt Service Coverage Ratio

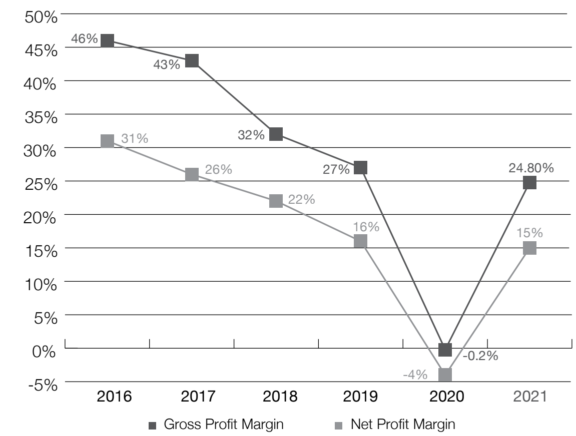
Debt Service Coverage Ratio is the ratio of operating income available to debt servicing for interest, principal and lease payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. It is calculated by dividing EBITDA with repayment of Long Term Loans and related Finance costs during the year.

Return on assets

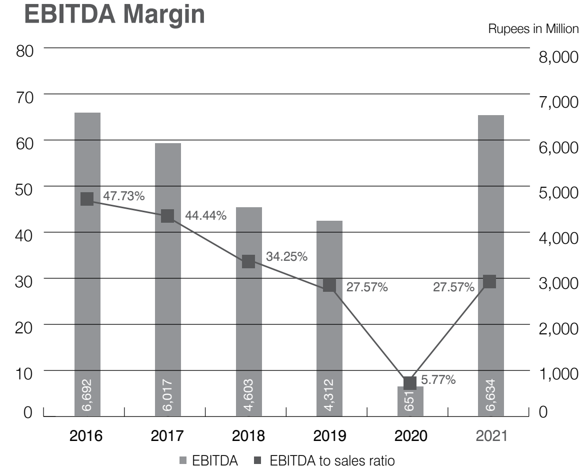
Return on assets is the amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive financial leverage.

GRAPHICAL ANALYSIS

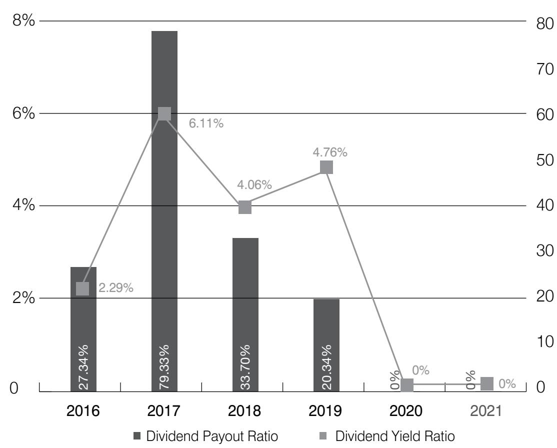
Profitability Ratios



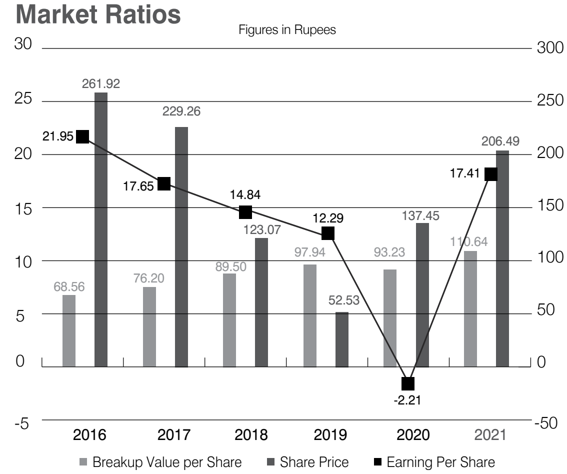
EBITDA Margin



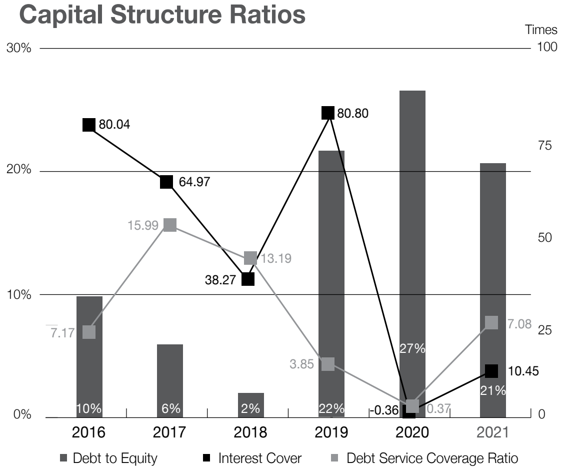
Market Ratios



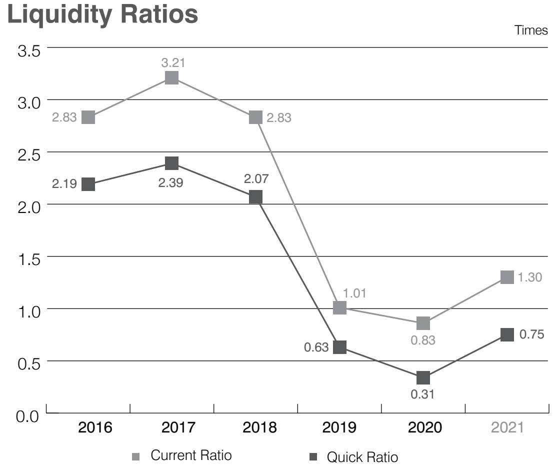
Market Ratios



Capital Structure Ratios



Liquidity Ratios



HORIZONTAL & VERTICAL ANALYSIS

Of Balance Sheet

	2021		2020		2019		2018		2017		2016	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Equity & Liabilities												
Shareholders equity	22,223,539	18.67	18,726,673	(4.81)	19,672,639	9.43	17,976,738	17.45	15,306,258	11.16	13,770,090	27.53
Non-current liabilities	6,291,138	(6.80)	6,750,446	10.33	6,118,326	268.45	1,660,565	(21.01)	2,102,230	(9.12)	2,313,269	8.03
Current liabilities	7,572,244	20.59	6,279,548	13.68	5,523,905	50.15	3,679,030	32.16	2,783,703	(14.66)	3,261,783	(20.89)
	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30	23,316,333	15.47	20,192,191	4.38	19,345,142	13.38
Assets												
Non-current assets	26,238,123	(1.06)	26,519,044	3.15	25,708,607	99.15	12,909,271	14.61	11,263,417	11.22	10,126,766	16.56
Current assets	9,848,799	88.04	5,237,624	(6.58)	5,606,263	(46.13)	10,407,062	16.56	8,928,774	(3.14)	9,218,376	10.09
	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30	23,316,333	15.47	20,192,191	4.38	19,345,142	13.38
Vertical Analysis												
Equity & Liabilities												
Shareholders equity	22,223,539	61.58	18,726,673	58.97	19,672,639	62.82	17,976,738	77.10	15,306,258	75.80	13,770,090	71.18
Non-current liabilities	6,291,138	17.43	6,750,446	21.26	6,118,326	19.54	1,660,565	7.12	2,102,230	10.41	2,313,269	11.96
Current liabilities	7,572,244	20.98	6,279,548	19.77	5,523,905	17.64	3,679,030	15.78	2,783,703	13.79	3,261,783	16.86
	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00	23,316,333	100.00	20,192,191	100.00	19,345,142	100.00
Assets												
Non-current assets	26,238,123	72.71	26,519,044	83.51	25,708,607	82.10	12,909,271	55.37	11,263,417	55.78	10,126,766	52.35
Current assets	9,848,799	27.29	5,237,624	16.49	5,606,263	17.90	10,407,062	44.63	8,928,774	44.22	9,218,376	47.65
	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00	23,316,333	100.00	20,192,191	100.00	19,345,142	100.00

of Profit and Loss Account

	2021		2020		2019		2018		2017		2016	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Sales - Net	24,057,376	112.89	11,300,241	(27.77)	15,645,649	16.42	13,438,843	(0.75)	13,540,305	(3.42)	14,019,843	12.41
Cost of Sales	(18,092,027)	59.76	(11,324,561)	(1.29)	(11,472,502)	25.88	(9,113,482)	18.16	(7,712,937)	2.52	(7,523,278)	(1.75)
Gross profit	5,965,349	(24,628.26)	(24,320)	(100.58)	4,173,146	(3.52)	4,325,361	(25.78)	5,827,368	(10.30)	6,496,565	34.93
Selling and distribution expenses	(94,166)	46.54	(64,260)	(24.70)	(85,342)	(11.91)	(96,879)	(25.29)	(129,666)	(16.12)	(154,584)	64.17
Administrative and general expenses	(313,525)	31.33	(238,728)	(6.07)	(254,164)	25.11	(203,150)	24.62	(163,009)	22.48	(133,092)	17.03
Other expenses	(325,323)	1,876.86	(16,457)	(96.42)	(460,125)	48.36	(310,146)	(23.97)	(407,911)	(6.44)	(436,010)	29.04
Other income	170,675	(12.99)	196,152	(43.73)	348,620	(3.62)	361,697	(7.99)	393,104	(17.98)	479,305	3.74
Operating profit	5,403,010	(3,760.26)	(147,613)	(103.97)	3,722,137	(8.70)	4,076,883	(26.14)	5,519,886	(11.71)	6,252,183	32.15
Finance cost	(517,055)	26.20	(409,702)	789.40	(46,065)	(56.76)	(106,531)	25.39	(84,962)	8.76	(78,117)	(16.67)
Profit before tax	4,885,955	(976.70)	(557,315)	(115.16)	3,676,071	(7.41)	3,970,352	(26.95)	5,434,924	(11.97)	6,174,067	33.14
Taxation	(1,388,447)	(1,322.45)	113,579	(109.41)	(1,207,416)	21.92	(990,357)	(47.60)	(1,890,109)	7.03	(1,765,991)	34.28
Profit after tax	3,497,507	(888.20)	(443,736)	(117.97)	2,468,656	(17.16)	2,979,995	(15.93)	3,544,815	(19.58)	4,408,076	32.68
Vertical Analysis												
Sales - Net	24,057,376	100.00	11,300,241	100.00	15,645,649	100.00	13,438,843	100.00	13,540,305	100.00	14,019,843	100.00
Cost of Sales	(18,092,027)	(75.20)	(11,324,561)	(100.22)	(11,472,502)	(73.33)	(9,113,482)	(67.81)	(7,712,937)	(56.96)	(7,523,278)	(53.66)
Gross profit	5,965,349	24.80	(24,320)	(0.22)	4,173,146	26.67	4,325,361	32.19	5,827,368	43.04	6,496,565	46.34
Selling and distribution expenses	(94,166)	(0.39)	(64,260)	(0.57)	(85,342)	(0.55)	(96,879)	(0.72)	(129,666)	(0.96)	(154,584)	(1.10)
Administrative and general expenses	(313,525)	(1.30)	(238,728)	(2.11)	(254,164)	(1.62)	(203,150)	(1.51)	(163,009)	(1.20)	(133,092)	(0.95)
Other expenses	(325,323)	(1.35)	(16,457)	(0.15)	(460,125)	(2.94)	(310,146)	(2.31)	(407,911)	(3.01)	(436,010)	(3.11)
Other income	170,675	0.71	196,152	1.74	348,620	2.23	361,697	2.69	393,104	2.90	479,305	3.42
Operating profit	5,403,010	22.46	(147,613)	(1.31)	3,722,137	23.79	4,076,883	30.34	5,519,886	40.77	6,252,183	44.60
Finance cost	(517,055)	(2.15)	(409,702)	(3.63)	(46,065)	(0.29)	(106,531)	(0.79)	(84,962)	(0.63)	(78,117)	(0.56)
Profit before tax	4,885,955	20.31	(557,315)	(4.93)	3,676,071	23.50	3,970,352	29.54	5,434,924	40.14	6,174,067	44.04
Taxation	(1,388,447)	(5.77)	113,579	1.01	(1,207,416)	(7.72)	(990,357)	(7.37)	(1,890,109)	(13.96)	(1,765,991)	(12.60)
Profit after tax	3,497,507	14.54	(443,736)	(3.93)	2,468,656	15.78	2,979,995	22.17	3,544,815	26.18	4,408,076	31.44v

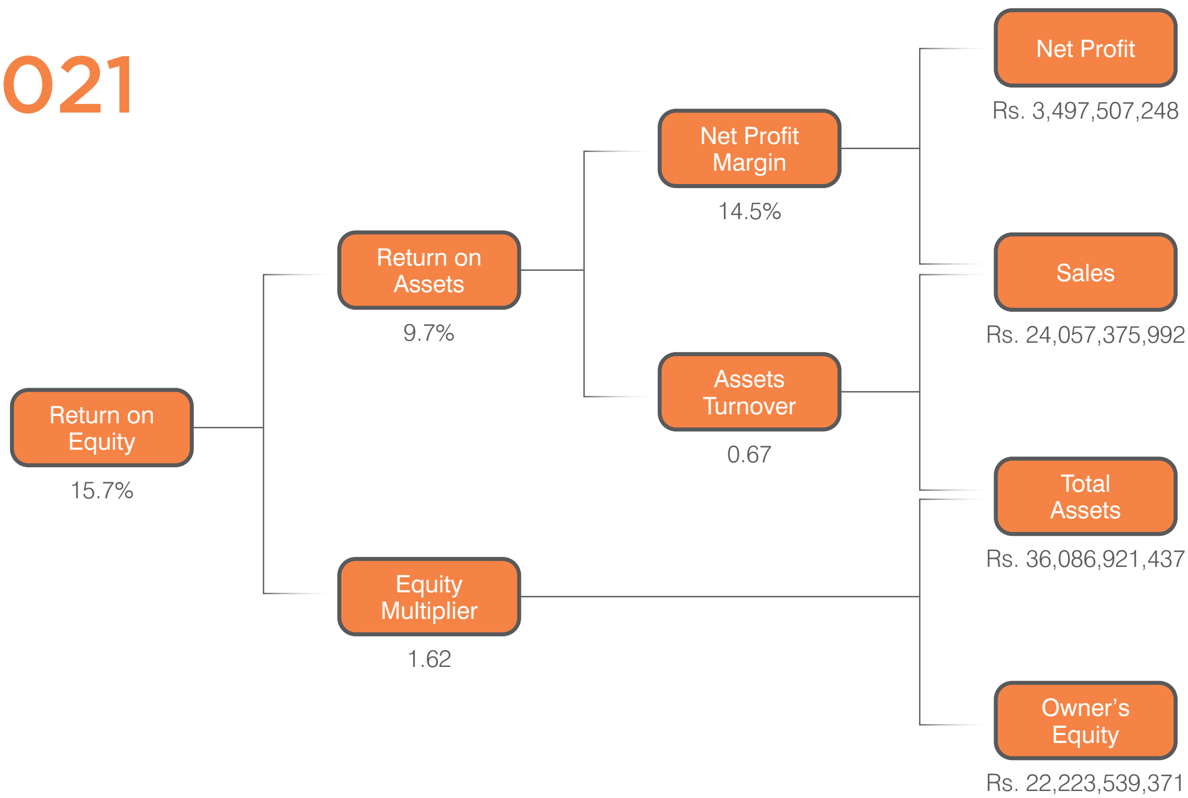
ANALYSIS OF QUARTERLY RESULTS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2020-21
metric tonnes					
Dispatches - Tons	905,785	960,840	986,335	891,050	3,744,010
- Local	836,404	923,008	941,191	867,203	3,567,806
- Export	69,381	37,832	45,144	23,847	176,204
PKR 000					
Sales Revenue - Net	5,174,169	5,933,847	6,711,964	6,237,396	24,057,376
Cost of Sales	4,215,646	4,295,833	4,972,126	4,608,422	18,092,027
Gross Profit	958,524	1,638,013	1,739,838	1,628,974	5,965,349
Gross Profit Margin	19%	28%	26%	26%	25%
- Selling and Distribution Cost	17,439	21,569	18,558	36,600	94,166
- Administration and General Expenses	73,261	83,783	75,884	80,596	313,525
- Other Operating Income	(16,868)	(39,517)	(53,151)	(61,138)	(170,675)
- Other Operating Expenses	49,945	87,103	95,500	92,775	325,323
	123,777	152,938	136,790	148,833	562,339
Operating Profit	834,746	1,485,075	1,603,048	1,480,141	5,403,010
Operating Profit Margin	16%	25%	24%	24%	22%
Finance Cost	138,277	135,798	119,276	123,705	517,055
Profit Before Tax (PBT)	696,470	1,349,277	1,483,772	1,356,436	4,885,955
PBT Margin	13%	23%	22%	22%	20%
Taxation	189,383	383,950	424,474	390,641	1,388,447
Effective Tax Rate	27%	28%	29%	29%	28%
Profit After Tax (PAT)	507,087	965,328	1,059,298	965,795	3,497,507
PAT Margin	10%	16%	16%	15%	15%
Earning per Share -Rs.	2.52	4.81	5.27	4.81	17.41
EBITDA	1,147,509	1,828,300	1,885,175	1,772,718	6,633,703
EBITDA Margin	22%	31%	28%	28%	28%
Average net Sales Rate Rs/Mt	5,712	6,176	6,805	7,000	6,426
Average of COS Rate Rs/Mt	4,654	4,471	5,041	5,172	4,832

