



BESTWAY CEMENT LIMITED

ANNUAL REPORT 2021



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BESTWAY CEMENT LIMITED

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Islamabad 44000, Pakistan
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BUILDING ON STRENGTH

BESTWAY CEMENT LIMITED



BESTWAY CEMENT LIMITED
BUILDING ON STRENGTH

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COMPANY INFORMATION

Board of Directors

Sir Mohammed Anwar Pervez, O.B.E., H. Pk	Chairman
Lord Zameer Choudrey, CBE, SI Pk	Chief Executive
Mr. Mohammed Younus Sheikh	Director
Mr. Dawood Pervez	Director
Mr. Muhammad Irfan A. Sheikh	Managing Director
Ms. Najma Naheed Pirzada	Director
Mr. Haider Zameer Choudrey	Director
Ms. Nazia Nazir	Director

Audit Committee

Ms. Najma Naheed Pirzada	Chairperson
Mr. Dawood Pervez	
Mr. Haider Zameer Choudrey	

Human Resource & Remuneration Committee

Ms. Nazia Nazir	Chairperson
Mr. Muhammad Irfan A. Sheikh	
Mr. Mohammed Younus Sheikh	

Company Secretary

Ms. Sehar Husain

Chief Financial Officer

Muhammad Amir Khan

Registered / Head Office

Bestway Building, 19-A, College Road,
F-7 Markaz, Islamabad.
Tel: +92 (0) 51 265 4856 – 64
Fax: +92 (0) 51 265 4865
Email: management@bestway.com.pk

Plant Sites

Hattar

Suraj Gali Road, Village Shadi, Hattar, Distt. Haripur,
Khyber Pakhtunkhwa, Pakistan.
Tel: +92 (0) 995 639 261 – 3
Fax: +92 (0) 995 639 265
Email: gmworks1@bestway.com.pk

Farooqia

12 km, Taxila-Haripur Road,
Farooqia, Tehsil & Distt. Haripur,
Khyber Pakhtunkhwa, Pakistan.
Tel: +92 (0) 995 639 501 – 3
Fax: +92 (0) 995 639 505
Email: gmworks2@bestway.com.pk

Chakwal

Village Tatral, Near PSO Petrol Pump,
22 km Kallar Kahar, Choa Saiden Shah Road,
Chakwal, Pakistan.
Tel: +92 (0) 543 584 560 – 62
Fax: +92 (0) 543 584 274
Email: gmworks3@bestway.com.pk

Kallar Kahar

Choe Mallot Road, Tehsil Kallar Kahar,
Distt. Chakwal, Pakistan.
Tel: +92 (0) 51 402 0111
Fax: +92 (0) 51 402 0230
Email: gmworks4@bestway.com.pk

Sales Office

House 276, Near Riphah University,
Opposite Roomi Park, Peshawar Road,
Rawalpindi.
Tel: +92 (0) 51 551 3110, 512 5128 – 9
Fax: +92 (0) 51 551 3109
Email: directorsales@bestway.com.pk

Statutory Auditors

A. F. Ferguson & Co., Chartered Accountants

Legal Advisor

Muhammad Umer Khan Verdaq, Advocate High Court

Shares Department

THK Associates (Pvt.) Ltd.
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi-75400
Tel: +92 (0) 21 111 000 322
Fax: +92 (0) 21 3416827

Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- Industrial and Commercial Bank of China
- MCB Bank Limited
- MCB Islamic Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Soneri Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- United Bank Limited

TRUST THE BEST FOR STRENGTH & DURABILITY

BEST WAY CEMENT

DELIVERING EXCEPTIONAL QUALITY FOR STRENGTH,
DURABILITY AND SUPERIOR FINISH.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting (AGM) of Bestway Cement Limited (the Company) will be held at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad at 3:00 p.m. on Monday, October 11, 2021 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on October 2, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2021 together with the Directors' and Auditors' Reports thereon.
3. To approve and declare final cash dividend of 40% in addition to 100% interim dividends already paid for the year ended June 30, 2021, as recommended by the Board of Directors.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2022. The retiring auditors M/s A. F. Ferguson & Co., Chartered Accountants have consented to be so appointed and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolutions with or without modification as a special resolution.
"RESOLVED THAT the Management Services Agreement (the Agreement) to be executed between Bestway Cement Limited (the Company) and Bestway International Holdings Limited as discussed be and is hereby approved and that agreement be engrossed in duplicate and the common seal of the Company be affixed thereto in accordance with the Company's Articles of Association.
FURTHER RESOLVED THAT Mr. Muhammad Irfan Anwar Sheikh, Director of the Company be and is hereby authorized to sign and execute the agreement on behalf of the Company and take all necessary actions in this regard."
6. Any other business with the permission of the chair.

By Order of the Board

Sehar Husain
Company Secretary

September 17, 2021
Islamabad

NOTES

1. The share transfer books of the Company will remain closed from 05-10-2021 to 11-10-2021 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500 upto the close of business on 04-10-2021 will be treated in time to attend the Annual General Meeting (AGM).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

3. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
4. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his original NIC or original passport at the time of meeting.
6. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Shareholders are informed that rate of withholding tax for non-filers is 30% against 15% for filers of the income tax returns. The shareholders are advised to e-file their returns as the Department places the names of the e-filers on their website and to provide their NTN to the Shares Registrars of the Company for availing the benefit of lower withholding rate.

8. In terms of section 242 of Companies Act, 2017, listed Companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate (bank account details) to the share registrar of the company in case of physical shares and to the CDC in case shares are held electronically.
9. Shareholders are requested promptly notify any changes in their addresses, mobile number and email.

Online Participation in AGM:

In view of the prevailing situation on the spread of the COVID-19, the company has decided to conduct the Shareholders' Meeting online in order to protect the wellbeing of the shareholders. Therefore shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

In this regard, shareholders are required to update their valid e-mail addresses with the Share Registrar, latest by October 4, 2021. A detailed procedure shall be communicated through e-mail directly to the shareholders who have provided their valid e-mail IDs and same shall be placed at the Company's website (<https://www.bestway.com.pk>) in investor relation section.

The shareholders who have already updated their valid e-mail addresses with the Company or its Share Registrar and are interested to attend AGM may send their folio number at ir@bestway.com.pk for their / their appointed proxy's verification. Such information should be sent from their duly registered valid e-mail address for the registration purposes latest by October 4, 2021.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the AGM of the Company to be held on October 11, 2021.

The Company seeks its shareholders' approval to pass the Special Resolutions provided in the Notice of the AGM to execute an agreement with Bestway International Holdings Limited ("BIHL"). Both companies are part of a corporate group under the ultimate holding company Bestway Group Limited.

BIHL has expertise in strategic and operational management of businesses and is willing to provide such guidance and assistance to the Company as may be required, subject to the terms and conditions of the above referenced Agreement. The Company presently anticipates that the senior management team of BIHL shall skilfully provide the following Services:

1. Strategic management services;
2. Financial control and planning services;
3. Operational support and advice
4. Procurement functions; and
5. Other services as may be agreed between the Parties from time to time whether in writing or otherwise.