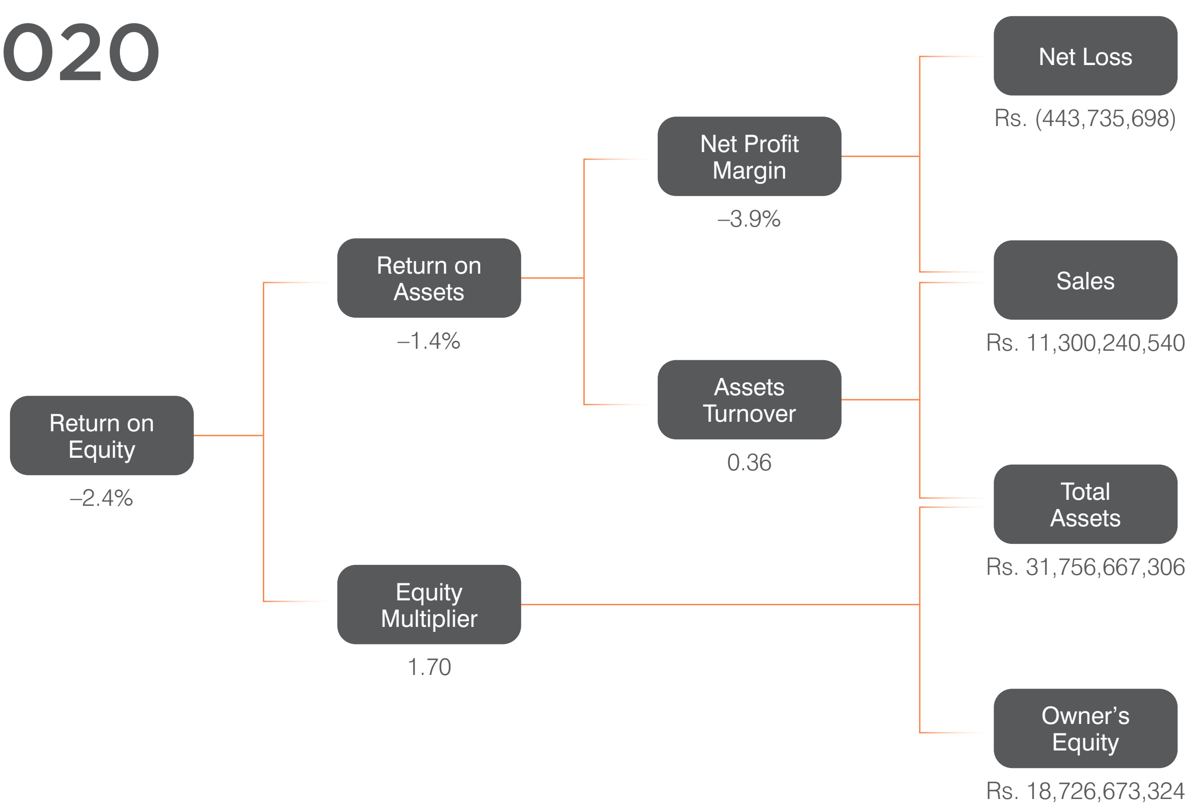
Company's dispatches in current year increased by 69% as compared to last year, as company was geared up for increased demand through its recent capacity enhancement. Company regain its sale price due to increase in demand and market stability. Although increase in input costs especially the coal prices remained major challenge in last two quarters however profit margins were maintained through increased operational efficiencies including efficient energy mix.

DUPONT ANALYSIS

2021



2020



STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended June 30, 2021

Kohat Cement Company Limited ("the Company") has complied with the requirements of the Regulations in the following manner:

1. The total number of directors as at June 30, 2021 are eight (8) as per the following:

a)	Male	6
b)	Female	2

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Ahmad Sajjad Khan Mr. Talha Saeed Ahmed
Non-Executive Directors	Mr. Aizaz Mansoor Sheikh Mrs. Hafsa Nadeem Mrs. Hijab Tariq Mrs. Shahnaz Aizaz, (resigned on October 26, 2020) Mr. Muhammad Rehman Sheikh, (appointed on October 26, 2020) Mr. Muhammad Atta Tanseer Sheikh
Executive Director	Mr. Nadeem Atta Sheikh

The current Board of Directors of the Company was elected on June 29, 2019 and has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore the Board considers that it is adequately composed with two independent directors and hence, the fractional number of independent directors has not been rounded up.

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 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. The Board has complied with the requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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

9. Detailed as below; five directors have completed their Directors' Training Certification (DTC), two directors are exempt from this due to 14 years of education and 15 years of experience on the Board and one director shall comply with the Regulations within prescribed time period:

Directors exempt from DTC

- Mr. Aizaz Mansoor Sheikh
- Mr. Nadeem Atta Sheikh

Directors who have completed their DTC

- Mrs. Hafsa Nadeem
- Mr. Muhammad Atta Tanseer Sheikh
- Mrs. Hijab Tariq
- Mr. Talha Saeed Ahmed
- Mr. Muhammad Rehman Sheikh

Directors yet to acquire DTC

- Mr. Ahmad Sajjad Khan

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

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

a) Audit Committee as at June 30, 2021

Category	Names	
Chairman	Mr. Talha Saeed Ahmed	Independent Director
Member	Mr. Aizaz Mansoor Sheikh	Non-Executive Director
Member	Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director

b) Human Resource and Remuneration (HR&R) Committee as at June 30, 2021

Category	Names	
Chairman	Mr. Ahmad Sajjad Khan	Independent Director
Member	Mr. Nadeem Atta Sheikh	Chief Executive
Member	Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director

c) Nomination Committee

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of HR&R Committee, the Board of Directors has decided to include the TOR of this committee in the TOR of the HR&R Committee.

d) Risk Management Committee

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of Audit Committee, the Board of Directors, has decided to include the TOR of this committee in the TOR of the Audit Committee.

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 committees were as per following:

Committee	Frequency
Audit Committee	Four meetings were held during the year
HR&R Committee	one meeting was held during the year

15. The Board has set-up an effective internal audit function and personnel involved are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by 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 other requirements of the regulations have been complied with.

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: August 31, 2021

FINANCIAL STATEMENTS

For the year ended June 30, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohat Cement Company 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 Kohat Cement Company Limited ("the Company") for the year ended 30 June 2021 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 30 June 2021.

KPMG Taseer Hadi & Co.

Lahore
Date: 31 August 2021

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

INDEPENDENT AUDITOR'S REPORT

To the members of Kohat Cement Company Limited

Report on the audit of the Financial Statements

We have audited the annexed financial statements of Kohat Cement Company Limited ("the Company"), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Following is the Key audit matter.

Sr. No	Key audit matter	How the matter was addressed in our audit
1.	**Revenue** Refer to notes 3.10 and 25 to the financial statements The Company generates revenue from sale of cement to domestic as well as foreign customers. The Company recognized revenue when the control is transferred to the customers which is normally the time of dispatch of goods from Company's manufacturing facility to the customers or delivered at customers' premises. We identified recognition of revenue as a key audit matter because non-compliance with the revenue recognition policy may lead to misstatement of operating results of the Company.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.; • comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to revenue raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ali.

KPMG Taseer Hadi & Co.

Lahore
Date: 31 August 2021

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 Rupees	(Restated) 2020 Rupees
EQUITY AND LIABILITIES			
Authorized share capital	4	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital	4	2,008,612,970	2,008,612,970
Reserves	5	119,105,065	119,746,265
Accumulated profits		20,095,821,336	16,598,314,089
		22,223,539,371	18,726,673,324
Non-current liabilities			
Long term financing - secured	6	4,405,765,306	5,439,226,142
Deferred grant	6.8	1,328,937	–
Long term deposits	7	2,036,100	2,036,100
Deferred liabilities			
- deferred taxation	8.1	1,857,649,347	1,287,942,113
- compensated absences	8.2	24,358,436	21,241,356
		6,291,138,126	6,750,445,711
Current liabilities			
Current portion of long term financing	6	1,147,020,843	248,496,322
Trade and other payables	9	4,985,385,529	4,293,205,395
Contract liability	10	137,091,500	126,582,689
Unclaimed dividend		8,559,447	9,416,974
Dividend payable	11	37,638,105	38,597,374
Short term borrowings - secured	12	498,000,000	1,301,609,100
Provision for taxation - net		635,934,543	52,873,661
Mark-up accrued on borrowings	13	122,613,973	208,766,756
		7,572,243,940	6,279,548,271
Contingencies and commitments	14		
		36,086,921,437	31,756,667,306

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

Chief Executive

	Note	2021 Rupees	(Restated) 2020 Rupees
ASSETS			
Non current assets			
Property, plant and equipment	15	22,051,984,013	22,777,666,271
Intangibles	16	6,725,911	11,210,982
Long term deposits	17	43,326,640	38,326,640
Investment property	18	4,136,086,159	3,691,839,635
		26,238,122,723	26,519,043,528
Current assets			
Stores, spares and loose tools	19	3,070,769,101	2,250,156,437
Stock-in-trade	20	1,112,776,266	1,016,024,223
Trade debts - unsecured, considered good	21	983,568,223	494,315,206
Short term investments	22	2,999,496,423	160,130,600
Advances, deposits, prepayments and other receivables	23	484,459,350	425,391,226
Cash and bank balances	24	1,197,729,351	891,606,087
		9,848,798,714	5,237,623,778
		36,086,921,437	31,756,667,306

Chief Financial Officer

Director

STATEMENT OF PROFIT OR LOSS
For the year ended 30 June 2021

	Note	2021 Rupees	(Restated) 2020 Rupees
Sales-net	25	24,057,375,992	11,300,240,540
Cost of sales	26	(18,092,026,933)	(11,324,560,852)
Gross Profit / (loss)		5,965,349,059	(24,320,312)
Selling and distribution expenses	27	(94,165,965)	(64,260,434)
Administrative and general expenses	28	(313,524,670)	(238,727,603)
Other income	29	170,674,670	196,152,112
Other expenses	30	(325,323,074)	(16,456,530)
		(562,339,039)	(123,292,455)
Operating profit / (loss)		5,403,010,020	(147,612,766)
Finance cost	31	(517,055,413)	(409,702,183)
Profit / (loss) before taxation		4,885,954,607	(557,314,949)
Taxation	32	(1,388,447,360)	113,579,251
Profit / (loss) after taxation		3,497,507,247	(443,735,698)
Earnings / (loss) per share - basic and diluted	33	17.41	(2.21)

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

Chief Executive **Chief Financial Officer** **Director**

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2021

	2021 Rupees	2020 Rupees
Profit / (loss) after taxation	3,497,507,247	(443,735,698)
Other comprehensive loss		
Items that will not be reclassified to statement of profit or loss		
Equity investments at FVOCI - net changes in fair value	453,800	118,400
Items that are or may be reclassified to statement of profit or loss		
Debt investments at FVOCI - net changes in fair value	(1,095,000)	(195,000)
	(641,200)	(76,600)
Total comprehensive income / (loss) for the year	3,496,866,047	(443,812,298)

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

Chief Executive	Chief Financial Officer	Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profits	Total reserves	Total
		Reserves					
		Capital reserves		Revenue reserves			
				Rupees			
Balance as at 01 July 2019	2,008,612,970	49,704,951	117,914	70,000,000	17,544,203,029	17,664,025,894	19,672,638,864
Total comprehensive loss for the year							
Loss after tax for the year	–	–	–	–	(443,735,698)	(443,735,698)	(443,735,698)
Other comprehensive loss for the year	–	–	(76,600)	–	–	(76,600)	(76,600)
	–	–	(76,600)	–	(443,735,698)	(443,812,298)	(443,812,298)
Transactions with the owners of the Company							
Final cash dividend at Rs. 2.50 per share for the year ended 30 June 2019	–	–	–	–	(502,153,242)	(502,153,242)	(502,153,242)
Balance as at 30 June 2020	2,008,612,970	49,704,951	41,314	70,000,000	16,598,314,089	16,718,060,354	18,726,673,324
Total comprehensive income for the year							
Profit after tax for the year	–	–	–	–	3,497,507,247	3,497,507,247	3,497,507,247
Other comprehensive loss for the year	–	–	(641,200)	–	–	(641,200)	(641,200)
	–	–	(641,200)	–	3,497,507,247	3,496,866,047	3,496,866,047
Balance as at 30 June 2021	2,008,612,970	49,704,951	(599,886)	70,000,000	20,095,821,336	20,214,926,401	22,223,539,371

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

Chief Executive **Chief Financial Officer** **Director**

STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
Cash flows from operating activities			
Cash generated from operations	34	6,012,030,743	246,219,051
Finance cost paid		(599,227,218)	(302,106,064)
Compensated absences paid	8.2	(3,808,417)	(2,910,615)
Income tax paid		(235,679,244)	(370,774,471)
Payment made to Workers' Welfare Fund	9.2	–	(72,823,762)
Payment made to Workers' Profit Participation Fund	9.1	(84,000,000)	–
		(922,714,879)	(748,614,912)
Net cash generated from / (used in) operating activities		5,089,315,864	(502,395,860)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(610,597,045)	(1,704,778,944)
Proceeds from disposal of property, plant and equipment		17,333,403	7,903,360
Acquisition of intangibles		(400,000)	(2,140,000)
Purchase of investment property		(444,246,524)	–
Short term investments - net		(2,949,908,146)	1,646,931,580
Profit / Interest on bank deposits and loan		42,639,964	47,544,878
Long term deposits		(5,000,000)	–
Long term loans and advances - net		–	90,603,485
Long term retention money - net		–	(104,857,705)
Net cash used in investing activities		(3,950,178,348)	(18,793,346)
Cash flows from financing activities			
Short term borrowing - net		(803,609,100)	1,058,609,100
Repayment of long term finances		(338,275,011)	(953,588,131)
Disbursement of long term finances - net off transaction cost		200,686,655	1,233,178,505
Dividend paid		(1,816,796)	(499,290,203)
Net cash (used in) / generated from financing activities		(943,014,252)	838,909,270
Net increase in cash and cash equivalents		196,123,264	317,720,064
Cash and cash equivalents at beginning of the year		1,001,606,087	683,886,023
Cash and cash equivalents at end of the year	35	1,197,729,351	1,001,606,087

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

Chief Executive **Chief Financial Officer** **Director**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 **Reporting entity**

1.1 Kohat Cement Company Limited (“the Company”) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now “Companies Act, 2017”) and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 37-P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab for installation of its new grey cement line.