In consideration of BIHL providing the Services to the Company, the Company shall pay £ 1 million per annum to BIHL along with all reasonable out of pocket expenses incurred by BIHL in connection with the Services rendered hereunder.

The Board of Directors of the Company considered the agreement in its meeting held on August 27, 2021. However, since the majority of the Company's Directors were interested due to their common directorships in the Holding company the quorum requirement of directors was not satisfied for approval of the Agreement pursuant to section 207 of the Companies Act, 2017. Therefore, it was decided that the matter shall be tabled for the general meeting for approval of shareholders.

The Directors are interested in the resolution only to the extent of their common directorships.

The above-mentioned Agreement is available at registered office of the Company for inspection during the office hours (2:30 to 5:30 p.m.) from 20-09-2021 to 11-10-2021.

VISION

TO PRODUCE
**HIGH QUALITY
CEMENT** AT THE
LOWEST COST.

MISSION

- Consistently produce high quality cement.
- Endeavour to be the lowest cost producer.
- Achieve 25% of the market share of the North Zone in the short term and ultimately 30% in the longer term.
- Consistently maintain a high standard of customer service.
- Continue to invest in human resource through training, development and promotions from within whenever possible in order to meet future expansion needs.
- Continue to set aside adequate funds from the net profits for fulfilling its various social responsibilities, particularly in the field of education and health.



Bestway Cement was honoured for its contribution to sustainable development, when it bagged three awards at the prestigious 13th Annual CSR Awards 2021 by the National Forum for Environment & Health (NFEH). Bestway won the sought-after awards in the categories of Corporate Social Responsibility in times of Covid-19, Education & Scholarships and Green Energy Initiatives.



Shaukat Khanum Memorial Cancer Hospital and Research Centre– SKMCHRC presented a CSR award to Bestway Foundation in recognition of its contribution and support to the Hospital during the year 2020. The award was presented to the Trustee Bestway Foundation and the Managing Director Bestway Cement, Mr. M. Irfan A. Sheikh by SKMCHRC team.



PRODUCT PORTFOLIO



ECOCEM
ECONOMY WITH STRENGTH
ALL PURPOSE CEMENT



BESTWAY
ORDINARY PORTLAND CEMENT
ALL PURPOSE CEMENT



PAKCEM
ORDINARY PORTLAND CEMENT
ALL PURPOSE CEMENT



STALLION
EARLY SETTING CEMENT
FOR PRE-CAST



LOW ALKALI
INFRASTRUCTURE PROJECTS
ESPECIALLY FOR DAMS & BRIDGES



DURA CEM
ORDINARY PORTLAND CEMENT
ASTM C 150 (TYPE D)



LOW HEAT CEMENT
LOW HEAT OF HYDRATION CEMENT
FOR MASS CONCRETING & DAMS



SRC
SUPHATE RESISTANT CEMENT
PROTECTS AGAINST
WATER LOGGED & SALINE SOILS



XTREME
XTREME TILE BOND
XTREME TILE GROUT



STALLION
HIGH QUALITY CEMENT
ALL PURPOSE CEMENT



BUZKASH
CEMENT
STRONG, DURABLE, ECONOMICAL
ALL PURPOSE CEMENT



LION
LOW CHROME CEMENT

CHAIRMAN'S REVIEW

Dear Stakeholders

REVIVAL IN CHALLENGING TIMES

2021 was an extraordinary year in many ways. The Pandemic has universally raised an unprecedented health emergency and disrupted the social, economic and business dynamics. Governments and Organisations have strived to cope through this period by adopting different strategies to keep businesses afloat and economic activity to survive if not prosper.

For Bestway the financial year 2020-21 showed a strong turnaround in terms of revenues and profitability. Other performance parameters also followed a positive trajectory. These achievements are commendable when considered against the backdrop of economic slowdown due to COVID-19. This however, may not have been possible without the help of the Government of Pakistan's timely intervention by introducing construction-related incentives which benefited allied industries and the real estate sectors to thrive even in these troublesome and challenging times.

During the year Bestway successfully retained its position as one of the largest cement producers and the market leaders in the country. We continued to invest in the infrastructure and technologies to make your Company's operations even more efficient. The management team, led by the Chief Executive, proactively adapted the business to face the challenging economic environment and have overcome these with one of the best results in the industry.

During the year Bestway recorded growth in turnover by 34%, from Rs. 63.7 billion last year to Rs. 85.2 billion in the year ended 30 June 2021.

Gross profit for the year grew to Rs. 16.6 billion and net profit after tax amounted to Rs. 11.6 billion. It is a matter of great pride that your management's proactive approach and preparedness meant that the Company did not only demonstrate resilience but also ability to overcome any challenge. In view of the foregoing, the Board has decided to recommend a final dividend of Rs. 4 per share based on the profitability from operations and income on investments, with aggregate distribution of Rs. 14 per share for the year.

Renewable Energy

Your Company has always been committed to environment protection. You will be pleased to know that during the year we have energised our Solar Power Plant at Farooqia with a capacity of 14.36 MWs. Moreover, the second solar power plant at Chakwal having capacity of 15.21 MWs has also commenced power generation as at the reporting date. These are being followed up with two more installations at Kallar Kahar and Hattar that are scheduled to be completed during the financial year ending June 2022. This will bring our total renewable energy footprint to over 51 MW which is by far the largest captive solar installation by any manufacturing company in Pakistan.



New Plant at Mianwali

Your Company has also embarked upon a new greenfield project of 7,200 tonnes of clinker per day near PaiKhel, District Mianwali in order to meet growing demand for cement in the country. Work is well underway with all necessary financial arrangements and regulatory approvals in place. This expansion will bring our total capacity to more than 13 million tonnes per annum cement which will ensure to retain our presence as one of the largest producers in Pakistan.

Sustainability

I firmly believe that our commitment to healthy financial performance needs to be matched by a continued focus on corporate social responsibility. The Company takes pride in its proactive development and welfare of the under-privileged through activities such as improving access to health services, education, vocational trainings, environmental conservation programmes, and helping create jobs and local employment. Your Company conducts its corporate social responsibility activities mainly through its charitable trust, Bestway Foundation. During the year under review, your Company spent more than Rs. 204 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.

Looking forward, we will continue to pursue initiatives which impact the socio-economic development of our local communities, particularly in the areas of health services and education, taking part in urban development and environmental conservation programs. We take pride in setting ambitious long-term sustainable development goals and reporting on our progress.

Governance

Bestway believes that good corporate governance is fundamental to long term sustainable corporate success and enhances the stakeholders' confidence. We have designed our corporate governance structure to ensure maximum compliance with legal and regulatory framework and meeting the information needs of our stakeholders. The corporate governance framework applied by Bestway are based on Pakistani law, in particular Companies Act 2017, Code of Corporate Governance and other statutory, regulatory and compliance requirements that are applicable to companies listed on the Pakistan Stock Exchange. To ensure the compliance with all relevant laws and regulations, the Company has in place a code of conduct, whistle blowing policy and code of business ethics among others.

Evolution of the Board

I would also like to take this opportunity to inform you that on 21st February, 2021 Mr. Muhammad A. Irfan Sheikh was elevated as our Managing Director. Mr. Sheikh has been associated with Bestway Group for over 25 years and has headed the Finance, Marketing, Communication, Legal and Information Technology functions at Bestway Cement Limited. He has served on The Board of Directors since 2001 and has been instrumental in Bestway Cement Limited's rise to the top. I have all faith in his abilities to continue to lead Bestway as the frontrunner in the Pakistan Cement Industry.

The Board has set several targets for the new MD including development of short term and long term strategies for growth as well as diversification activities, which will form the basis of the Company's strategic business plan.

Outlook

The economic relief measures put in place by the Government to mitigate the effects of COVID-19 including various incentives for the construction industry have been quite successful. This, coupled with government's particular focus on infrastructure development and housing, will likely result in higher domestic cement consumption and therefore higher revenues going forward.

Bestway, while being proactive and strategically strong, will invariably face challenges ahead including rising cost of production, currency devaluation and ever-changing economic and geopolitical landscape. We will strive to face off those challenges and further optimise our performance together with delivering value products, consistent with our past achievements.

I would also like to extend my gratitude to The Board of Directors who have made all these achievements possible due to their outstanding leadership despite the pandemic, aptly supported by untiring commitment and efforts of the entire workforce. Together we worked earnestly in steering the Company towards the accomplishment of its objectives while ensuring value creation for the shareholders.

Sir Mohammad Anwar Pervez, OBE H Pk
Chairman

DIRECTORS' REPORT

The Board of Directors take pleasure in presenting their report together with audited financial statements for the year ended 30 June 2021 and the Auditor's Report there on.

Despite myriad of challenges especially the pandemic, which has been a source of stress for the entire world, Pakistan's economy is moving progressively towards a growth path on the back of various initiatives announced by the Government. In addition to smart management of Covid situation, business-friendly measures announced during last 18 months, an accommodative monetary policy and concessionary loans for businesses are some of the steps that are believed to have kept the growth momentum going. The improved business environment has directly benefited many sectors of the economy. During the year under review, large scale manufacturing grew by 14.85% (2020: decline by 9.8%) while the construction activities in the country also witnessed a significant boost.

Industry Overview

Domestic cement dispatches grew by 20% from 40.0 million tonnes last year to 48.1 million tonnes for the year under review. Exports volumes also registered an increase of 19%, rising to 9.3 million tonnes as compared to 7.8 million tonnes last year. Overall, dispatches by the industry grew by 20% from 47.8 million tonnes to 57.4 million tonnes for the year under review. Such a significant turnaround in volumes is primarily due to pent-up demand from last year, construction package announced by the Government and various other reliefs & measures initiated by Government to boost public confidence and construction activity in the country.

Industry gross margins also recovered from last year as a result of buoyant demand and better prices.

Financial and Operational Review

Production and Sales Review

	Year ended 30 June 2021	Year ended 30 June 2020	Increase	Percentage
	Tonnes	Tonnes	Tonnes	%
Clinker production	7,935,419	6,418,623	1,516,796	24%
Cement production	8,696,792	7,263,500	1,433,292	20%
Cement and Xtreme Bond sales	8,663,504	7,311,290	1,352,214	18%

Your Company's total cement dispatches posted a double digit growth due to improvement in both local and export sales volumes. This was driven by significant improvement in demand due to the reasons explained above.

Despite fierce competition, Bestway successfully retained its position as one of the largest cement producers and the market leader in the country.

Financial Highlights

The Company recorded gross turnover of Rs. 85.2 billion for the year ended 30 June 2021, 34% higher compared to Rs. 63.7 billion during the last year. Net turnover for the year grew by 53% from Rs. 37.1 billion to Rs. 56.9 billion.

Gross profit for the year grew to Rs. 16.6 billion from Rs. 1.1 billion last year.

Increase in turnover and gross profit was driven by higher sale volumes, better selling prices and reduction in FED.

Financial charges decreased to Rs. 1.1 billion for the year as against Rs. 2.2 billion for the last year. This reduction is due to decrease in interest rates and reduction in borrowings due to positive cash flows.

Profit before tax amounted to Rs. 15.5 billion as compared to loss of Rs. 0.5 billion for the year ended 30 June 2020. Profit after tax amounted to Rs. 11.6 billion as compared with profit of Rs. 0.05 billion last year.

Earnings per share of the Company for the year ended 30 June 2021 stood at Rs. 19.42 against Rs. 0.08 from last year.

Total Equity of the Company stood at Rs. 60.1 billion as against Rs. 54.7 billion at the year ended 30 June 2020.

Your Company remained prompt with its repayment obligations on all types of loans.

Net current assets on 30 June 2021 stood at Rs. 6.4 billion (2020: net current liabilities of Rs. 1.4 billion). The significant improvement resulted from higher cash generation during the year.

Other Investments

United Bank Limited

Your Company's investment in United Bank Limited continues to yield strong returns for the Company. The Bank's profit before tax for the year ended 31 December 2020 stood at Rs. 34.4 billion.

You would be delighted to learn that the bank paid out a cash dividend of 135% for its year ended 31 December 2020 thus providing a return of Rs. 1.3 billion on your investment.

UBL Insurers Limited

UIL reported profit before tax for the year ended 31 December 2020 of Rs. 94 million. UBL Insurers have not paid any dividend for its year ended 31 December 2020.

Contribution to the National Exchequer

Bestway Cement is among the largest taxpayers in the country. During the year under review, your Company's contribution to the exchequer amounted to more than Rs. 28.2 billion on account of income tax, sales tax and excise duty. In addition, your Company pays large amounts in the form of various indirect duties and taxes to the federal, provincial and local governments.

Capacity Expansion

In view of the increasing demand for cement in the country your company has decided to set up a Greenfield cement plant with a capacity of 7,200 tonnes of clinker per day near Paikhel, District Mianwali along with 9 MW Waste Heat Recovery Plant. To that end, the company has entered into an agreement with Sinoma International Engineering Co., Limited, PR China for EPC. All necessary regulatory approvals and financial arrangements have been secured and work has commenced.

Plants' Performance

Your Company's management follows an elaborate plan of preventative maintenance, which it has adopted right from the beginning. This proactive approach ensures efficient and stable operations with minimum disruptions. Our well-knit team of dedicated managers, engineers, technicians and other members of management and administrative staff play a key role in the successful implementation of this plan.

During the year under review, all our cement plants and the waste heat recovery plants operated satisfactorily. Your Company achieved average cement capacity utilisation of 81% (2020: 69%) during the year. Higher capacity utilisation compared with last year was the result of buoyant demand for cement.

Return to Shareholders

Your Company is mindful of providing a superior return to its shareholders. In view of the reported performance by you Company, the directors feel great pleasure in declaring a final cash dividend of 40% taking the payout for the year to date to 140%.

Quality Assurance

Bestway Cement is a company driven by efficiency and quality consciousness. With strict quality control procedures in place, the Company has deployed high quality control equipment at the plants. Bestway's laboratories are equipped with state-of-the-art x-ray fluorescence and diffraction analysers and were the first in Pakistan to introduce the technology. By virtue of this equipment, the Company has been able to consistently produce better quality cement than is currently available in the country. Laboratories at Farooqia plant have ISO 17025 certification making Bestway only the 2nd cement producer in Pakistan to have achieved this milestone. Our laboratories at the other 3 plants are also in process of securing this certification.