1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 (2020: 110,482,320) ordinary shares of the Company comprising 55% of its paid up share capital.

2 **Basis of preparation**

2.1 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

- Provision 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.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:
  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

  The above amendments are effective from annual period beginning on or after 01 July 2021 and are not likely to have impact on the Company's financial statements.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments at fair value through other comprehensive income (FVOCI) and fair value through profit or loss account (FVTPL) which are stated at fair value.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

2.5 Use of judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

2.5.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in estimate may affect the depreciation charge or impairment. The Company has revised depreciation method for plant and machinery as explained in note 15.3. The rates of depreciation are specified in note 15.1.

2.5.2 Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.5.3 Taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

2.5.4 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.5.5 Stores, spares and loose tools

The Company reviews the stores, spares and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spares and loose tools with a corresponding effect on the provision.

2.5.6 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost.

2.5.7 Expected credit loss (ECL)

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating. The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical credit ratings of the issuer.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

2.5.8 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

3 Statement of consistency in accounting policies

The significant accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated. Further, the Company has applied policy for accounting of government grants as disclosed in note 3.1 as disclosed below:

3.1 Government Grants

Government grants related to benefit of below market interest are recognized and presented in the statement of financial position as 'deferred grant' which is measured as the difference between the initial carrying value of the loan (i.e fair value of the loan) and the proceeds received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as part of profit or loss, as a deduction from the related expenses.

3.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 3.11.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

The Company recognizes depreciation in statement of profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment except that depreciation on building, plant civil structure and plant and machinery of white and grey cement line III and line IV including waste heat recovery power plant and furnace oil power plant is charged by applying straight line method.

Depreciation rates on items of property, plant and equipment are specified in note 15.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use and is discontinued from the month in which it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in statement of profit or loss.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses and includes the expenditures on material, labour and appropriate overheads directly relating to the project. These costs are transferred to property, plant and equipment as and when assets are available for intended use.

3.3 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 16.

3.4 Stores, spares and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. The Company reviews the stores, spares and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spare parts and loose tools with a corresponding effect on the provision.

3.5 Stock-in-trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

-	Raw materials	Moving average
-	Work in process	Average annual manufacturing cost
-	Finished goods	Average annual manufacturing cost
-	Stock in transit	Invoice price plus related expense incurred up to the reporting date
-	Packing material	Moving average

Average annual manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

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

3.6 Employees benefits

Defined contributions plan

The Company operates an approved defined contributory provident fund for its employees. Equal contributions are made by the Company and employees at 10% of basic salary. The Company's contribution is charged to statement of profit or loss currently.

Compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss.

3.7 Financial instruments

3.7.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

3.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of term deposit receipts, cash and bank balances, long term deposits, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The investment in TFCs has been classified as financial assets at FVOCI under IFRS 9.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. The Company has designated the investment in Gharibwal Cement Limited at the date of initial application as measured at FVOCI.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Company has classified investments in mutual funds as FVTPL.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term deposits and retention money payable, dividend payable, unclaimed dividend, long term financing, current portion of long term financing, short term borrowings and mark-up accrued on borrowings.

3.7.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

3.7.4 Trade Debts, deposits and other receivables

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

3.7.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.7.6 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial assets at amortized cost excluding trade debts for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

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

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

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

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.8 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

3.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.10 Revenue

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes, volume rebates and trade discounts (if any). Specific revenue and other income recognition policies are as follows:

3.10.1 Sale of goods

Revenue from sale of goods is recognized when the goods are dispatched to customers or delivered at the customers' premises.

3.10.2 Dividends

Dividend income is recognized when the Company's right to receive payment is established.

3.10.3 Interest income

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

3.10.4 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also generally includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.11 Borrowing costs

Borrowing costs those are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss as incurred.

3.12 Taxation

Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability.

Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.13 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.15 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in statement of profit or loss.

3.16 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

3.17 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business.

Investment property comprises of land only and it is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The cost model requires to measure the investment property at each reporting date at its cost less any accumulated impairment losses.

The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in statement of profit or loss.

		Note	2021 Number of shares	2020 Number of shares	2021 Rupees	2020 Rupees
4	**Share capital**					
	Authorized share capital					
	Ordinary shares of Rs. 10 each		300,000,000	300,000,000	3,000,000,000	3,000,000,000
	Issued, subscribed and paid-up capital					
	Ordinary shares of Rs. 10 each, fully paid-up in cash		20,749,585	20,749,585	207,495,850	207,495,850
	Shares issued for consideration other than cash	4.2	11,230,000	11,230,000	112,300,000	112,300,000
	Fully paid bonus shares		168,881,712	168,881,712	1,688,817,120	1,688,817,120
			200,861,297	200,861,297	2,008,612,970	2,008,612,970

4.1 ANS Capital (Private) Limited, holding company, holds 110,482,320 (2020: 110,482,320) ordinary shares comprising 55% of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 152,045 (2020: 152,045), ordinary shares of Rs. 10 each of the Company, Directors and Executives hold 34,317,316 (2020: 34,268,316) and 147,637 (2020: 35,837) respectively, ordinary shares of Rs. 10 each of the Company.

4.2 These shares were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited.

		Note	2021 Rupees	2020 Rupees
5	**Reserves**			
	Capital reserves			
	- share premium	5.1	49,704,951	49,704,951
	- fair value reserve	5.2	(599,886)	41,314
	Revenue reserve - general reserves		70,000,000	70,000,000
			119,105,065	119,746,265

5.1 This reserve can be utilized by the Company only for the purpose specified in section 81(2) of the Companies Act, 2017.

5.2 This represents fair value adjustment on revaluation of investments classified as 'FVOCI'.

		Note	2021 Rupees	2020 Rupees
6	**Long term financing - secured**			
	Term finance - Line-4 (Conventional)			
	The Bank of Punjab	6.1	2,185,861,090	2,289,949,713
	Habib Bank Limited	6.2	1,099,876,563	1,160,980,816
	The Bank of Khyber	6.3	785,714,284	785,714,284
	Askari Bank Limited	6.4	797,583,795	833,837,592
	Samba Bank Limited	6.5	514,285,716	535,714,287
			5,383,321,448	5,606,196,692
	Less: Current maturity		(1,034,358,120)	(222,875,244)
	Less: Transaction cost	6.6	(16,977,562)	(20,958,540)
			4,331,985,766	5,362,362,908
	Term finance - RFWS Scheme			
	The Bank of Punjab	6.7	92,126,018	–
	Habib Bank Limited	6.7	95,645,182	102,484,312
			187,771,200	102,484,312
	Less: Current maturity		(112,662,723)	(25,621,078)
	Less: Unamortized Government Grant	6.8	(1,328,937)	–
			73,779,540	76,863,234
			4,405,765,306	5,439,226,142

6.1 This represents long term finance facility, having approved limit of Rs. 2,850 million, obtained from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. During the last year, the Company availed deferment of principal amount under BPRD Circular Letter No. 13 of 2020, dated 26 March 2020, of the State Bank of Pakistan. The outstanding principal of Rs. 2,185.86 million is repayable in 21 equal quarterly installments ending on 24 September 2026.

6.2 This represents long term finance facility, having approved limit of Rs. 1,500 million, obtained from Habib Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV) and 18MW Waste Heat Recovery plant (WHR) at the existing production facilities of the Company. This facility carries markup at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. During the last year, the Company availed deferment of principal amount under BPRD Circular Letter No. 13 of 2020, dated 26 March 2020, of the State Bank of Pakistan. The outstanding principal of Rs. 1,099.88 million is repayable in 18 equal quarterly installments ending on 31 December 2025.

6.3 This represents long term finance facility, having approved limit of Rs. 1,000 million, obtained from The Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. During the last year, the Company availed deferment of principal amount under BPRD Circular Letter No. 13 of 2020, dated 26 March 2020, of the State Bank of Pakistan. The outstanding principal of Rs. 785.72 million is repayable in 22 equal quarterly installments ending on 10 October 2026.

6.4 This represents long term finance facility, having approved limit of Rs. 1,000 million, obtained from Askari Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. During the last year, the Company availed deferment of principal amount under BPRD Circular Letter No. 13 of 2020, dated 26 March 2020, of the State Bank of Pakistan. The outstanding principal of Rs. 797.58 million is repayable in 22 equal quarterly installments ending on 23 November 2026.

6.5 This represents long term finance facility, having approved limit of Rs. 600 million obtained from Samba Bank Limited during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. During the last year, the Company availed deferment of principal amount under BPRD Circular Letter No. 13 of 2020, dated 26 March 2020, of the State Bank of Pakistan. The outstanding principal of Rs. 514.29 million is repayable in 24 equal quarterly installments ending on 30 June 2027.

		2021 Rupees	2020 Rupees
6.6	**Transaction cost**		
	At the beginning of the year	20,958,540	20,207,270
	Incurred during the year	–	4,732,248
	Amortized during the year	(3,980,978)	(3,980,978)
	At the end of the year	16,977,562	20,958,540

6.7 This represents the long term finance facilities obtained by the Company from Habib Bank Limited and The Bank of Punjab, having approved limit of Rs. 195 million and 183.5 million respectively. These facilities have been offered by State Bank of Pakistan to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of the COVID-19 outbreak called the Refinance Scheme for the Payment of Wages and Salaries (RFWS). These facilities carry markup at the rate of 3% per annum and repayable in 8 equal quarterly installments started from 01 January 2021 and ending on 1 October 2022. These facilities are secured against first parri passu charge over all present and future fixed assets of the Company with 25% margin.

6.7.1 These loan have been measured at their fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3 months KIBOR+0.65% per annum. The difference between fair value of loans and loan proceeds have been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11 dated 17 August 2020 issued by the Institute of Chartered Accountants of Pakistan.

		Note	2021 Rupees	2020 Rupees
6.8	**Unamortized Government Grant**			
	At the beginning of the year		–	–
	Transaction during the year		17,185,972	–
	Amortized during the year		(10,586,498)	–
			6,599,474	–
	Less: Current maturity		(5,270,537)	–
	Unamortized balance of deferred grant		1,328,937	–
7	**Long term deposits and retention money**			
	Long term deposits	7.1	2,036,100	2,036,100

7.1 This represents security deposits received from dealers and transporters against goods and services. These deposits are repayable / adjustable on the termination of the relationship. These are kept in a separate bank account.

			Note	2021 Opening balance	2021 Charge / (reversal) in statement of profit or loss	2021 Closing balance
				Rupees		
				(Restated)		
8	**Deferred liabilities**					
	8.1	**Deferred taxation**				
		Taxable / (deductible) temporary difference				
		Accelerated tax depreciation		3,270,479,523	106,999,834	3,377,479,357
		Unused tax losses	8.1.1	(1,802,837,608)	631,792,452	(1,171,045,156)
		Tax credits	8.1.2	(173,305,687)	(165,288,515)	(338,594,202)
		Provision for loss allowance for trade debts		(6,394,115)	(3,796,537)	(10,190,652)
				1,287,942,113	569,707,234	1,857,649,347

	2020 Opening balance	2020 Charge / (reversal) in statement of profit or loss	2020 Closing balance
	Rupees		
		(Restated)	(Restated)
Taxable / (deductible) temporary difference			
Accelerated tax depreciation	1,599,959,654	1,670,519,869	3,270,479,523
Unrealized loss on investments in mutual funds	236,231	(236,231)	–
Unused tax losses	–	(1,802,837,608)	(1,802,837,608)
Tax credits	–	(173,305,687)	(173,305,687)
Provision for loss allowance for trade debts	(3,951,486)	(2,442,629)	(6,394,115)
	1,596,244,399	(308,302,286)	1,287,942,113

8.1.1 This represents deferred tax asset on unused tax losses (depreciation loss) amounting to Rs. 4,038 million (2020: Rs. 6,217 million) recognized on the basis of future expected taxable profits.

8.1.2 This represents deferred tax credit on minimum tax amounting to Rs. 173 million relating to tax year 2020 and Alternate Corporate Tax of Rs. 165.28 million relating to tax year 2021.

		Note	2021 Rupees	2020 Rupees
8.2	**Compensated absences**			
	At beginning of the year		21,241,356	15,256,864
	Charge for the year		6,925,497	8,895,107
	Less: Payments made during the year		(3,808,417)	(2,910,615)
	Closing balance		24,358,436	21,241,356

		Note	2021 Rupees	2020 Rupees
9	**Trade and other payables**			
	Trade creditors - local		927,496,291	724,716,328
	Trade creditors - imports		627,661,254	366,584,643
	Contractors' bills payable		117,088,053	187,147,806
	Accrued liabilities		532,063,547	235,383,171
	Payable to Workers' Profit Participation Fund / WWF	9.1	1,524,645,595	1,349,151,588
	Payable to Workers' Welfare Fund	9.2	44,431,532	–
	Payable to Provident Fund Trust		2,585,757	3,627,351
			3,775,972,029	2,866,610,887
	Payable to Government on account of:			
	Income Tax deducted at source		13,690,463	11,177,272
	Federal Excise Duty		526,685,449	512,098,004
	Sales Tax Payable		176,335,503	193,450,230
	Royalty and Excise Duty		95,205,340	80,530,131
			811,916,755	797,255,637
	Retention money payable	9.3	124,179,153	361,728,116
	Security deposits		4,679,192	4,629,192
	Other payables		268,638,400	262,981,563
			397,496,745	629,338,871
			4,985,385,529	4,293,205,395

		Note	2021 Rupees	2020 Rupees
9.1	**Workers' Profit Participation Fund ("WPPF")**			
	At beginning of the year		1,349,151,588	1,349,151,588
	Allocation for the year	30	259,494,007	–
	Less: Paid during the year		(84,000,000)	–
	At end of the year	9.1.1	1,524,645,595	1,349,151,588

9.1.1 The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of the Companies Profit (Worker's Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour / labour welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury. Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential leftover amount is required to be paid to the relevant provincial WWF authority as held by the Honorable Sindh High Court in its judgment in C.P. No.

D-1313 of 2013 announced on February 12, 2018. However, no provincial authority has been constituted so far in the Province of KPK to collect the left over amount. Therefore, the Company has filed a constitutional Petition before the Honourable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

		Note	2021 Rupees	2020 Rupees
9.2	**Workers' Welfare Fund**			
	At beginning of the year		–	73,661,979
	Allocation / (reversal) for the year	30	44,431,532	(838,217)
	Less: Paid during the year		–	(72,823,762)
	At end of the year		44,431,532	–

9.3 This includes retention money withheld from contractors and are repayable after satisfactory completion of contracts.

		Note	2021 Rupees	2020 Rupees
10	**Contract liability**			
	Advance from customers	10.1	137,091,500	126,582,689

10.1 This represents advance received from customers for future sale of goods.

		Note	2021 Rupees	2020 Rupees
11	**Dividend payable**			
	Dividend withheld on account of:			
	- court order	11.1	20,972,124	20,972,124
	- non provision of CNIC		8,542,367	8,597,453
	- non provision of Bank details		8,123,614	9,027,797
			37,638,105	38,597,374

11.1 This represents dividend withheld out of final cash dividend amounting to Rs. 386.27 million for the year ended 30 June 2012, based on the order dated 25 October 2012 of the Honorable Lahore High Court and Securities and Exchange Commission of Pakistan approval vide letter number EMD/233/380/02-676 dated 23 November 2012 in response to application made by the Company under section 251(2) of the Companies Ordinance, 1984 (now section 243(2) of the Companies Act, 2017).