Marketing

Bestway continues to enjoy its status as the market leader due to its consistently superior quality, widest product range, effective marketing strategy, customer care and sheer dedication of its sales and marketing teams. Your Company is the second largest cement producer in Pakistan and certified for ISO 9001 Quality Management System.

Bestway is well recognised for its supreme quality products. Its products continue to be firmly established as premium brands in the domestic market, as well as various international markets. Your Company is among the few in the country which possess CE-Certificate of Conformity and are certified to export its cement to India. These certifications enable Bestway to pursue export opportunities in India, the European Community and countries where CE-Certification is required. Your Company continues to be one of the largest exporters of cement to Afghanistan.



Training and Development

Your Company places great importance on the training, development and education of its personnel. In order to keep its workforce abreast with best operational techniques and practices, technical and general managerial training courses are organised for various departments and categories of personnel. Staff members are also sent on courses, workshops and seminars organised externally by other institutions. The Company actively encourages and assists its employees in pursuit of professional development and career enhancement.

As part of its commitment to skills development and grooming of workforce, your Company regularly employs freshly qualified engineers, graduates, professionals and even unskilled human resource. Planned training programmes are carefully conducted to ensure that these personnel are equipped with necessary knowledge, hands-on experience and confidence to become skilled and productive resource.

Trainee engineers undergo intensive training in electrical, mechanical and mining departments, while management trainees are inducted in marketing, finance, personnel and administration where they are carefully trained to become effective managers in the future. Apprentices are employed in various technical departments at all the factories. While some of those trainees and apprentices are retained in the Company, others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.

Health and Safety

Your Company reposes itself as a responsible corporate citizen and gives highest priority to health and safety for not only its own employees, but also for subcontracted personnel, in respect of effective conduct of our business. Your Company is therefore committed to preventing human injury and property damage at workplace and strives for continuous improvement in its environment, health and safety management and performance.

Initiatives including training on safe system of work such as trainings on various aspects of health & safety, safety meetings, permit to work system coupled with risk assessments, identification and control of hazards, incident reporting, safety audits, safety champions, good housekeeping and hygiene controls are actively and consistently pursued to instil safe behaviour in all personnel. Your Company has strived to make industrial operations safer, and has established numerous directives and standards and advisories to increase level of awareness amongst employees, contractors and other stakeholders like visitors and surrounding communities. These advisories are to be strictly adhered to across the organisation and shared with external stakeholders as best practices since for us, safety is a way of life rather than professional obligation.

COVID-19

You would be pleased to know that your Company continued to comply with all Covid-19 related SOPs and as a result of the measures adopted by the Company, there was no breakout of infection at any of our plants or offices. During the on-going fourth wave of the Covid-19 pandemic, the Company's management remained vigilant in SOP compliance across its operations. In fact, our Farooqia plant was awarded a certificate by the Provincial Inspection Team, Government of Khyber Pakhtunkhwa for implementing measures over and above the government SOPs for prevention of Covid-19.

An intensive vaccination drive was pursued by your Company. We are delighted to report that more than 98% of your Company's workforce is now vaccinated.

As the restrictions are gradually eased by the Government, your Company will be steadfast in adhering to the highest standards of safety for all staff members and ensure that Bestway is a safe place to work and do business with.

Environment

Bestway Cement reposes itself as a responsible corporate citizen and gives highest priority to protecting and creating a healthier environment for not only its own employees, but also for our communities where the Company has established its four plants. The wellbeing of the social environment in which Bestway operates is considered an integral part of the Company's success. Our plants are ISO 14001:2004 Environmental Management System (EMS) certified.

The Company ensures that its plants continue to comply with established environmental quality standards at all times. Our plants not only meet the stringent environmental quality standards prescribed by the relevant Environmental Protection Agency (EPA) of Pakistan but also voluntary adherence to the more stringent international emission standards. This has been achieved through including environmental considerations in the design basis of our plants and ancillaries. Electrostatic Precipitators and Bag-house Filters installed are the best in class while continuous maintenance and up gradation helps the Company maintain its excellent emission record.

Bestway also conducts regular review of its production facilities through independent experts and monthly monitoring of emissions are conducted by third party consultants to ensure that we are in compliance with regulatory requirements and internal targets. Furthermore, active collaboration with the EPA is continuing in lieu of celebrating World Environment Day across all Bestway Plants attended by relevant EPA representatives.



Bestway regularly participates in various environment uplift programmes including tree plantation drives and quarry rehabilitation initiatives. Comprehensive quarry rehabilitation plan is being implemented Company-wide to gradually restore the consumed portions of the quarries.

At Chakwal plant, the number of Olive trees has now grown to more than 11,000. The area was declared as the Olive focus area by the Government of Punjab. Loquat is an indigenous fruit-bearing tree of the Chakwal region. As part of Bestway's clean and green ambition, during the past year alone we have planted nearly 38,000 plants across all works. These, along with other established fruit orchards across all four plants, are an on-going contribution of your Company towards achieving sustainable development.

A scenic view point has been established in the Kallar Kahar quarry area as well which includes more than 100 pine and cedar trees and other indigenous species. At Hattar quarry area, another view point, which includes 300 pine trees among other flowering/ornamental plants, overseeing the plant and all of Hattar Industrial Estate and its surroundings has been established for visitors and is frequently used to hold gatherings.

Bestway Cement ardently supports WWF Pakistan. Your Company has been praised and endorsed for its efforts in reducing the carbon footprint while working towards conservation and protection of environment. It is one of the only few companies in Pakistan which has been certified as a Green Office by WWF Pakistan.



Water Conservation

Your Company is now the leader in water conservation after installation of Air Cooled Condenser Systems, the first and only one in the Cement industry, instead of the conventional water-cooled system which has enabled reduction of about 80% of industrial water requirements.

Rainwater harvesting has been a key area of focus and your Company has made huge strides in not only improving the existing rainwater harvesting ponds significantly but also setting up new ones. You would be pleased to learn that 100% of industrial water requirement at our Chakwal and Kallar Kahar plants are being fulfilled through rainwater harvesting.

Your Company has also installed latest technology Reverse Osmosis Plants to convert industrial waste water for reuse. Moreover, the domestic water of plant residential areas is also being treated and recycled thus conserving huge amounts of water.

Alternative Energy Initiatives

Cement manufacturing is an energy-intensive process. Power represents one of the largest costs of production. Persistent power crisis in the country necessitated a shift from conventional fossil fuels to alternate energy solutions. As part of its strategy to reduce its reliance on the national grid, your Company has set up Waste Heat Recovery Power Plant (WHRPP) at all four sites Chakwal, Hattar, Farooqia and Kallar Kahar. Bestway's WHRPP at Chakwal was the first in the cement industry of Pakistan prompting others to follow suit.

This is an important step in energy conservation for your Company, making it a forerunner in adopting Waste Heat Recovery (WHR) technology at all its operations. These projects serve to significantly reduce the Company's dependence on external source of electricity thus helping in reduction of production costs, improving operational efficiency and protecting the environment. During the year under review, your Company met 45% of its energy requirement through WHRPP, boilers and gensets.

Solar Power Generation

Building on the legacy of being an environmentally conscious Company, you will be delighted with further progress made by Bestway on this front. Your Company had signed contracts for setting up 51 MWs off-grid solar power plants at all of its production facilities. This is, by far, the largest solar power initiative undertaken by any manufacturing company not only in the country but also in the region. The first of these solar power plants having capacity of 14.36 MWs commenced power

generation at the Farooqia plant in June 2021. Moreover, the second solar power plant at Chakwal having capacity of 15.21 MWs has also commenced power generation as at reporting date. The solar power generation will not only reduce your Company's reliance on the national grid further but will also significantly reduce its carbon foot print. Once all the solar plants have been commissioned the energy generated will cut around the equivalent of 1 million tonnes of CO₂ emissions over the life of the project, which is equal to plantation of approximately 2.1 million trees.



Corporate Social Responsibility

Bestway invests in its operations for long term and appreciates that it has a special responsibility towards the local communities. The Company takes pride in its proactive development and welfare of the under-privileged through activities such as improving access to health services, education, vocational trainings, environmental conservation programmes, and helping create jobs and local employment. Your Company conducts its corporate social responsibility activities mainly through its charitable trust, Bestway Foundation.

During the year under review, your Company spent more than Rs. 204 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.

Education

Keeping up with the aim of supporting the less fortunate for quality education, Bestway is operating a primary school in the vicinity of Farooqia, Taxila-Haripur Road since year 2018 and a large primary to secondary purpose-built and well equipped school in the village Tatral of District Chakwal since year 2016, built at a cost of Rs. 67 million.

To date, there are altogether more than 761 students who are being provided superior education by experienced teachers at both locations at a token fee.

Bestway also imparts free college education exclusively to Girls through Farah Pervaz Degree College in Gujar Khan. The project consisting of numerous classrooms, laboratories, facilities for extracurricular activities and accommodation for the residence of the faculty members, was entirely funded by your Company and became operational in 2011 at a cost of Rs. 30 million.



In addition to its own established educational institutions, Bestway also supports numerous government schools in deprived rural areas in and around its local communities.

During the year 2021, extensive rehabilitation and renovation work of four government schools in Mangwal, Sirkalaa and Jathaal in district Chakwal were completed at a cost of more than Rs. 8 million.

National & International Scholarships

Higher education is essential for building a strong and vibrant society, whereas many talented and well deserving youth is unable to continue their education due to lack of sufficient financial resources. Your Company, in keeping with its resolve to support the deserving students, has set up Bestway Scholarship Endowment Fund of Rs. 12.5 million through its philanthropic arm Bestway Foundation, with National University of Sciences and Technology (NUST) for the benefit of financially challenged students enrolled at the University's undergraduate Programs.

These scholarships are given to 5 Student Beneficiaries, primarily covering their fee expenses every year in either of the disciplines of Environmental Engineering, Metallurgy & Materials Engineering, Mechanical Engineering, Computer Engineering and Mechatronics Engineering.

Apart from the above, numerous other national and international scholarships have been provided by your Company to a large number of talented students to date. These scholarships are aimed at those students who need financial assistance in order to continue with their education.

Bestway also offers 12 fully funded scholarships every year for deserving and talented Pakistani students in the Oxford University, University of Bradford and University of Kent in the UK.

Promoting Philanthropy

Bestway regularly provides financial assistance to institutions and organisations striving to make a real difference in areas of education and health.

Some of the beneficiaries over the past few years include Institute of Business Administration Karachi, Ghulam Ishaq Khan Institute Swabi, NAML College Mianwali, National University of Science and Technology Islamabad, Lahore University of Management Sciences, Sahara for Life Trust Mianwali, Zindagi Trust, Sindh Institute of Urology and Transplantation, Pakistan Hindu Council, Abdul Sattar Edhi Foundation, Shaukat Khanum Memorial Trust, MASKAN Institute Swat, Nisar Fatima Girls School, Shalimar Hospital, Akhpal Kor Foundation, Muhammad Gulistan Khan Foundation, Layton Rahmatullah Benevolent Trust, National Society for Mentally and Emotionally Handicapped Children, Forman Christian College University, Family Educational Services Foundation, Northern University Peshawar, The Citizens Foundation, Zamung Kor, KPSS Secondary School Saigolabad Chakwal, Sultana Foundation, Care Foundation, Kaghan Memorial Trust, Al Mustafa Trust, Thathi Welfare Foundation, Zia ul Aloom Trust, The Kidney Centre Karachi, Pakistan Foundation Fighting Blindness, The Noorani Foundation and various other organizations.

Health

In the areas of basic health, free medical facilities are provided to thousands of patients in the local community through all four medical centres located at Bestway's factory premises. During the year under review, more than 12,000 patients benefitted from those medical centres.

Financial Assistance

In addition to pursuing its core objective of improving education and providing basic health facilities, your Company together with its philanthropic arm, also provides financial assistance to 369 widows and indigents of the local community in the form of monthly stipends.

Job Creation for Local Community

Your Company has introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises. Employment opportunities have been created in the upstream and downstream activities. Employment generation not only improves the buying power of the local population but also gives them a fair opportunity to improve their standard of living.

Apprenticeship & Trainings

Bestway regularly employs trainee engineers, management trainees, apprentices and internees who undergo intensive training in their respective fields. Some of those trainees and apprentices are retained in the Company while others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country. Currently, 160 trainee engineers, management trainees, apprentices and internees are undergoing training at the Company's various locations.

Disaster Management & Rehabilitation

Your Company contributes generously towards disaster management and in aiding the efforts of relief, rehabilitation and reconstruction in aftermath of the earthquake and devastation caused by floods or any other projects of community development.

Community Development

Bestway regularly contributes towards the development and rehabilitation of the areas surrounding its plants. Millions of Rupees are spent annually on activities such as supply of clean drinking water and restoration of water supply to villages, donating cement and provision of logistical support for construction projects in local vicinities including building of mosques and schools etc. and distribution of wheat to the needy in our local communities. A substantial amount of donation is also given to the local administrations to support local festivals, cultural gatherings and several other societal elevation projects.

Your company regularly arranges free Dastarkhwan during the holy month of Ramadan at its head office and all its plants where thousands of local inhabitants and passer-by are served Iftar for the whole month. Moreover, food hampers are also distributed amongst hundreds of humble households in the local areas at the beginning of Ramadan.

Holding Company

The Company is a subsidiary of Bestway International Holdings Limited (BIHL), which is a wholly owned subsidiary of Bestway Group Limited (BGL). Both BIHL and BGL are incorporated in Guernsey. Therefore, all subsidiaries and associated undertakings of the BGL are related parties of the Company.

Future Outlook

The economic relief measures put in place by the Government to mitigate the effects of Covid-19, including various incentives for the construction industry, have so far been fruitful. Government's particular focus on infrastructure development and housing has resulted in higher domestic cement consumption and this trend is expected to continue in the foreseeable future.