		Note	Limit (Rupees in million)	2021 Rupees	2020 Rupees
12	**Short term borrowings - secured**				
	Mark-up based borrowings from conventional banks:				
	Export refinances	12.1	598	498,000,000	308,000,000
	Finance against trust receipts	12.2	2,950	–	993,609,100
				498,000,000	1,301,609,100

12.1 These facilities are available from different commercial banks, under mark-up arrangement carrying mark-up at SBP export refinance rate plus 1.00% (2020: SBP export refinance rate plus 1.00%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days.

12.2 These facilities are available as sub limit of letters of credit from different commercial banks amounting to Rs. 2,950 million (2020: Rs. 2,050 million) and carry mark up at 3 months KIBOR plus 0.75% ~ 1.5% (2020: 3 months KIBOR plus 0.75% ~ 1.5%) per annum. The amount utilized as at 30 June 2021 is nil (2020: Rs.993.6 million).

12.3 The Company has aggregate Running Finance facilities of Rs. 365 million (2020: Rs. 315 million) to finance working capital requirements of the Company and carry mark up at 3 months KIBOR plus 1.00% (2020: 3 months KIBOR plus 1.00%) per annum.

12.4 The Company has aggregate facilities of Rs. 3,550 million (2020: Rs. 3,800 million) for opening of letters of credit and Rs. 238.73 million (2020: Rs. 238.73 million) for bank guarantees. The amount utilized as at 30 June 2021 amount to Rs.811.81 million (2020: Rs.377.59 million) and Rs. 230.87 million (2020: Rs. 235.63 million) respectively.

All the above short term finance facilities are secured by way of first pari passu hypothecation charge on present and future current assets of the Company with 25% margin.

		2021 Rupees	2020 Rupees
13	**Mark-up accrued on borrowings**		
	Mark-up based borrowings:		
	Long term financing - secured	120,060,064	177,894,903
	Short term borrowings - secured	2,553,909	30,871,853
		122,613,973	208,766,756

14 Contingencies and commitments

14.1 Contingencies

14.1.1 The State Cement Corporation of Pakistan (Private) Limited, previous sole owner of the Company, raised a claim of Rs. 5.64 million (2020: Rs. 5.64 million) against the Company on account of interim dividend pertaining to year ended 30 June 1993 declared by previous Board of Directors. The subsequent Board of Directors rescinded the declaration of interim dividend on various grounds. The matter is pending before Honorable Lahore High Court.

14.1.2 Current management of the Company filed a claim before Secretary Finance, Government of Pakistan for recovery of Rs. 14.10 million (2020: Rs. 14.10 million) being interim dividend pertaining to year ended 30 June 1992 paid by previous management of the Company to State Cement Corporation of Pakistan (Private) Limited ("SCCPL") and misuse of plant by previous management. Later, Board of Directors of the Company rescinded the aforesaid dividend which was ratified and confirmed by members of the Company at Annual General Meeting.

Consequently, the Company withheld aforesaid interim dividend amounting to Rs. 14.10 million (2020: Rs. 14.10 million) from the interim dividend payable to SCCPL declared by the Company pertaining to period ended 31 December 1994. Intimations had been made to SCCPL and Securities and Exchange Commission of Pakistan ("SECP"). This amount has been withheld on legal advice obtained from corporate lawyers. Currently the matter is pending for arbitration with Secretary of Finance, Government of Pakistan.

14.1.3 The Competition Commission of Pakistan ("CCP") took suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued show cause notice on 28 October 2008 inquiring for increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Company filed writ petition in Honorable Lahore High Court ("LHC") challenging the vires of the law along with filing of appeal before the honourable Supreme Court of Pakistan (SCP) because at that time, no appeallate forum except Supreme Court was available to the Company. The LHC, vide its order dated 24 August 2009, allowed CCP to issue its final order. Consequently, CCP passed an order dated 27 August 2009 imposing a penalty of Rs. 103.00 million on the Company. The said levy of penalty has also been agitated by Company before LHC, and LHC vide its order dated 31 August 2009 restrained CCP from enforcing its order against the Company for the time being.

Meanwhile the CCP Tribunal was constituted under the law to hear appeals against levy of penalty by CCP and the SCP set aside all the appeals to the Tribunal for its adjudication. However, the constitution of Tribunal has also been challenged by the Company along with other stakeholders before the Honorable Sindh High Court ("SHC") on various legal grounds, and the SHC very kindly has granted a stay order in favour of the Company against constitution of the CCP Tribunal.

During the period, LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Company and the appeal impugning the levy of penalty vide order dated 27 August 2009 has been referred to the Tribunal (constitution of Tribunal already challenged in SHC as referred above) to decide the same after issuance of notice to the Company. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan which is pending adjudication.

14.1.4 An application was filed by certain shareholders of the Company including one director of the Company before SECP praying for investigation into affairs of the Company. Consequently, SECP issued a show cause notice dated 27 July 2011 to the Company and all its Directors. Responding to the notice, management strongly denied all the baseless, false and frivolous allegations leveled in the application and further challenged the said notice before LHC through filing of writ petition which is dismissed on legal grounds; however the judgment of LHC has been agitated by the Company through filing of CPLA before the honourable Supreme Court of Pakistan which is pending adjudication.

Further, in July 2012, the aforementioned shareholders have also filed a petition before Honorable Peshawar High Court ("PHC") against management of the Company under sections 290, 291, 292 read with section 265 of the Companies Ordinance, 1984 which is pending adjudication.

14.1.5 The Additional Commissioner Inland Revenue (ACIR) amended the assessments for Tax Years 2014, 2016 and 2018 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the Income Tax Ordinance, 2001 on such assets and created a tax demand of Rs. 20.71 million, 64.90 million and 10.09 million respectively. The treatment meted out by the ACIR for the aforesaid tax years has been agitated by the Company before CIR (A). During the year, CIR (A) decided the case pertaining to Tax Year 2018 against the Company. The Company has challenged CIR (A) order in Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

14.1.6 The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs. 37.17 Million, disallowed various profit and loss expenses, changed apportionment basis of expenses between normal and export sales and ignored the adjustment of brought forward losses of the Company against its income. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which was suceeded leaving a tax demand of Rs. 12.8 million against the Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Copmany and the Department before the Appeallate Tribunal Inland Revenue, which is pending adjudication.

14.1.7 DCIR has imposed a penalty of Rs. 36.95 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. Out of the total demand, the company deposited Rs 33 million under protest. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Hence, the Company filed an appeal before CIR(A), which was decided by CIR(A) against the Company through a non speaking order which is contested by the Company on 26 January 2015 before the honourable Appellate Tribunal Inland Revenue, Lahore which is pending adjudication.

14.1.8 The Deputy Commissioner Inland Revenue (DCIR), while rectifying deemed assessment of the Company for Tax Year 2013 disallowed claim of prior years' available refunds of Rs. 29.80 million without considering the facts and submissions of the Company. The arbitrary treatment meted out by the DCIR was contested by the Company before Commissioner Inland Revenue (Appeals), [CIR(A)] who has set aside the order of DCIR to consider the case of the Company afresh. The remenading back of matter by CIR(A) has been challenged by the Company on 05 April 2016 before the honourable Appellate Tribunal Inland Revnue, Lahore.

14.1.9 The Company was selected for Sales Tax Audit for Tax Year 2013 by the FBR. Audit was conducted and finalized by the Inland Revenue Department resulting into a levy of Federal Excise Duty of Rs. 2.93 million along with a penalty of Rs. 0.15 million and disallowance of input Sales Tax/levy of Sales Tax of Rs. 27.20 million along with imposition of a penalty of Rs. 0.88 million. The Company deposited Rs. 31 million under protest and contested the same through filing of appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who upheld disallowance of input sales tax to the tune of Rs. 6.4 million whereas rest of the disallowances were deleted. Both, the Company and the Tax Department have contested the order of CIR (A) to the extent not favourable to them by filing cross appeals on 04 May 2018 and 02 May 2018 respectively.

14.1.10 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014. On an appeal, the Commissioner Inland Revenue (Appeals) [CIR(A)], curtailed the aforesaid demand to Rs. 16.7 million, upholding by the CIR(A) of addition under head short term finances (export refinance) made by the department u/s 122(5A) of the ITO,2001. The aforesaid order of CIR(A) has been challenged by Company on 12 August 2016 and the Inland Revenue Department on 22 August 2016 before the Honourable Appellate Tribunal Inland Revenue, Lahore, which is pending adjudication.

14.1.11 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice U/S 205(1B) of the Income Tax Ordinance, 2001 (ITO, 2001) to the Company showing intention to impose Default Surcharge of Rs. 60.23 million (may be reduced to Rs. 41.8 Million on acceptance of rectifictaion) for non payment of advance Income Tax Liability for tax year 2015 U/S 147 of the ITO, 2001 by the due date by working out the amount of Default Surcharge for the period from April, 01, 2015 to the date of filing of Income tax Return. The Company is of the view that default period for the purpose of default surcharge should be reckoned from the due date of advance tax i.e 15, June 2015 uptill the date of payment.

Accordingly the Company has challanged the basis of calculation of default surcharge before the honourable Lahore High Court (LHC) seeking its intervention to declare such provisions as ultra vires the Constitution of Pakistan. The LHC, has decided the matter against the Company, which is contested by Company through filing of an Intra Court Appeal before the LHC, which is pending adjudication. However being prudent the Company recorded expense of Rs 36.3 million in its financial statements in prior years.

14.1.12 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice U/S 205(1B) of the Income Tax Ordinance, 2001(ITO, 2001) to the Company showing intention to impose default surcharge of Rs. 71.50 million for non payment of advance income tax liability for the tax year 2014 under section 147 of the ITO, 2001 by the due date by working out the amount of default surcharge for tax period from 01 April 2014 to the date of filing of income tax return for the Tax Year 2014. The Company is of the view that the default period for the purpose of default surcharge should be reckoned from the due date of advance tax i.e. 15 June 2014 uptil the date of payment. Accordingly, the Company has challenged the basis of calculation of default surcharge before the Honourable Lahore High Court (LHC) seeking its intervention to declare such provisions as ultra vires to the Constitution of Pakistan. The LHC, has decided the matter against the Company, which is contested by Company through filing of an Intra Court Appeal before the LHC in 2018 which is pending adjudication. However being prudent the company recorded expense of Rs. 64.16 Million in its financial statements in prior years.

14.1.13 Income tax affairs of the Company for Tax Year 2015 were selected for audit by the Commissioner Inland Revenue (CIR) under the provisions of Section 177 of the Income Tax Ordinance, 2001 (ITO, 2001). The audit proceedings were finalized by Deputy Commissioner Inland Revenue (DCIR) resulting in change in allocation of expenses between local and export income of the Company and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 172.6 million. The aforesaid treatment meted out by the DCIR has been agitated by the Company before Commissioner Inland Revenue (Appeals) through filing of appeal on 21 February 2018, wherein partial relief has been allowed to the Company vide order dated 31 December 2020. The aforesaid order of CIR(A) has been challenged by Company and the Inland Revenue Department before the Honourable Appellate Tribunal Inland Revenue, Lahore, which is pending adjudication.

14.1.14 The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 11.08 million (including penalty of Rs. 0.528 million) under section 11(2) of the Sales Tax Act 1990 alleging that input sales tax to the tune of Rs. 10.55 million (for the months falling in June 2015 to December 2017) was claimed violating the provisions of section 8(1)(b) of the Sales Tax Act 1990. The Company has challenged disallowance of input tax before Commissioner Inland Revenue (Appeals) [CIR(A)] pleading that the input sales tax belongs to goods used by the Company for making taxable supplies. The appeal is pending adjudication. However, during the year, Company has deposited 10% of the impugned demand amounting to Rs. 1.11 million under protest to bar tax department to issue recovery notice under section 48 of the STA 1990.

14.1.15 The Deputy Commissioner Inland Revenue ("DCIR") passed an ex-parte order for tax year 2007 treating the Company as in default for alleged violation of withholding of income tax provisions of the Income Tax Ordinance, 2001 (ITO, 2001) to create a tax demand of Rs. 67.00 million while finalizing set aside proceedings under section 161/205 of the ITO, 2001 set aside by the Appellate Tribunal Inland Revenue(ATIR). The order was impugned by Company before Commissioner Inland Revenue (Appeals) who deleted entire demand of Rs. 67.00 million, which is also upheld by ATIR on appeal by Income Tax Department (Department). The Department has challenged the aforesaid decision of ATIR before the honourable Lahore High Court, which is pending adjudication.

14.1.16 The Additional Commissioner Inland Revenue (Addl. CIR) amended the assessment of Company twice for the Tax Year 2016 under the provisions of Section 122(5A) of the Income Tax Ordinance, 2001 (ITO, 2001). The amendments of assessment was made by the Additional CIR vide two separate orders which resulted into an aggregate tax demand of Rs. 210.69 million. The orders of the Additional CIR have been agitated by Company before the Commissioner Inland Revenue (Appeals) [CIR(A)] through filing two separate appeals, one of which involving tax demand of Rs. 5.96 million has been decided against the Company by the CIR(A) and the Appellate Tribunal Inland Revenue for which a reference application is filed before the the Honourable Lahore High Court which is pending adjudication.

Demand to the tune of Rs. 204.73 million created vide the other order of the Additional CIR has been curtailed to Rs. 100.31 million by the CIR(A) for which Company has filed an appeal before the ATIR on 27 December 2018. During the year, ATIR deleted the tax demand which is contested by the tax department before the honourable Lahore High Court and is pending adjudication.

14.1.17 In 2019, the Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of Annual Rent from the Year 2009 to 2019 under the Mineral Sector Governance Act, 2017 amounting to Rs. 13.587 million. The aforesaid notices have been challenged by Company before the Honourable Peshawar High Court (PHC) on 06 August 2019 through filing a Writ Petition on various grounds. The case has been decided against the Company by PHC and the same is upheld by the honourable Supreme Court of Pakistan (SC). A review has been filed by Company against decision of SC requesting to adjudicate all the grounds raised by the Company in CPLA, which is pending adjudication.

14.1.18 During the year, DCIR vide order dated 26 October 2020 raised a tax demand pertaining to tax year 2012 amounting to Rs 677.30 million under section 122(1)/122(5) of the Income Tax Ordinance 2001 on account of suppressed sales and dissallowing various profit and loss expenses / deductible allowance and curtailing available tax credits. The Company has filed an appeal before CIR (A) which is pending adjudication.

14.1.19 During the year, ACIR created a tax demand of Rs. 97.7 million for the Tax Year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 by dissallowing various profit and loss expenses / deductible allowance. The Company has filed an appeal before CIR (A) which is pending adjudication.

14.1.20 During the year, DCIR vide his order dated 19 February 2021 has raised a demand of Rs. 497 million by disallowing input sales tax amounting to Rs. 474 million claimed by the Company during the periods from July 2018 to June 2019 and imposed a penalty of Rs. 22.7 million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed under section 8(1)(h) of the Sales Tax Act, 1990 (STA, 1990). The Company has preferred an appeal against the treatment meted out by the DCIR, which is pending adjudication. However, in the meanwhile, the Company has deposited 10% of the impugned demand under protest amounting to Rs.49.71 million to bar tax department to issue recovery notice under section 48 of the STA 1990.

14.1.21 The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Company before the honourable Peshawar High Court through filing a Writ Petition (WP), wherein the honourable Court has directed to maintain status quo whereas the WP is pending adjudication.