While Pakistan escaped initial shocks of Covid-19 pandemic relatively unharmed, the pandemic may continue to pose a threat to the economy until such time that mass vaccination has taken place and the pandemic has receded.

Besides regularly looking after the water level of Katas Raj pond and facilitating the maintenance of the pond all through the year, Bestway has also constructed a separate guard room, renovated the flooring and secured main gate of the national heritage at a huge cost.

International coal prices have rapidly increased in recent months due to resumption in economic activity around the world. Power tariffs are also likely to continue rising due to the country's heavy reliance on imported fuel for power generation. As fuel and energy constitute a major part of the cost of production, increasing fuel and power prices will further increase the input costs.

Persistent and steep rise in fuel and energy cost, stubborn inflation, Rupee devaluation and unreasonably high taxation will continue to bear down on the cement industry.

Cement dispatches and selling prices have so far fared well. However, profit margins in the near future may depend upon the industry's ability to pass on cost increases.

The recent developments in Afghanistan have resulted in an uncertain situation throughout the region. Specifically for the cement industry, our exports to Afghanistan may therefore suffer a slowdown in the foreseeable future.

Bestway is not only one of the lowest cost-producers in the country but is also fairly low-leveraged which means that it is much better placed to face off any headwinds as compared to most of its competitors. Your management is always cognisant of the challenges that might lie ahead and will continue to proactively adapt in order to ensure optimum performance by your Company and superior returns for its shareholders.

Pattern of Shareholding

A statement of the pattern of shareholding in the Company as at 30 June 2021 is in subsequent pages.

Composition of the Board

The Board comprises of 8 directors as follows:

- Male 6
- Female 2

The composition of the Board is as follows:

- Independent Directors
 - i) Ms. Najma Naheed Pirzada
 - ii) Ms. Nazia Nazir
- Other Non-executive Directors
 - i) Sir Mohammed Anwar Pervez (Chairman)
 - ii) Mr. Mohammed Younus Sheikh
 - iii) Mr. Dawood Pervez
 - iv) Mr. Haider Zameer Choudrey
- Executive Directors
 - i) Mr. Zameer Mohammed Choudrey
 - ii) Mr. Muhammad Irfan A. Sheikh

Committees of the Board

- Audit Committee
 - i) Ms. Najma Naheed Pirzada (Chairperson)
 - ii) Mr. Dawood Pervez
 - iii) Mr. Haider Zameer Choudrey
- HR and Remuneration Committee
 - i) Ms. Nazia Nazir (Chairperson)
 - ii) Mr. Mohammed Younus Sheikh
 - iii) Mr. Muhammad Irfan Anwar Sheikh

Auditors

The present auditors, A. F. Ferguson & Co., Chartered Accountants retire at the conclusion of the meeting and being eligible, have offered themselves for reappointment. The Audit Committee of the Company having considered the matter, recommend the retiring auditors for reappointment.

Acknowledgements

The Directors wish to place on record their appreciation for the continued support, contribution and confidence demonstrated in the Company by its shareholders, members of staff, customers, suppliers, our Bankers particularly, Allied Bank Limited, Habib Bank Limited, Meezan Bank Limited, MCB Bank Limited, United Bank Limited, Askari Bank Limited, Soneri Bank Limited, Bank Alfalah Limited, Industrial & Commercial Bank of China, Bank Islami Pakistan Limited, Faysal Bank Limited, Dubai Islamic Bank Pakistan Limited, Standard Chartered Bank (Pakistan) Limited, MCB Islamic, Habib Metropolitan, National Bank of Pakistan, Citibank and various government agencies throughout the year.



Lord Zameer Choudrey
Chief Executive

Islamabad
28 August 2021

For and on behalf of the Board



Muhammad Irfan A. Sheikh
Managing Director



COMMITTED TO BUILDING A STRONGER, CLEANER & GREENER PAKISTAN



Among top 10
taxpayers of
Pakistan



30% of energy needs met
through green source
(waste heat recovery power
generation) - highest in
industry



Leader in captive
renewable energy with
more than 50 MWs
solar power generation



Leader in water
conservation with
least reliance on
ground water for
industrial use



400,000 trees
planted to date
to upgrade
environment



Among top 3
corporates in CSR
spending

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Company is appointed by the Board, and comprises of three (3) non-executive directors, out of which one is independent, and, is also the Chairperson of the Committee. The Head Internal Audit, who is also Secretary to the Committee, attends Audit Committee meetings. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO), attends Audit Committee meetings by invitation. During the year four (4) audit committee meetings were held, out of which two (2) were also attended by the External auditors of the Company.

The role of the Board Audit Committee in the context of the Board's broader governance framework is to oversee:

- The integrity of Company's financial statements;
- The appointment, remuneration, qualification, independence and performance of External Auditors;
- Risk management and internal control arrangements;
- The performance of Internal audit function;
- Compliance with legal and regulatory requirements;
- Compliance by management with constraints imposed by Board;
- Appropriate measures taken by the management to safeguard the Company's assets;

The Audit Committee has concluded its review of the conduct and operations of the Company during the year ended June 30, 2021, and reports that:

- The Audit Committee reviewed the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. It has also reviewed preliminary announcements of results prior to publication
- The Audit Committee has reviewed all related party transactions and recommended the same for approval of the Board of Directors.
- The Company has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019, which has also been reviewed and certified by the external auditors of the Company.
- The Company's code of conduct has been appropriately disseminated across the company. Further, understanding and compliance with Company's code and policies has been affirmed by the management and employees of the Company individually.
- Appropriate accounting policies have been consistently applied. Applicable International Financial Reporting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended 30 June, 2021, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- The CEO and the CFO have endorsed the Financial Statements and Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies act, 2017, provisions of and directives issued under the Act. The financial statements comply with the requirements of the Fourth Schedule to the Companies act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- The preparation of Financial Statements is in conformity with International Financial Reporting Standards as applicable in Pakistan and requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments were continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.
- All direct or indirect trading and holdings of Company's shares by directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously.

Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- The progress of Internal audit function was duly discussed during the Board Audit Committee meetings, held during the year, in order to ensure that the Audit Function effectively performed its assigned task.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory Auditors of the Company, M/s A.F. Ferguson & Co., Chartered Accountants, have completed their Audit assignment of the Company's financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June, 2021, and shall retire on the conclusion of the 28th Annual General Meeting.
- The Audit Committee has reviewed and discussed all key audit matters and other issues identified during the external audit with the External Auditors and management, along with the methods used to address the same.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the General Meeting of the Company during the year and have indicated their willingness to continue as Auditors.
- The Audit Committee has recommended the reappointment of M/s A.F. Ferguson & Co., Chartered Accountants, as External Auditors of the Company for the year ending 30 June 2022.
- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors.

09 September 2021
Islamabad



Ms. Najma Naheed Pirzada
Chairperson, Board Audit Committee

STATEMENT OF COMPLIANCE

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

Name of company: Bestway Cement Limited
Year ended: June 30, 2021

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

1. The total number of directors are eight (8) as per the following:

- a) Male: Six (6)
- b) Female: Two (2)

2. The composition of the Board is as follows:

- i) Independent directors*
 - 1. Ms. Najma Naheed Pirzada
 - 2. Ms. Nazia Nazir
- ii) Non-executive directors
 - 1. Sir Mohammed Anwar Pervez (Chairman)
 - 2. Mr. Mohammed Younus Sheikh
 - 3. Mr. Dawood Pervez
 - 4. Mr. Haider Zameer Choudrey
- iii) Executive directors
 - 1. Lord Zameer Choudrey
 - 2. Mr. Muhammad Irfan Anwar Sheikh
- iv) Female directors
 - 1. Ms. Najma Naheed Pirzada
 - 2. Ms. Nazia Nazir

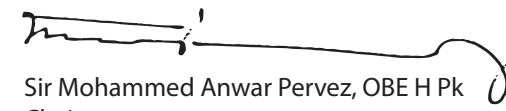
*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing two independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.67) 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 the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. Out of eight directors, two directors meet the exemption requirement of the Directors' Training Program and six directors have obtained the Directors' Training Program certification in prior years;
- 10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
- 12. The Board has formed committees comprising of members given below:-

- a) Audit Committee
 - i) Ms. Najma Naheed Pirzada (Chairperson)
 - ii) Mr. Dawood Pervez
 - iii) Mr. Haider Zameer Choudrey
- b) HR and Remuneration Committee
 - i) Ms. Nazia Nazir (Chairperson)
 - ii) Mr. Muhammad Irfan Anwar Sheikh
 - iii) Mr. Mohammed Younus Sheikh

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- 14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-
 - a) Audit Committee – quarterly;
 - b) HR and Remuneration Committee – on required basis;
- 15. The Board has set up an effective internal audit function;
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
- 19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation	Regulation No.
1	Constitution of Nomination Committee	The Human Resources and Remuneration Committee performed the function of Nomination Committee during recent election of directors. The Board shall constitute this committee before the next election of directors.	29
2	Constitution of Risk Management Committee	The function of risk management committee is currently performed by Chief Internal Auditor, who apprises the Board accordingly. However, this roll will be awarded to risk management committee as soon as it is constituted.	30
3	Disclosure of significant policies on website	The significant policies are in the process of finalization and the same will be disclosed on website as soon as these are finalized.	35


 Sir Mohammed Anwar Pervez, OBE H Pk
 Chairman

CSR AND ORGANIZATIONAL ACTIVITIES



Plantation Drive at plant sites by the management and government officials



Bestway Cement Limited participated in Govt. of Pakistan Moonsoon Plantation Drive on Hazara Expressway and planted 5,200 saplings



Celebrated World's Teachers Day at Bestway Foundation Schools and College



Food Packages distribution among deserving local villagers

WWF GREEN OFFICE CERTIFICATION

WWF's Green Office is an environmental service for offices. With its help, workplaces are able to reduce their burden on the environment, achieve savings and slow down climate change. Green Office is a practical environmental program that is easy to implement. Its aim is to reduce carbon dioxide emissions and offices' ecological footprint.

Bestway Cement Limited enrolled itself in the program during the year 2016 aiming to reduce its carbon footprint by keeping track of its water, paper and electricity consumption along with food wastage. These four KPIs were thoroughly audited by WWF Team in the previous year ensuring fulfillment of criteria of Green Office program.

WWF validated and awarded Green office certificate to bestway cement yet again for the year 2019-2020. Bestway Cement Limited is the second cement company in Pakistan to have the status of a Green Office.

Bestway holds a key position in sustainable solutions for conservation of environment while motivating office staff to act in an ecologically friendly way with regards to everyday tasks, improving conservational awareness and brining cost savings.



AB TAMEER KARAIN AASANI KE SAATH



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BUY CEMENT ONLINE

BESTWAY CEMENT LIMITED - PAKISTAN'S ONLY CEMENT MANUFACTURER TO TAKE ORDERS ONLINE AT YOUR CONVENIENCE.
(WE ARE CURRENTLY OFFERING BESTWAY, PAKCEM, XTREME BOND)

PAY THROUGH



DEBIT CARD



CREDIT CARD



EASYPaisa



UBL OMNI



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Chartered Accountants
Islamabad

Date: 16 September 2021



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Bestway Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Bestway Cement 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 profit or loss and other 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 profit or loss and other 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 Matter

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.

Following is the Key audit matter:

S. Key audit matter No.

How the matter was addressed in our audit

(i) Revenue recognition

(Refer notes 4.13 and 28 to the financial statements)

The Company is engaged in the production and sale of cement in the local and export market. The Company recognized gross revenue from the sales of cement in local market of Rs 82,476,676 thousand and in export market of Rs 2,720,420 thousand. During the year, the demand and price of cement increased from last year.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant increase in revenue from last year.

Our audit procedures in relation to the matter, amongst others, included:

- Understood and evaluated management controls over revenue and checked their validation;
- Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;
- Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;
- Checked on a sample basis, approval of sales prices by the appropriate authority;
- Performed recalculation of rebates, and discounts as per Company's policy on test basis;
- Performed analytical procedures to analyse variation in the price and quantity sold during the year; and
- Assessed the appropriateness of disclosures made in the financial statements related to revenue.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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.

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.

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

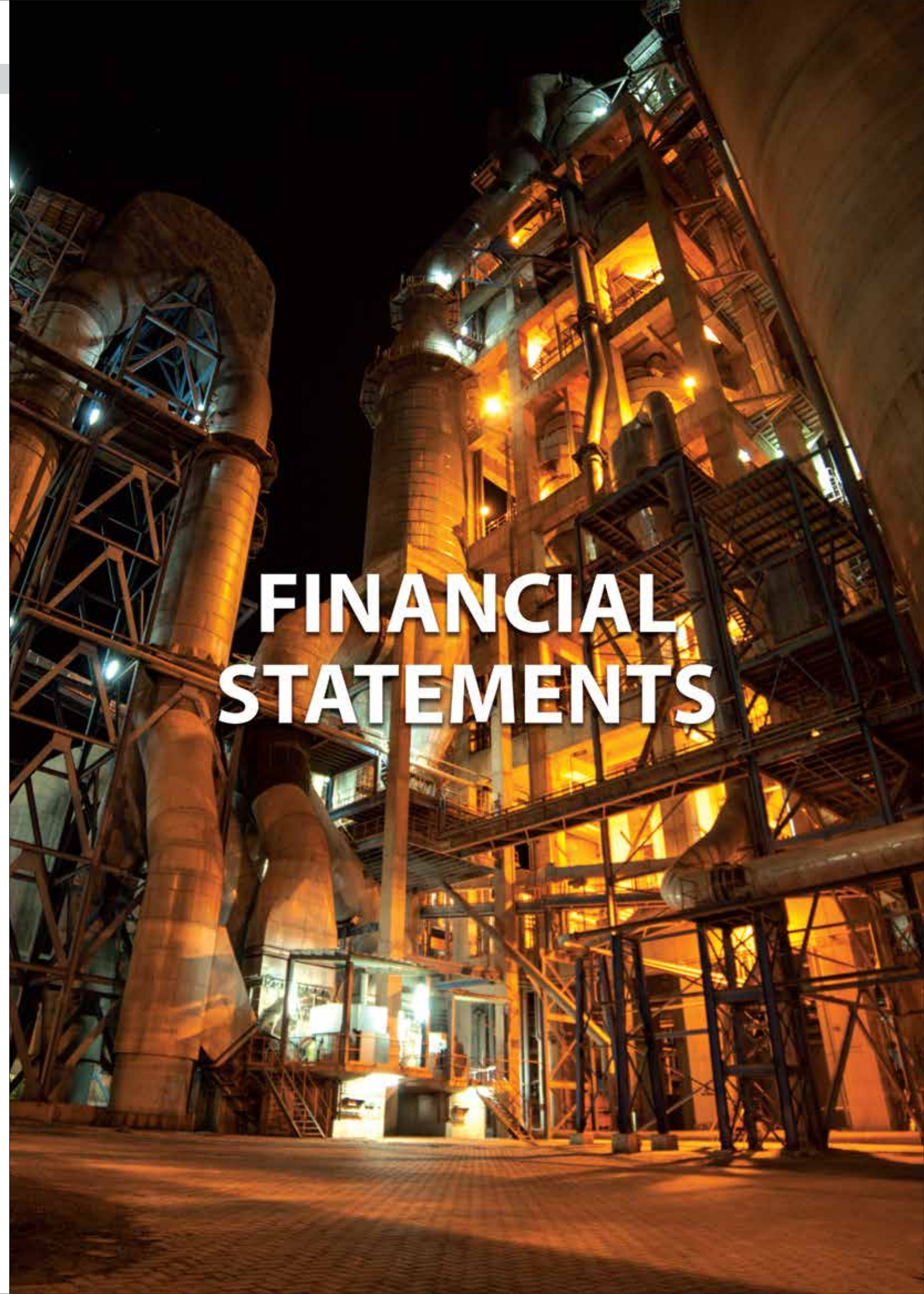
The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.