14.1.22 The Tax Department, after conducting Sales Tax and Federal Excise Duty audit of the Company for tax year 2009 passed an order dated 20 April 2012 disallowing zero rating on exports and input tax claims, levying additional tax and penalty amounting to Rs. 12.72 million and Rs. 14.02 million under provisions of Sales Tax and Federal Excise Laws respectively. The Company filed appeal before CIR(A) along with a Writ Petition (WP) before the Honourable Lahore High Court (LHC) against the above mentioned order. The aforesaid appeal and WP were decided in favour of the Company and thus assailed by the tax department at respective forums i.e. through filing of appeal before the ATIR on 04 April 2013 and through filing of an Intra Court Appeal (ICA) before the Honourable LHC. The ICA has been decided in favour of the Department and hence the matter was left to be decided by ATIR. Before the decision of matter, an amount of Rs. 14.80 million was deposited by the Company under Amnesty Scheme announced vide SRO 548(I)/2012 dated 22 May 2012. During the last year, the matter had been decided in favour of the Company by ATIR. During the year, department challenged that decision in Honourable LHC which has set aside previous orders and remanded the case back to ATIR which is pending adjudication.

14.1.23 The Deputy Commissioner Inland Revenue (DCIR) passed an order U/S 11(2) of the Sales Tax Act, 1990 (STA, 1990), dated November 13, 2015, whereby Input Sales Tax claim of the Company for the months of February 2012 to June 2012, to the tune of Rs. 1.663 million was disallowed and Default Surcharge of Rs. 83,158 was imposed. The DCIR was of the view that the aforesaid Input Sales Tax remained unpaid by the suppliers of the Company and hence the Input Claim of the same can't be admissible.

The order passed by DCIR has been challenged by the Company on various legal and factual grounds before the Commissioner Inland Revenue (Appeals) who decided the case in favour of the Company which is contested by Inland Revenue Department before the Appellate Tribunal Inland Revenue which is pending adjudication.

14.1.24 The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metred Volume Adjsutment for the period from June 16, 2013 to June 25, 2013 in the Sui Gas Bill of the Company for the Month of August 2014. On appeal before OGRA, the said levy was set aside to its Designated Officer, who partially decided the case in favour of the Company which is thus challenged by the Company and Designated Officer in appeal before the OGRA.

During the year this case was decided against the Company. The Company is in process of filing an appeal against the decision of OGRA.

14.1.25 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 created income tax demands of Rs. 900 Million for the Tax Year 2013. On an appeal by Company before the Commissioner Inland Revenue – Appeals (CIRA), the aforesaid demand was curtailed to Rs. 24.4 million, which was upheld by the Honourable Appellate Tribunal Inland Revenue, Lahore (ATIR) in its order made on appeal filed by the Company against order of CIRA. Company filed a reference application before the honourable Lahore High Court seeking Court's verdict on the decision of the ATIR which was turned down by the LHC. An application for leave to appeal was filed before the Supreme Court of Pakistan against order of LHC was also rejected. However, on the advice of the Company's tax advisors, the Company is of the view that matter may be taken up again before the ATIR through filing a miscellaneous application requesting rectification in its earlier order. The Company is in the process of filing the said application before ATIR. Accordingly, no provision has been made in these financial statements for the aforesaid demand of Rs. 24.4 million.

Based on the opinion of the Company's legal counsels, management is confident of favourable outcome in all aforementioned matters, hence no provision is recognized in respect of these matters in the financial statements.

14.1.26 Guarantees issued by Commercial Banks on behalf of the Company amounting to Rs. 118.730 million, Rs. 106 million, Rs. 4.5 million and 1.554 million (2020: Rs. 118.730 million, Rs. 110, Rs. 6 million and Rs. 0.9 million) in favour of SNGPL, PESCO, Frontier Works Organisation and CSF railway respectively in accordance with the terms of agreement.

		Note	2021 Rupees	2020 Rupees
14.2	**Commitments**			
	In respect of letters of credit for: - stores and spares		218,217,598	331,251,083
15	**Property, plant and equipment**			
	Operating fixed assets	15.1	21,753,605,354	22,613,088,249
	Capital work in progress	15.7	298,378,659	164,578,022
			22,051,984,013	22,777,666,271

15.1 Operating fixed assets

	Note	Cost				Depreciation Rate	Depreciation				Net book value as at 30 June 2021
		As at 01 July 2020	Additions/ adjustments	Disposals	As at 30 June 2021		As at 01 July 2020	For the year	Disposals	As at 30 June 2021	
		Rupees					Rupees				
Freehold land		197,198,158	6,290,580	-	203,488,738	-	-	-	-	-	203,488,738
Factory buildings		1,363,646,150	374,702,372	-	1,738,348,522	4% - 5%	472,227,267	52,530,655	-	524,757,922	1,213,590,600
Office and other building		56,651,884	-	-	56,651,884	5%	26,631,138	1,501,037	-	28,132,175	28,519,709
Housing colony		225,928,334	21,706,969	-	247,635,303	5%	55,352,750	9,220,705	-	64,573,455	183,061,848
Plant - Civil structures		6,339,955,042	-	-	6,339,955,042	4% - 5%	1,251,971,839	312,371,310	-	1,564,343,149	4,775,611,893
Plant - Machinery and equipment	15.3	20,052,830,856	100,713,713	-	19,964,748,585	4% - 10%	4,147,198,193	798,252,484	-	4,945,450,677	15,019,297,908
	15.4		(188,795,984)								
Storage tanks and pipelines		30,148,252	-	-	30,148,252	10%	24,925,030	522,322	-	25,447,352	4,700,900
Power installations		134,459,339	-	(522,259)	133,937,080	10%	101,671,206	3,278,336	(511,478)	104,438,064	29,499,016
Furniture, fixtures and other office equipment		139,528,413	9,389,315	-	148,917,728	10%	55,169,382	8,873,978	-	64,043,360	84,874,368
Computer and printers		44,354,142	3,789,134	-	48,143,276	30%	33,504,481	3,905,734	-	37,410,215	10,733,061
Weighing scale		29,699,326	(295,576)	-	29,403,750	10%	5,851,194	2,325,831	-	8,177,025	21,226,725
Light vehicles		325,249,348	38,597,559	(12,442,375)	351,404,532	20%	178,195,374	29,873,931	(7,709,480)	200,359,825	151,044,707
Heavy vehicles		18,824,516	-	-	18,824,516	20%	13,777,587	1,009,386	-	14,786,973	4,037,543
Railway sidings		9,853,476	-	-	9,853,476	5%	8,370,315	74,158	-	8,444,473	1,409,003
Laboratory equipment		50,484,148	4,970,329	-	55,454,477	10%	30,882,968	2,067,204	-	32,950,172	22,504,305
Library books		94,217	-	-	94,217	10%	88,628	559	-	89,187	5,030
2021		29,018,905,601	371,068,411	(12,964,634)	29,377,009,378		6,405,817,352	1,225,807,630	(8,220,958)	7,623,404,024	21,753,605,354

	Cost				Depreciation Rate	Depreciation				Net book value as at 30 June 2020
	As at 01 July 2019	Additions/ transfers	Disposals	As at 30 June 2020		As at 01 July 2019	For the year	Disposals	As at 30 June 2020	
	Rupees					Rupees				
Freehold land	42,509,358	154,688,800	-	197,198,158	-	-	-	-	-	197,198,158
Factory buildings	1,028,703,404	334,942,746	-	1,363,646,150	4% - 5%	429,034,092	43,193,175	-	472,227,267	891,418,883
Office and other building	56,651,884	-	-	56,651,884	5%	25,051,099	1,580,039	-	26,631,138	30,020,746
Housing colony	225,928,334	-	-	225,928,334	5%	46,375,084	8,977,666	-	55,352,750	170,575,584
Plant - Civil structures	2,377,479,072	3,962,475,970	-	6,339,955,042	4% - 5%	1,038,513,812	213,458,027	-	1,251,971,839	5,087,983,203
Plant - Machinery and equipment	9,187,159,397	10,874,270,582	(8,599,123)	20,052,830,856	2.5% - 5% / units of production	3,681,650,012	468,557,499	(3,009,318)	4,147,198,193	15,905,632,663
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	24,344,672	580,358	-	24,925,030	5,223,222
Power installations	134,459,339	-	-	134,459,339	10%	98,028,080	3,643,126	-	101,671,206	32,788,133
Furniture, fixtures and other office equipment	124,697,189	14,831,224	-	139,528,413	10%	46,294,732	8,874,650	-	55,169,382	84,359,031
Computer and printers	42,855,615	3,214,965	(1,716,438)	44,354,142	30%	31,222,231	3,906,594	(1,624,344)	33,504,481	10,849,661
Weighing scale	9,510,727	20,188,599	-	29,699,326	10%	4,346,075	1,505,119	-	5,851,194	23,848,132
Light vehicles	293,046,652	40,632,370	(8,429,674)	325,249,348	20%	146,549,745	36,636,294	(4,990,665)	178,195,374	147,053,974
Heavy vehicles	18,824,516	-	-	18,824,516	20%	12,515,854	1,261,733	-	13,777,587	5,046,929
Railway sidings	9,853,476	-	-	9,853,476	5%	8,292,254	78,061	-	8,370,315	1,483,161
Laboratory equipment	47,433,876	3,050,272	-	50,484,148	10%	28,863,349	2,019,619	-	30,882,968	19,601,180
Library books	94,217	-	-	94,217	10%	88,007	621	-	88,628	5,589
2020	13,629,355,308	15,408,295,528	(18,745,235)	29,018,905,601		5,621,169,098	794,272,581	(9,624,327)	6,405,817,352	22,613,088,249

15.2 Factory buildings, plant civil structure, housing colony, plant, machinery and equipment, storage tanks and pipelines, power installations, weighing scale, railway sidings and laboratory equipments are located at freehold land measuring 1,790 kanals and 15 marlas located at Mouza Togh Bala Babri Banda, District Kohat. Office land and building is located at land measuring 2 kanal and 8 marlas located at 36-37 P, Gulberg II, Lahore.

15.3 During the year, Company has revised depreciation method for plant and machinery. Previously, few classes of plant and machinery were depreciated at higher of straight line or unit of production method. For current year, considering expected pattern of economic benefits, the Company has decided to depreciate these classes at straight line method. Had the deprecation method not changed from last year, depreciation for the year would have been higher by Rs. 134.38 million. This change shall also affect future periods however it is impracticable to estimate that effect.

15.4 Adjustments in plant and machinery represents settlement of suppliers balances on account of claims under the contracts.

		Note	2021 Rupees	2020 Rupees
15.5	**Depreciation charge for the year has been allocated as follows:**			
	Cost of goods sold	26	1,219,181,526	787,645,309
	Selling and distribution expenses	27	1,872,977	1,966,023
	Administrative and general expenses	28	4,753,127	4,661,249
			1,225,807,630	794,272,581

15.6 Disposal of property, plant and equipment

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale value	Gain/(loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	2021							
	Rupees							
Plant and Machinery	522,259	511,478	10,781	6,153,846	6,143,065	Negotiation	Flying Cement Co. Ltd	Third party
Light vehicles								
Toyota Corolla	2,530,120	742,169	1,787,951	3,100,000	1,312,049	Insurance claim	EFU General Insurance	Third party
Toyota Corolla	1,756,300	1,490,453	265,847	1,740,000	1,474,153	Negotiation	Augmentech Business Solutions (Pvt) Ltd.	Third party
Toyota Altis	3,056,735	1,259,375	1,797,360	3,670,000	1,872,640	Negotiation	Muhammad Umair Sadiq	Third party
BMW	3,800,000	3,568,788	231,212	1,800,000	1,568,788	Negotiation	Hassan Afzal Zaidi	Third party
Items having book value less than Rs.500,000/- each	1,299,220	648,695	650,525	869,557	219,032	-	-	-
	12,442,375	7,709,480	4,732,895	11,179,557	6,446,662			
2021	12,964,634	8,220,958	4,743,676	17,333,403	12,589,727			
2020	18,745,235	9,624,327	9,120,908	7,903,360	(1,217,548)			

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
15.7	**Capital work in progress**			
	Opening balance		164,578,022	13,865,772,369
	Additions during the year		553,542,432	1,449,873,688
	Transfers to property, plant and equipment	15.8	(419,741,795)	(15,151,068,035)
	Closing balance	15.9	298,378,659	164,578,022

15.8 This includes loss amounting to Rs. Nil (2020: Rs. 55.79 million) on sales made during test run period relating to Line IV project capitalized during the previous year. Sales and cost of sales related to test run period have been disclosed in note 25 and 26 of these financial statements respectively. Further, this also includes finance cost amounting to Rs. Nil (2020: Rs. 888.49 million) relating to borrowing acquired for Line IV project.

		Note	2021 Rupees	2020 Rupees
15.9	**The breakup of closing balance is as follows:**			
	Plant and machinery		10,459,524	21,150,816
	Civil works		261,465,679	143,427,206
	Advances to contractors / suppliers		2,014,356	–
	Advance against the purchase of land		24,439,100	–
			298,378,659	164,578,022

		Note	2021 Rupees	2020 Rupees
16	**Intangible assets**			
	Opening balance		11,210,982	13,878,685
	Additions during the year		400,000	2,140,000
	Less: Amortization for the year	28	(4,885,071)	(4,807,703)
	Closing balance		6,725,911	11,210,982
	Cost		29,442,040	29,042,040
	Less: Accumulated amortization		(22,716,129)	(17,831,058)
			6,725,911	11,210,982
			(Percentage)	**(Percentage)**
	Amortization rate		20% to 50%	20%

		Note	2021 Rupees	2020 Rupees
17	**Long term deposits**			
	Opening balance		38,326,640	38,326,640
	Additions during the year		5,000,000	–
	Closing balance	17.1	43,326,640	38,326,640

17.1 This mainly represents security deposit with Peshawar Electric Supply Company and DG Mines Punjab.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
18	**Investment property**			
	Balance at the beginning of the year		3,691,839,635	3,691,839,635
	Additions during the year		444,246,524	–
		18.1	4,136,086,159	3,691,839,635

18.1 Investment property comprises of land that are held for capital appreciation. The approximate market value of investment property is Rs. 6,711.52 million (2020: Rs. 5,733.54 million) and aggregate forced sale value of Rs. 5,704.79 million (2020: Rs. 4,864.23 million) based on valuation conducted by a professional valuer. The Company owns investment properties measuring 1,083.55 kanals (2020: 1011.72 kanals) located at different locations in District Lahore.

18.2 Fair value of investment property has been determined by professional valuers (level 3 measurement) appointed by the Company based on their assessment of the market values as disclosed. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

		Note	2021 Rupees	2020 Rupees
19	**Stores, spares and loose tools**			
	Stores	19.1	1,625,156,642	992,974,383
	Spares		1,398,362,661	1,215,887,012
	Loose tools		47,249,798	41,295,042
			3,070,769,101	2,250,156,437

19.1 These include stores in transit amounting to Rs. 1,078.62 million (2020: Rs. 519.4 million).

		Note	2021 Rupees	2020 Rupees
20	**Stock-in-trade**			
	Raw materials		10,447,881	6,980,341
	Packing materials		163,139,017	98,172,432
	Work in process		565,970,725	664,762,089
	Finished goods		373,218,643	246,109,361
			1,112,776,266	1,016,024,223
21	**Trade debts**			
	Trade debts - unsecured, considered good		1,018,708,404	517,295,077
	Provision for loss allowance against trade debts	21.1	(35,140,181)	(22,979,871)
			983,568,223	494,315,206
	21.1 Movement in provision for loss allowance against trade debts:			
	Balance as of July 01		22,979,871	14,189,922
	Provision during the year		12,160,310	8,789,949
	Closing balance as at 30 June		35,140,181	22,979,871

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
22	**Short term investments**			
	FVOCI - listed equity securities			
	Gharibwal Cement Limited			
	Cost		89,286	89,286
	Accumulated fair value gain	22.1	690,114	236,314
			779,400	325,600
	FVOCI - debt instrument			
	Term Finance Certificates	22.2.1	50,000,000	50,000,000
	Accumulated fair value loss	22.2.2	(1,290,000)	(195,000)
			48,710,000	49,805,000
	FVTPL - debt instrument			
	Income Mutual Funds - Shariah compliant		100,104,357	–
	Money Market Mutual Funds - Shariah compliant		2,849,902,666	–
			2,950,007,023	–
	Amortised cost - debt instrument			
	Investment in term deposit receipts - Shariah compliant		–	110,000,000
			2,999,496,423	160,130,600

		2021	2020
22.1	**Gharibwal Cement Limited**		
	20,000 (2020: 20,000) fully paid ordinary shares of Rs. 10 each		
	Fair value changes		
	At beginning of the year	236,314	117,914
	Fair value gain for the year	453,800	118,400
	Accumulated fair value gain	690,114	236,314

22.2 Term Finance Certificate

22.2.1 These represents fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited. These TFCs carry floating rate of return at 3 Month Kibor plus 1.60% per annum. The Company intends to liquidate these TFCs during next 12 months period.

		2021 Rupees	2020 Rupees
22.2.2	**Fair value changes**		
	At beginning of the year	(195,000)	–
	Fair value loss for the year	(1,095,000)	(195,000)
		(1,290,000)	(195,000)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
23	**Advances, deposits, prepayments and other receivables**			
	Advances - unsecured, considered good			
	- to employees	23.1	2,998,088	3,991,689
	- to suppliers		114,484,829	105,048,222
	- to contractors		3,788,315	5,399,265
			121,271,232	114,439,176
	Income tax , Sales tax and Federal Excise Duty paid under protest	23.2	161,673,454	110,851,454
	Guarantee margin		8,547,070	6,411,500
	Prepayments		20,109,908	17,787,103
	Security deposits		96,907,112	93,937,112
	Accrued profit on bank deposits		3,845,430	614,082
	Duty drawback claims receivable on export sales		6,878,234	3,963,410
	Other advances and receivables		65,226,910	77,387,389
			484,459,350	425,391,226

			2021 Rupees	2020 Rupees
23.1	**Advances to Company's employees**			
	Advances to employees against salary		2,232,602	2,434,481
	Advances to employees against expenses		765,486	1,557,208
			2,998,088	3,991,689

23.2 This includes sales tax, federal excise duty and custom duty paid to the relevant departments under protest, as referred to in notes 14.1.7, 14.1.9, 14.1.14, 14.1.20 and 14.1.22.

		Note	2021 Rupees	2020 Rupees
24	**Cash and bank balances**			
	Cash in hand		582,839	592,380
	Cash at bank			
	- current accounts			
	Deposits with conventional banks		397,435,829	311,079,575
	Deposits with Islamic banks		2,152,963	2,152,763
			399,588,792	313,232,338
	- saving accounts	24.1		
	Deposits with conventional banks		453,792,987	358,893,640
	Deposits with Islamic banks		343,764,733	218,887,729
			797,557,720	577,781,369
			1,197,729,351	891,606,087

24.1 These carry return at 4.5% to 6.79% (2020: 4.5% to 12%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
25	**Sales - net**			
	Gross Sales			
	Local		34,610,439,798	19,307,319,411
	Export		1,037,487,788	600,406,978
			35,647,927,586	19,907,726,389
	Less: Sales tax		(5,755,445,412)	(3,304,788,672)
	Federal Excise Duty		(5,351,709,585)	(4,448,818,260)
	Discount / rebate / commission		(483,396,597)	(296,636,409)
			(11,590,551,594)	(8,050,243,341)
			24,057,375,992	11,857,483,048
	Less: Sales during test runs - capitalised during the period - net	15.8	–	(557,242,508)
			24,057,375,992	11,300,240,540

25.1 Disaggregation of revenue

25.1.1 Type of customers - Gross sales

	2021 Rupees	2020 Rupees
Contracts with government customers	986,976,472	469,132,911
Contracts with non government customers	34,660,951,114	19,438,593,478
	35,647,927,586	19,907,726,389

25.1.2 During the year the Company has recognized revenue amounting to Rs. 113.472 million out of contract liability as at 01 July 2020.

25.1.3 All export sales are made to Afghanistan.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
26	**Cost of sales**			
	Raw materials consumed		1,232,883,172	744,257,713
	Packing materials consumed		1,820,878,053	1,145,245,744
	Power and fuel		4,054,082,432	2,893,882,670
	Coal and gas		7,577,162,450	5,225,358,510
	Stores and spares consumed		709,962,703	408,616,138
	Salaries, wages and other benefits	26.1	595,160,004	424,875,014
	Royalty and excise duty	26.2	514,260,409	202,178,059
	Rent, rates and taxes		33,374,582	20,117,534
	Repairs and maintenance		139,181,520	99,521,010
	Insurance		47,147,843	39,283,711
	Depreciation	15.5	1,219,181,526	787,645,309
	Loading and freight charges		80,685,518	65,722,065
	Other expenses		140,676,904	144,704,718
			18,164,637,116	12,201,408,195
	Work in process			
	At beginning of the year		664,762,089	592,673,300
	At end of the year		(565,970,725)	(664,762,089)
			18,263,428,480	12,129,319,406
	Finished goods			
	At beginning of the year		246,109,361	80,776,779
	At end of the year		(373,218,643)	(246,109,361)
			18,136,319,198	11,963,986,824
	Less: Cost attributable to own cement consumption		(44,292,265)	(26,397,160)
	Less: Cost pertaining to test run sales - capitalised during the period	15.8	–	(613,028,812)
			18,092,026,933	11,324,560,852

26.1 Salaries, wages and other benefits include Rs. 13.40 million (2020: Rs. 12.28 million) and Rs. 4.82 million (2020: Rs. 6.19 million) in respect of provident fund contributions and compensated absences, respectively.

26.2 This represents royalty and excise duty paid to Government of Khyber Pakhtunkhwa on account of extraction of raw materials from quarry lease.

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		Note	2021 Rupees	2020 Rupees
27	**Selling and distribution expenses**			
	Salaries, wages and other benefits	27.1	66,013,383	44,871,216
	Vehicle running		2,168,257	2,078,526
	Travelling and conveyance		1,224,620	1,603,158
	Printing and stationary		391,159	364,134
	Postage, telephone and telegrams		1,304,770	1,433,938
	Entertainment		2,216,942	2,292,812
	Rent, rates and taxes		2,289,561	4,825,886
	Electricity, water and gas		452,055	444,210
	Sales promotion		15,025,525	3,348,596
	Depreciation	15.5	1,872,977	1,966,023
	Miscellaneous		1,206,716	1,031,935
			94,165,965	64,260,434

27.1 Salaries, wages and other benefits include Rs. 1.55 million (2020: Rs. Rs. 1.49 million) and Rs. 0.60 million (2020: Rs. 0.77 million) in respect of provident fund contributions and compensated absences, respectively.

		Note	2021 Rupees	2020 Rupees
28	**Administrative and general expenses**			
	Salaries, wages and other benefits	28.1	242,904,936	182,884,912
	Vehicle running		2,764,243	2,773,768
	Travelling and conveyance		1,677,018	1,582,020
	Printing and stationary		4,666,197	3,712,724
	Legal and professional		20,454,650	14,023,187
	Postage, telephone and telegrams		5,396,463	5,034,688
	Repairs and maintenance		9,769,272	2,735,372
	Rent, rates and taxes		4,540,121	5,327,842
	Electricity, water and gas		4,341,723	4,462,100
	Entertainment		2,642,940	2,776,688
	Auditors' remuneration and fee for other services	28.2	2,740,000	2,367,500
	Depreciation	15.5	4,753,127	4,661,249
	Amortization	16	4,885,071	4,807,703
	Advertisement		119,880	196,603
	Miscellaneous		1,869,029	1,381,247
			313,524,670	238,727,603

28.1 Salaries, wages and other benefits include Rs. 5.93 million (2020: Rs. 5.28 million) and Rs. 1.51 million (2020: Rs. 1.94 million) in respect of provident fund contributions and compensated absences, respectively.

		Note	2021 Rupees	2020 Rupees
28.2	**Auditors' remuneration and fee for other services**			
	Statutory audit		1,640,000	1,417,500
	Half year review		210,000	157,500
	Tax consultancy		890,000	792,500
			2,740,000	2,367,500

		Note	2021 Rupees	2020 Rupees
29	**Other income**			
	Income from financial assets - Conventional:			
	Interest on bank deposits and investments		8,195,094	6,861,920
	Realized gain on investments at FVTPL		–	7,232,384
	Dividend Income		55,000	–
	Foreign currency exchange gain - net		5,599,020	31,085,812
	Interest on employees' loans		–	8,577
	Income from financial assets - Shariah compliant:			
	Profit on bank deposits and investments		37,676,218	33,583,423
	Net change in fair value of financial assets at FVTPL		98,877	–
	Realized gain on investment at FVTPL		1,429,764	43,812,866
	Dividend received from investment in mutual funds		94,777,324	59,118,446
			147,831,297	181,703,428
	Income from non-financial assets			
	Income from sale of scrap		9,903,197	13,707,412
	Miscellaneous income		350,449	741,272
	Profit on disposal / retirement of property, plant and equipment		12,589,727	–
			22,843,373	14,448,684
			170,674,670	196,152,112

		Note	2021 Rupees	2020 Rupees
30	**Other expenses**			
	Workers' Profit Participation Fund	9.1	259,494,007	–
	Workers' Welfare Fund	9.2	44,431,532	(838,217)
	Donations	30.1	9,237,225	7,287,250
	Provision for loss allowance against trade debts		12,160,310	8,789,949
	Loss on disposal / retirement of property, plant and equipment	15.6	–	1,217,548
			325,323,074	16,456,530

30.1 It includes donations paid to Akhuwat Foundation, Al-Khidmat Foundation Pakistan and Medicare Health Foundation of Rs. 6.20 million, Rs. 2.40 million and Rs. 0.30 million respectively. None of the Directors of the Company or any of their spouse have any interest in donee's fund.

		Note	2021 Rupees	2020 Rupees
31	**Finance cost**			
	Mark-up on conventional finances:			
	Short term borrowings- secured		28,473,267	67,406,429
	Long term finances-secured	31.1	461,831,064	325,804,346
			490,304,331	393,210,775
	Bank charges, commission and others		26,751,082	16,491,408
			517,055,413	409,702,183

31.1 Finance cost amounting to Rs. Nil (2020: Rs. 496.36 million) relating to Line IV project has been capitalized.

		2021 Rupees	(Restated) 2020 Rupees
32	**Taxation**		
	Current		
	- for the year	818,740,126	194,723,035
	Deferred		
	- for the year	569,707,234	(308,302,286)
		1,388,447,360	(113,579,251)

32.1	**Relationship between tax expense and accounting profit**		
	Profit / (loss) before taxation	3,885,954,607	(557,314,949)
	Tax calculated at the rate of 29% (2020 : 29%)	1,416,926,836	(161,621,335)
	Tax effect of:		
	- income under Final Tax Regime / separate block of income	(29,098,718)	21,832,341
	- change in proportion of local and export sales	(26,082)	1,276,900
	- others	645,324	24,932,843
		1,388,447,360	(113,579,251)

32.2 In the previous year, the Company provided current tax under NTR @ 29% based on the opinion that as far as the Company is in taxable profits it has to bear normal tax even if minimum tax is applicable to the Company. Minimum tax paid, in excess of normal tax, is carried forward and is adjusted against the normal tax payable in future years. The Company opined that the amount of minimum tax paid, in excess of the normal tax, at the time of filing of the return of income, will be recognised as advance tax and will be adjusted against normal tax liability of future years.

During the year, the Accounting Standard Board (the Board) of the Institute of Chartered Accountants of Pakistan (ICAP) issued an Opinion whereby the Board concluded that; the minimum tax levied under section 113 of the Income Tax Ordinance, 2001 should be recognized as current tax expense; and a deferred tax asset should be recognised for the amount of minimum tax paid for a period in excess of tax based on taxable income subject to the probability of availability of future taxable profits against which the unused tax losses and unused tax credits can be utilized.

In line with the Board's opinion, the Company has recognized provision for minimum tax and related deferred tax asset in the financial statements. In accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors", this change has been applied retrospectively.

	Note	2020 Before the effect of adjustment	2020 Effect of adjustment	2020 After the effect of adjustment
		Rupees		
Impact on statement of financial position				
Deferred tax liabilities - net	8.1	1,461,247,800	(173,305,687)	1,287,942,113
Advance tax - net		120,432,026	(173,305,687)	(52,873,661)
Impact on the statement of profit or loss and other comprehensive income				
Current tax expense	32	21,417,348	173,305,687	194,723,035
Deferred tax credit	32	(134,996,599)	(173,305,687)	(308,302,286)
Loss per share - basic and diluted (Rupees)	33	(2.21)	–	(2.21)

	Unit	2021 Rupees	2020 Rupees
33 Earnings / (loss) per share - basic and diluted			
33.1 Basic Earnings / (loss) per share			
Profit / (loss) for the year after taxation	Rupees	3,497,507,247	(443,735,698)
Weighted average number of ordinary shares	Numbers	200,861,297	200,861,297
Earnings / (loss) per share	Rupees	17.41	(2.21)

33.2 Diluted (loss) / earnings per share

There is no dilutive effect on the basic earnings / (loss) per share as the Company does not have any convertible instruments in issue as at 30 June 2021 and 30 June 2020.

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For the year ended 30 June 2021

		Note	2021 Rupees	2020 Rupees
34	**Cash generated from operations**			
	Profit / (loss) before taxation		4,885,954,607	(557,314,949)
	Adjustments for non-cash and other items:			
	Depreciation on property, plant and equipment	15.5	1,225,807,630	794,272,581
	Amortization on intangibles	28	4,885,071	4,807,703
	(Gain) / loss on disposal of property, plant and equipment	15.6	(12,589,727)	1,217,548
	Net change in fair value of financial assets at FVTPL		(98,877)	–
	Provision for compensated absences	8.2	6,925,497	8,895,107
	Interest on bank deposits	29	(8,195,094)	(14,094,304)
	Profit on bank deposits - arrangements permissible under Shariah	29	(37,676,218)	(33,583,423)
	Provision / (reversal) for Workers' Welfare Fund	30	44,431,532	(838,217)
	Provision for Workers' Profit Participation Fund	30	259,494,007	–
	Finance cost	31	517,055,413	409,702,183
	Provision for loss allowance against trade debts		12,160,310	8,789,949
			2,012,199,544	1,179,169,126
	Operating profit before working capital changes		6,898,154,151	621,854,177
	Changes in working capital			
	(Increase) / decrease in current assets:			
	Stores, spares and loose tools		(820,612,664)	(839,228,648)
	Stock in trade		(96,752,043)	(306,792,311)
	Trade debts		(501,413,327)	210,955,348
	Advances, deposits, prepayments and other receivables		(55,836,777)	(34,241,030)
			(1,474,614,811)	(969,306,641)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		577,982,592	566,407,927
	Contract Liabilities		10,508,811	27,263,588
	Cash generated from operations		6,012,030,743	246,219,051
35	**Cash and cash equivalents**			
	Term deposit receipts	22	–	110,000,000
	Cash and bank balances	24	1,197,729,351	891,606,087
			1,197,729,351	1,001,606,087

36 Transactions with related parties

The related parties comprise of holding company, associated companies, Directors of the Company, key management personnel and staff retirement funds. Transactions and balances with related parties are as follows:

	Percentage of Holding	Relationship	Nature of transactions	Note	2021 Rupees	2020 Rupees
Transactions with related parties						
ANS Capital (Private) Limited.	55.00%	Holding Company	Dividend paid		–	276,205,800
Company's Employees Provident Fund Trust		Post employment benefit plan	Contribution		20,884,288	19,083,961
Kohat Cement Educational Trust		Common Directorshi / Trustee	Contribution		4,818,679	6,130,061
	0.08%		Dividend paid		–	380,114
Ultra Pack (Private) Limited		Common Control	Purchase of packing material		1,336,482,978	969,701,365
Nutribel (Private) Limited		Common directorship	Sale of cement		2,370,240	407,621
Palace Enterprises (Private) Limited		Common directorship	Accomodation services		–	154,813
Mrs. Hijab Tariq	16.74%	Major Share Holder and Director	Dividend paid		–	84,079,180
Chief Executive		Key Management Personnel	Remuneration paid	37	76,476,840	64,064,057
Directors		Key Management Personnel	Dividend paid		–	1,889,110
Other executive		Key Management Personnel	Remuneration paid		90,069,789	76,954,033
Other executive		Key Management Personnel	Dividend paid		–	95,575
Balances with related parties						
Company's Employees Provident Fund Trust		Post employment benefit plan	Payable	9	2,585,757	3,627,351
Ultra Pack (Private) Limited		Common Control	Trade creditors		343,820,942	426,129,879
Nutribel (Private) Limited		Common directorship	Trade debtors		2,034	316,800

36.1 The Company has paid Rs. 73.25 million (2020: Rs. 70.85 million) to the Chairman on account of his remuneration and has also paid Rs. 1.65 million (2020: Rs. 1.55 million) to the six non-executive directors being the fee for attending Board and Committee meetings.

36.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers Chief Executive Officer, whole time Directors (including employee directors), Company Secretary and CFO to be its key management personnel.

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For the year ended 30 June 2021

37 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year in respect of remuneration, including benefits to the Chief Executive, Directors and Executives of the Company is as follows:

	2021			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	–	63,204,000	–	–
Managerial remuneration	63,204,000	–	–	129,261,035
Bonus	11,060,700	–	–	21,875,680
Medical expenses reimbursed	–	7,840,907	–	–
Other benefits	–	–	–	921,569
	74,264,700	71,044,907	-	152,058,284
Post employment benefits				
Contribution to provident fund	2,212,140	2,212,140	–	4,239,906
	76,476,840	73,257,047	–	156,298,190
Number of persons	1	1	–	17

	2020			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	–	54,672,379	–	-
Managerial remuneration	54,672,379	–	–	110,003,268
Bonus	6,364,531	6,364,531	–	14,274,331
Medical expenses reimbursed	1,113,614	7,899,333	–	-
Other benefits	–	–	–	663,810
	62,150,524	68,936,243	–	124,941,409
Post employment benefits				
Contribution to provident fund	1,913,533	1,913,533	–	3,599,514
	64,064,057	70,849,776	–	128,540,923
Number of persons	1	1	–	14

37.1 The Company has paid Rs. 1.65 million (2020: Rs. 1.55 million) to the six non-executive directors as fee for attending Board and Committee meetings.

37.2 The Company also provides the Chief Executive, Directors and Executives with free use of Company maintained cars.

37.3 Executives are those employees of the Company whose annual basic salary is Rs. 1.2 million or above.

38 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

38.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Trade debts include Rs. 328.33 million and Rs.3.92 million (2020: Rs. 127.85 million and Rs. 6.73 million) receivables from Frontier Work Organization (FWO) and Pakistan Railways respectively where credit risk is minimal. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	Unit	2021 Rupees	2020 Rupees
Loans and receivables			
Long term deposits	17	43,326,640	38,326,640
Trade debts - unsecured, considered good		983,568,223	494,315,206
Short term investments (debt instrument)	22	2,998,717,023	159,805,000
Accrued interest on bank deposits		3,845,430	614,082
Guarantee margin		8,547,070	6,411,500
Deposits and other receivables		150,166,872	147,300,174
Cash at banks		1,197,146,512	891,013,707
		5,385,317,770	1,737,786,310

38.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2021 Rupees	2020 Rupees
Customers	983,568,223	494,315,206
Banking companies and mutual funds	4,208,256,035	1,057,844,289
Others	193,493,512	185,626,814
	5,385,317,770	1,737,786,310

38.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

38.1.3(a) Counterparties with external credit ratings

These include banking companies and non - banking financial institutions, which are counterparties to bank balances and short term investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating				
Bank	Short term	Long term	Rating agency	2021 Rupees	2020 Rupees
Albaraka Bank (Pakistan) Limited	A1	A	PACRA	6,441	6,231
Allied Bank Limited	A1+	AAA	PACRA	101,330,386	135,961,874
Askari Bank Limited	A1+	AA+	PACRA	204,317,587	729,416
Bank Alfalah Limited	A1+	AA+	PACRA	2,340,515	313,268
Bank Al Habib Limited	A1+	AAA	PACRA	28	91
Bank Islami Pakistan Limited	A1	A+	PACRA	19,453	19,066
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	162,228,325	9,961,942
Habib Bank Limited	A-1+	AAA	JCR-VIS	140,553,516	421,257,539
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	406,939	1,205,063
JS Bank Limited	A1+	AA-	PACRA	1,880,259	50,039,726
MCB Islamic Bank Limited	A1	A	PACRA	63,655	63,555
MCB Bank Limited	A1+	AAA	PACRA	83,830,786	76,970,360
Meezan Bank Limited	A-1+	AAA	JCR-VIS	40,049,294	52,795,703
National Bank of Pakistan	A1+	AAA	PACRA	53,091,078	2,727,099
Samba Bank Limited	A-1	AA	JCR-VIS	6,596,008	3,109,562
Soneri Bank Limited	A1+	AA-	PACRA	5,650,539	323,127
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	6,221,313	8,682,862
The Bank of Punjab	A1+	AA+	PACRA	303,125,715	2,311,113
The Bank of Khyber	A1	A	PACRA	58,802,586	6,382,904
United Bank Limited	A-1+	AAA	JCR-VIS	30,415,462	118,153,206
				1,200,929,885	891,013,707

Bank	Rating Short term	Rating Long term	Rating agency	2021 Rupees	2020 Rupees
Term Deposit Receipts					
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	–	110,553,466
Term Finance Certificates					
Habib Bank Limited	A-1+	AAA	JCR-VIS	48,772,057	49,865,617
Guarantee margins					
Askari Bank Limited	A1+	AA+	PACRA	577,700	475,000
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	85,000	–
Soneri Bank Limited	A1+	AA-	PACRA	621,633	–
JS Bank Limited	A1+	AA-	PACRA	1,326,237	–
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	5,936,500	5,936,500
				8,547,070	6,411,500

Mutual Funds	Rating	Rating agency	2021 Rupees	2020 Rupees
First Habib Islamic Income Fund	AA(f)	PACRA	50,052,792	–
Pak Oman Advantage Islamic Income Fund	A+(f)	PACRA	50,051,566	–
Meezan Rozana Amdani Fund	AA+(f)	JCR-VIS	812,773,068	–
NBP Islamic Daily Dividend Fund	AA(f)	PACRA	330,162,152	–
ABL Islamic Cash Fund	AA(f)	JCR-VIS	257,201,059	–
Alfalah Islamic Rozana Amdani Fund	AA(f)	PACRA	155,241,668	–
HBL Islamic Money Market Fund	AA+(f)	JCR-VIS	300,455,092	–
JS Islamic Daily Dividend Fund	AA(f)	PACRA	51,774,443	–
Al Hamra Islamic Money Market Fund	AA(f)	PACRA	307,108,127	–
Atlas Islamic Money Market Fund	AA(f)	PACRA	402,077,304	–
UBL Al Ameen Islamic Cash Plan-1	AA+(f)	JCR-VIS	25,532,730	–
Faysal Islamic Cash Fund	N/A	N/A	207,577,022	–
			2,950,007,023	–

38.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts. The Company is exposed to credit risk in respect of trade debts. However, trade debts includes an amount of Rs. 328.33 million (2020: Rs. 127.85 million) in respect of FWO and Rs. 3.92 million (2020: Rs. 6.73 million) in respect of Pakistan Railways which are Government backed organizations. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Gross carrying amount 2021 Rupees	Gross carrying amount 2020 Rupees
Not yet due	776,050,030	326,788,317
Past due 0 - 90 days	178,068,650	28,364,642
Past due 91 - 180 days	26,727,827	60,277,649
Past due 181 - 270 days	4,720,293	81,088,608
Past due 271 - 360 days	4,529,219	4,423,190
Past due above one year	28,612,385	16,352,671
	1,018,708,404	517,295,077

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavourable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

38.2.1 Exposure to liquidity risk

38.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Note	2021 Carrying amount	Contractual cash flows	Less year 1 Year	Between 1 to 5 year	Above 5 Years
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	5,552,786,149	6,766,392,920	1,555,408,789	4,867,732,848	343,251,283
Long term deposits	7	2,036,100	2,036,100	–	–	2,036,100
Trade and other payables	9	2,344,544,795	2,344,544,795	2,344,544,795	–	–
Short term borrowings	12	498,000,000	498,000,000	498,000,000	–	–
Mark-up accrued on borrowings	13	122,613,973	122,613,973	122,613,973	–	–
Dividend payable	11	37,638,105	37,638,105	37,638,105	–	–
Unclaimed dividend		8,559,447	8,559,447	8,559,447	–	–
		8,566,178,569	9,779,785,340	4,566,765,109	4,867,732,848	345,287,383

	Note	2020 Carrying amount	Contractual cash flows	Less year 1 Year	Between 1 to 5 year	Above 5 Years
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	5,687,722,464	7,322,589,526	669,896,890	5,328,629,462	1,324,063,174
Long term deposits and retention money	7	2,036,100	2,036,100	–	–	2,036,100
Trade and other payables	9	1,910,018,810	1,910,018,810	1,910,018,810	–	–
Short term borrowings	12	1,301,609,100	1,301,609,100	1,301,609,100	–	–
Mark-up accrued on borrowings	13	208,766,756	208,766,756	208,766,756	–	–
Dividend payable	11	38,597,374	38,597,374	38,597,374	–	–
Unclaimed dividend		9,416,974	9,416,974	9,416,974	–	–
		9,158,167,578	10,793,034,640	4,138,305,904	5,328,629,462	1,326,099,274

38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

38.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, Chinese Yuan and US dollars.

38.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

2021	CNY	EURO	USD	Rupees
Liabilities				
Trade creditors	(1,818,362)	–	(3,675,000)	(626,775,146)
Net balance sheet exposure	(1,818,362)	–	(3,675,000)	(626,775,146)
Off balance sheet exposure - Letters of credit	(2,917,145)	(553,519)	(262,379)	(218,217,598)
Total Exposure	(4,735,507)	(553,519)	(3,937,379)	(844,992,744)

2020	CNY	EURO	USD	Rupees
Liabilities				
Trade creditors	–	(242)	(2,103,556)	(355,126,219)
Retention money payable	–	–	(543,918)	(91,813,358)
Net balance sheet exposure	–	(242)	(2,647,474)	(446,939,577)
Off balance sheet exposure - Letters of credit	(431,026)	(123,779)	(1,762,500)	(331,251,083)
Total Exposure	(431,026)	(124,021)	(4,409,974)	(778,190,660)

38.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

	CYN		EYRO		USD	
	2021	2020	2021	2020	2021	2020
	Rupees					
Reporting date spot rate						
- buying	24.69	23.65	188.12	189.73	157.80	168.75
- selling	24.76	23.77	188.71	189.83	158.30	168.80
Average rate for the year	24.23	23.71	189.77	175.06	161.22	158.26

38.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Effect on profit before taxation	
	2021 Rupees	2020 Rupees
Weakening of Pak Rupee		
EURO	–	(459)
USD	(5,817,525)	(4,468,936)
CNY	(450,226)	–
	(6,267,751)	(4,469,396)

Amount of off-balance sheet letters of credit will increase by Rs. 2.18 million (2020: Rs. 3.30 million) if Pak Rupee weakens 1% against other currencies.

All above will have opposite effect on 1% strength in Pak Rupee against other currencies.

38.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 1.74% (2020: 1.40%) of the Company's total assets, any adverse / favourable movement in functional currency with respect to US dollar, Chinese Yuan and Euro will not have any material impact on the operational results.

38.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

38.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2021		2020	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
Non-derivative financial instruments				
Fixed rate instruments	–	685,771,200	110,000,000	410,484,312
Variable rate instruments	846,267,720	5,381,992,511	627,586,369	6,599,805,792
	846,267,720	6,067,763,711	737,586,369	7,010,290,104

38.3.2(b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Effect on profit before taxation	
	2021 Rupees	2020 Rupees
Increase of 100 basis points	(45,357,248)	(59,722,194)
Decrease of 100 basis points	45,357,248	59,722,194

38.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

38.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

38.3.3(a) Investments exposed to price risk

At the reporting date, the Company's investment in quoted equity securities and investments are as follows:

	2021 Rupees	2020 Rupees
Investment in equity securities	779,400	325,600
Investment in units of mutual funds	2,950,007,023	–
Term Finance Certificates	48,710,000	49,805,000
	2,999,496,423	50,130,600

38.3.3(b) Sensitivity analysis

A 5% increase / decrease in redemption and share / unit prices at year end would have increased / decreased the Company's equity and profit and loss account respectively as follows:

	Equity 2021 Rupees	Equity 2020 Rupees
FVOCI		
Effect of increase	2,474,470	2,506,530
Effect of decrease	(2,474,470)	(2,506,530)

	Profit and loss account 2021 Rupees	Profit and loss account 2020 Rupees
FVTPL		
Effect of increase	147,500,351	–
Effect of decrease	(147,500,351)	–

38.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and units in mutual funds and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

38.4 Fair value of financial instruments

38.4.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	Note	Carrying amount					Fair Value		
		Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		Rupees							
On-Balance sheet financial instruments									
30 June 2021									
Financial assets measured at fair value									
Investments	22	49,489,400	2,950,007,023	–	–	–	2,999,496,423	–	–
		49,489,400	2,950,007,023	–	–	–	2,999,496,423	–	–
Financial assets at amortised cost									
Long term deposits	17	–	–	43,326,640	–	43,326,640	–	–	–
Trade debts - unsecured, considered good	21	–	–	983,568,223	–	983,568,223	–	–	–
Deposits, and other receivables	23	–	–	150,166,872	–	150,166,872	–	–	–
Cash and Bank balances	24	–	–	1,197,729,351	–	1,197,729,351	–	–	–
	38.4.2	–	–	2,374,791,086	–	2,374,791,086	–	–	–
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Financial liabilities measured at amortised cost									
Long term financing	6	–	–	–	5,552,786,149	5,552,786,149	–	–	–
Long term deposits	7	–	–	–	2,036,100	2,036,100	–	–	–
Trade and other payables	9	–	–	–	2,344,544,794	2,344,544,794	–	–	–
Short term borrowings	12	–	–	–	498,000,000	498,000,000	–	–	–
Mark-up accrued on borrowings	13	–	–	–	122,613,973	122,613,973	–	–	–
Dividend payable	11	–	–	–	37,638,105	37,638,105	–	–	–
Unclaimed dividend		–	–	–	8,559,447	8,559,447	–	–	–
	38.4.2	–	–	–	8,566,178,568	8,566,178,568	–	–	–

	Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
				Carrying amount			Fair Value		
		Rupees							
On-Balance sheet financial instruments									
30 June 2020									
Financial assets measured at fair value									
Investments	22	50,130,600	–	–	–	–	50,130,600	–	–
		50,130,600	–	–	–	–	50,130,600	–	–
Financial assets at amortised cost									
Long term deposits	17	–	–	38,326,640	–	38,326,640	–	–	–
Trade debts - unsecured, considered good	21	–	–	494,315,206	–	494,315,206	–	–	–
Short term investment	22	–	–	110,000,000	–	110,000,000			
Deposits, and other receivables	23	–	–	154,325,757	–	154,325,757	–	–	–
Cash and Bank balances	24	–	–	891,606,087	–	891,606,087	–	–	–
	38.4.2	–	–	1,688,573,690	–	1,688,573,690	–	–	–
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Financial liabilities measured at amortised cost									
Long term financing	6	–	–	–	5,687,722,464	5,687,722,464	–	–	–
Long term deposits	7	–	–	–	2,036,100	2,036,100	–	–	–
Trade and other payables	9	–	–	–	1,910,018,810	1,910,018,810	–	–	–
Short term borrowings	12	–	–	–	1,301,609,100	1,301,609,100	–	–	–
Mark-up accrued on borrowings	13	–	–	–	208,766,756	208,766,756	–	–	–
Dividend payable	11	–	–	–	38,597,374	38,597,374	–	–	–
Unclaimed dividend		–	–	–	9,416,974	9,416,974	–	–	–
	38.4.2	–	–	–	9,158,167,578	9,158,167,578	–	–	–

38.4.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

39 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

ii. to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including long term finances, short term finances and mark - up accrued) less cash and bank balances and liquid investments.

	Unit	2021	2020
Total debt	Rupees	6,173,400,122	7,198,098,320
Less: Cash and bank balances	Rupees	(1,197,729,351)	(891,606,087)
Less: Short term investments	Rupees	(2,999,496,423)	(160,130,600)
Net debt		1,976,174,348	6,146,361,633
Total equity	Rupees	22,223,539,371	18,726,673,324
Gearing ratio	Percentage	8.89%	32.82%

There were no changes in the Company's approach to capital management during the year.

40 Operating segments

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

40.2 Revenue from sale of cement represents 100.00% (2020: 100.00%) of gross sales of the Company.

40.3 The net sales percentage by geographic region is as follows:

	2021	2020
Pakistan	96.23%	95.44%
Afghanistan	3.77%	4.56%
	100.00%	100.00%

40.4 All assets of the Company as at 30 June 2021 are located in Pakistan.

	Plant capacity		Actual production	
	2021 Metric tons	2020	2021 Metric tons	2020
41 Capacity and production - Clinker				
Grey	4,778,400	3,515,640	3,340,608	2,158,655
White	135,000	135,000	10,533	8,484

41.1 Difference is due to supply demand situation of the market.

41.2 The capacity of plant has been determined on the basis of 300 production days. New cement Line IV became operational on 27 January 2020 and accordingly the capacity for the period from 27 January 2020 to 30 June 2020 was included in plant capacity for last year whereas in current year Line IV capacity remained available during the whole year.

42 Provident fund trust

The following information is based on latest un-audited financial statements of Provident Fund Trust of the Company:

	Unit	2021 Un-audited	2020 Audited
Size of fund - total assets	Rupees	262,469,032	238,164,670
Cost of investments made	Rupees	248,016,174	225,892,610
Percentage of investments made	Percentage	94.49%	94.97%
Fair value of investment	Rupees	249,262,854	226,915,433

The breakup of fair value of investments is as follows:

	2021 (Un-audited)		2020 (Audited)	
	Rupees	Percentage	Rupees	Percentage
Fixed deposits	165,227,835	66.29%	94,178,182	41.50%
Mutual funds	–	0.00%	51,064,892	22.50%
T-Bills	78,223,765	31.38%	61,654,320	27.17%
TFCs	1,857,000	0.74%	1,857,000	0.82%
Cash at bank	3,954,254	1.59%	18,161,039	8.00%
	249,262,854	100.00%	226,915,433	100.00%

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

43 Impact of COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. The Company continued to carry out its operations during the year after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees and has taken all necessary steps to ensure smooth and adequate contiuation of Business. Management believes that there is no significant adverse impact of the effects of COVID-19 on the operations of the Company and on these financial statements. However, pursuant to relaxation announced by the State Bank of Pakistan in view of this pandemic, the Company has availed deferments of principal amount of certain long term financing and has availed concessional loan to disburse salaries and wages which is fully explained in note 6 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

44 Number of employees

The total average number of employees during the year end as at 30 June 2021 are as follows:

	2021	2020
	Number of employees	
Number of employees as at 30 June	696	683
Average number of employees during the year	692	655

45 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	30 June 2021			
	Liabilities			
	Long and short term finances	Short term borrowings	Unclaimed and dividend payable	Total
	Rupees			
Balance as at 01 July 2020	5,687,722,464	1,301,609,100	48,014,348	7,037,345,912
Changes from financing activities				
Repayment of long term finances	(338,275,011)	–	–	(338,275,011)
Disbursement of long term finances - net off transaction cost	203,338,696	–	–	203,338,696
Short term borrowings	–	(803,609,100)	–	(803,609,100)
Dividend paid	–	–	(1,816,796)	(1,816,796)
Total changes from financing cash flows	(134,936,315)	(803,609,100)	(1,816,796)	(940,362,211)
Other changes				
Dividend declared	–	–	–	–
Total liability related other changes	–	–	–	–
Closing as at 30 June 2021	5,552,786,149	498,000,000	46,197,552	6,096,983,701

	30 June 2020			
	Liabilities			
	Long and short term finances	Short term borrowings	Unclaimed and dividend payable	Total
	Rupees			
Balance as at 01 July 2019	5,404,151,114	243,000,000	45,151,309	5,692,302,423
Changes from financing activities				
Repayment of long term finances	(953,588,131)	–	–	(953,588,131)
Disbursement of long term finances - net off transaction cost	1,237,159,483	–	–	1,237,159,483
Short term borrowings	–	1,058,609,100	–	1,058,609,100
Dividend paid	–	–	(499,290,203)	(499,290,203)
Total changes from financing cash flows	283,571,351	1,058,609,100	(499,290,203)	842,890,248
Other changes				
Dividend declared	–	–	502,153,242	502,153,242
Total liability related other changes	–	–	502,153,242	502,153,242
Closing as at 30 June 2020	5,687,722,465	1,301,609,100	48,014,348	7,037,345,913

46 Non adjusting events after the balance sheet date

There are no non adjusting events after the balance sheet date that are to be disclosed in these financial statements.

47 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 31 August 2021.

48 General

48.1 Figures have been rounded off to the nearest rupee.

48.2 Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purpose of comparison and better presentation as per reporting framework.

Chief Executive **Chief Financial Officer** **Director**

PATTERN OF SHAREHOLDING
As at 30 June 2021

Number of Shareholders	Shareholdings From		Shareholdings To	Total Number of Shares Held	Percentage of Total Capital
398	1	-	100	17,680	0.01
677	101	-	500	215,448	0.11
368	501	-	1000	289,768	0.14
844	1001	-	5000	1,782,175	0.89
144	5001	-	10000	1,055,035	0.53
75	10001	-	15000	954,861	0.48
32	15001	-	20000	543,070	0.27
22	20001	-	25000	494,987	0.25
15	25001	-	30000	414,398	0.21
13	30001	-	35000	425,225	0.21
4	35001	-	40000	148,514	0.07
2	40001	-	45000	86,500	0.04
10	45001	-	50000	482,983	0.24
7	50001	-	55000	375,690	0.19
3	55001	-	60000	174,200	0.09
7	60001	-	65000	444,355	0.22
7	65001	-	70000	475,526	0.24
3	70001	-	75000	218,860	0.11
4	75001	-	80000	311,860	0.16
2	85001	-	90000	176,800	0.09
1	90001	-	95000	91,900	0.05
4	95001	-	100000	397,460	0.20
5	100001	-	105000	509,181	0.25
2	105001	-	110000	215,000	0.11
2	115001	-	120000	238,550	0.12
1	120001	-	125000	124,800	0.06
2	125001	-	130000	252,310	0.13
1	130001	-	135000	135,000	0.07
1	135001	-	140000	138,500	0.07
1	150001	-	155000	152,045	0.08
2	160001	-	165000	324,670	0.16
2	175001	-	180000	352,480	0.18
1	185001	-	190000	189,700	0.09
4	190001	-	195000	775,600	0.39
1	200001	-	205000	204,100	0.10
1	235001	-	240000	239,100	0.12
1	240001	-	245000	243,360	0.12
1	245001	-	250000	246,050	0.12
1	250001	-	255000	251,170	0.13
1	255001	-	260000	259,246	0.13
1	260001	-	265000	260,530	0.13
1	265001	-	270000	265,980	0.13
1	285001	-	290000	285,160	0.14
1	305001	-	310000	307,496	0.15
2	350001	-	355000	700,800	0.35
1	375001	-	380000	377,520	0.19
1	395001	-	400000	396,160	0.20
1	415001	-	420000	415,520	0.21
2	430001	-	435000	867,980	0.43
1	435001	-	440000	437,100	0.22
1	440001	-	445000	443,586	0.22
1	520001	-	525000	524,300	0.26
1	555001	-	560000	557,050	0.28
1	585001	-	590000	587,116	0.29
1	615001	-	620000	615,272	0.31
1	625001	-	630000	626,500	0.31
1	640001	-	645000	642,860	0.32
1	665001	-	670000	665,820	0.33
2	680001	-	685000	1,364,820	0.68
1	695001	-	700000	699,623	0.35
1	900001	-	905000	902,410	0.45
1	970001	-	975000	971,851	0.48
1	1360001	-	1365000	1,364,890	0.68
1	1570001	-	1575000	1,573,270	0.78
1	1690001	-	1695000	1,691,000	0.84
1	1890001	-	1895000	1,891,494	0.94
2	1965001	-	1970000	3,933,101	1.96
1	2935001	-	2940000	2,938,569	1.46
1	4250001	-	4255000	4,254,820	2.12
1	5350001	-	5355000	5,354,750	2.67
1	6400001	-	6405000	6,401,800	3.19
1	33630001	-	33635000	33,631,672	16.74
1	110480001	-	110485000	110,482,320	55.00
2,709				200,861,297	100.00

CATEGORIES OF SHAREHOLDING
As at 30 June 2021

	Categories of Shareholders	Shares Held	Percentage
I	**Directors, Chief Executive Officer, their Spouse & Minor Children**	**34,318,096**	**17.09%**
	Directors		
	Mr. Aizaz Mansoor Sheikh	3,587	0.00%
	Mr. Nadeem Atta Sheikh	615,272	0.31%
	Mrs. Hafsa Nadeem	63,705	0.03%
	Mrs. Hijab Tariq	33,631,672	16.74%
	Mr. Muhammad Rehman Sheikh	780	0.00%
	Mr. Muhammad Atta Tanseer Sheikh	750	0.00%
	Mr. Ahmad Sajjad Khan	550	0.00%
	Mr. Talha Saeed Ahmed	1,000	0.00%
	Director's Spouse		
	Mrs. Shahnaz Aizaz	780	0.00%
II	**Associated Companies, Undertakings & Related Parties**	**110,634,365**	**55.08%**
	ANS Capital (Pvt) Limited	110,482,320	55.00%
	Kohat Cement Educational Trust	152,045	0.08%
III	**NIT & ICP**	**189,474**	**0.09%**
	FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED	188,850	0.09%
	INVESTMENT CORPORATION OF PAKISTAN	624	0.00%
IV	**Banks, Development Finance Institutions and Non-Banking Financial Institutions**	**205,153**	**0.10%**
V	**Insurance/ Takaful Companies**	**627,466**	**0.31%**
VI	**Modarbas**	**13,000**	**0.01%**
VII	**Mutual Funds**	**27,757,459**	**13.82%**
VIII	**Shareholder holding 10% and more (other than above)**	**Nil**	**0.00%**
IX	**General Public**	**23,660,042**	**11.78%**
	a) Local	21,757,752	10.83%
	b) Foreign	1,902,290	0.95%
X	**Others**	**3,456,242**	**1.72%**
	Joint Stock Companies	907,372	0.45%
	Gratuity/Pension/Provident Funds	2,315,998	1.15%
	Charitable Trusts / Non-Profit Organizations / Wakfs	75,555	0.04%
	Executives	147,637	0.07%
	Investment Companies	9,680	0.00%
	Total	**200,861,297**	**100%**

FINANCIAL CALENDAR

The Company follows the period of July 01 to June 30 as the financial year.

Financial results will be announced as per the following tentative schedule:

Annual General Meeting	October 04, 2021
First Quarter ending September 30, 2021	Third week of October 2021
Second Quarter ending December 31, 2021	Third week of February 2022
Third Quarter ending March 31, 2022	Fourth week of April 2022
Year ending June 30, 2022	Last week of August 2022

FORM OF PROXY
42st Annual General Meeting

I/We____ of ____ being a member of Kohat Cement Company Limited (the Company) and holder of ________________ (No.) Ordinary shares as per Share Register Folio No. ________________ and/or CDC Participant I.D. No. ______________________ and Sub Account No. ____________ hereby appoint _____________________of _______________________________, another member of the Company having Folio No. ________________ and/or CDC Participant I.D. No. _____________________ and Sub Account No. ___________ (or failing him ____________________________ of ___________________ having Folio No. _______________________ and/or CDC Participant I.D. No. ___________ and Sub Account No. _________________________) as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, October 04, 2021 at 11:00 A.M. at the registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat and at any adjourned meeting thereof.

Signed this _________________day of_______________2021.

Signature:

Please affix
Rupees Ten
revenue stamp

Witnesses:

1. Signature: ______________________
   Name: ________________________
   Address: _______________________
   ____
   CNIC or
   Passport No. ____________________

2. Signature: ______________________
   Name: ________________________
   Address: _______________________
   ____
   CNIC or
   Passport No. ____________________

Note:

1. Proxies in order to be effective must be received by the Company not later than 48 hours (excluding non-working days) before the time of holding the meeting. No person shall be appointed as a proxy who is not a member of the Company qualified to vote except that a Company/ Corporation being a member may appoint a person who is not a member.

2. CDC account holders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the company.

AFFIX
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The Company Secretary,

Kohat Cement Company Limited
37-P, Gulberg II, Lahore.
Tel: 042 11 111 5225
Fax: 042 3 587 4990

کوھاٹ سیمنٹ کمپنی لمیٹڈ

پراکسی فارم

بیالیسواں سالانہ اجلاسِ عام

میں مسمّٰی / مسمّاۃ ______________________________

ساکن رنمائندہ ______________________________

ضلع ________ بحیثیت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فولیونمبر ________) مسمّٰی / مسمّاۃ ______________________________

ساکن ______________________ (سی ڈی سی / فولیونمبر ________) کوبطورِمختار (پراکسی) مقرر کرتا ہوں، تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 04 اکتوبر 2021ء بروز پیر صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

یہ پراکسی فارم آج مورخہ ____________ کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

دستخط شیئر ہولڈر:

برائے مہربانی ۱۰ روپے مالیت کی ریونیو سٹیمپ چسپاں کریں۔

گواہان

1۔

دستخط: ______________________

نام: ______________________

پتہ: ______________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________________

یا

پاسپورٹ نمبر: ______________________

2۔

دستخط: ______________________

نام: ______________________

پتہ: ______________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________________

یا

پاسپورٹ نمبر: ______________________

نوٹ:

۱۔ پراکسی (نمائندے) کو فعّال بنانے کے لئے نامزدگی کا فارم (پراکسی) میٹنگ سے کم از کم 48 گھنٹے (علاوہ ہفتہ وار رسرکاری تعطیلات) قبل کمپنی کو موصول ہو جانا چاہئے، کوئی بھی شخص پراکسی (نمائندہ) مقرر نہیں کیا جا سکتا اور نہ وہ ووٹ دینے کا اہل ہو سکتا ہے جو کمپنی کا ممبر نہ ہو، ماسوائے کہ کمپنی رکارپوریشن ایسے شخص کو غیر معمولی اجلاس میں شرکت اور ووٹ دینے کیلئے نامزد کر سکتی ہے جو ممبر نہ ہو۔

۲۔ سی ڈی سی اکاؤنٹ ہولڈرز اور ان کے نمائندوں سے درخواست ہے کہ وہ پراکسی فارم کے ہمراہ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔

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The Company Secretary,

Kohat Cement Company Limited
37-P, Gulberg II, Lahore.
Tel: 042 11 111 5225
Fax: 042 3 587 4990

kohatcement.com

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Email: mis@kohatcement.com