A. F. Ferguson & Co
Chartered Accountants
Islamabad

Date: September 14, 2021

FINANCIAL STATEMENTS



BESTWAY CEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 ------(Rupees '000)-----	2020 ------(Rupees '000)-----
EQUITY			
Share capital and reserves			
Share capital	5	5,962,528	5,962,528
Capital reserves	6	8,045,678	8,217,695
Revenue reserves	7	46,114,328	40,472,977
		60,122,534	54,653,200
LIABILITIES			
Non-current liabilities			
Long term financing	8	11,871,853	11,542,250
Deferred income - Government grant	9	135,698	-
Deferred tax liability - net	10	11,407,649	9,907,879
Employee benefit obligations	11	16,301	27,915
		23,431,501	21,478,044
Current liabilities			
Trade and other payables	12	10,515,429	7,654,365
Short-term borrowings	13	1,652,261	10,710,748
Current portion of long term financing	8	1,186,723	272,171
Unclaimed dividend	14	1,989,890	37,967
		15,344,303	18,675,251
Total liabilities		38,775,804	40,153,295
Total equity and liabilities		98,898,338	94,806,495

CONTINGENCIES AND COMMITMENTS

15

The annexed notes 1 to 46 form an integral part of these financial statements.


 CHIEF FINANCIAL OFFICER


 DIRECTOR


 CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 ------(Rupees '000)-----	2020 ------(Rupees '000)-----
ASSETS			
Non-current assets			
Property, plant and equipment	16	55,006,919	55,789,469
Intangible assets and goodwill	17	7,578,421	7,710,293
Investment property	18	274,293	266,075
Long term investments	19	14,207,828	13,687,830
Long term deposits		120,673	118,418
		77,188,134	77,572,085
Current assets			
Stores, spare parts and loose tools	20	7,087,848	7,010,155
Stock in trade	21	3,762,448	2,291,473
Trade debts	22	1,052,451	1,727,790
Advances	23	134,976	175,924
Deposits and prepayments	24	25,162	24,457
Other receivables	25	712,098	841,700
Advance tax - net		5,134,046	4,815,220
Short term investments	26	3,090,751	-
Cash and bank balances	27	710,424	347,691
		21,710,204	17,234,410
Total assets		98,898,338	94,806,495


 CHIEF FINANCIAL OFFICER


 DIRECTOR


 CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 (Rupees '000)	2020 (Rupees '000)
Gross turnover	28	85,197,096	63,687,754
Less: rebates and discounts		(2,926,880)	(2,243,317)
Less: sales tax and excise duty		(25,405,892)	(24,315,711)
Net turnover		56,864,324	37,128,726
Cost of sales	29	(40,260,925)	(36,011,992)
Gross profit		16,603,399	1,116,734
Other income	30	255,197	247,618
Selling and distribution expenses	31	(611,242)	(794,213)
Administrative expenses	32	(607,012)	(579,308)
Other expenses	33	(949,786)	(16,743)
Operating profit / (loss)		14,690,556	(25,912)
Finance cost	34	(1,070,586)	(2,151,701)
Share of profit of equity-accounted investees - net of tax	35	1,918,069	1,671,133
Profit / (loss) before tax		15,538,039	(506,480)
Income tax (charge) / credit	36	(3,960,315)	555,732
Profit for the year		11,577,724	49,252
Earnings per share - basic and diluted (Rupees)	37	19.42	0.08

The annexed notes 1 to 46 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 (Rupees '000)	2020 (Rupees '000)
Profit for the year		11,577,724	49,252
Other comprehensive (loss) / income (OCI):			
Items that will not be subsequently reclassified in profit or loss			
Re-measurement of defined benefit liability	12.5.5	(7,381)	40,788
Related tax		2,012	(10,882)
		(5,369)	29,906
<i>Company's share of equity-accounted investees' OCI</i>			
Re-measurement of defined benefit liability		37,085	(196,981)
Related tax		(5,562)	29,547
		31,523	(167,434)
		26,154	(137,528)
Items that may be reclassified subsequently in profit or loss			
<i>Company's share of equity-accounted investees' OCI</i>			
Effect of translation of net investment in foreign branches and subsidiaries		(178,425)	33,689
Income from Window Takaful Operations		7	-
Revaluation of available-for-sale investments		7,533	799,276
Related tax		(1,132)	(119,891)
		(172,017)	713,074
Other comprehensive (loss) / income - net of tax		(145,863)	575,546
Total comprehensive income for the year		11,431,861	624,798

The annexed notes 1 to 46 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share Capital Issued, subscribed and paid up share capital	Share premium	Capital reserves	Share premium	Exchange translation reserve	Revaluation reserve	Total capital reserves	Statutory reserve	Revenue reserves	Unappropriated profit	Total revenue reserves	Total equity
Balance at 01 July 2019	5,962,528	5,381,821	2,671,273	(548,473)	7,504,621	2,273,286	41,865,483	44,138,769	57,605,918			
Total comprehensive income / (loss)												
Profit for the year	-	-	-	-	-	-	-	-	49,252	(137,528)	49,252	49,252
Other comprehensive income / (loss)	-	-	33,689	679,385	713,074	-	-	-	(137,528)	(88,276)	(137,528)	575,546
Total comprehensive income / (loss)	-	-	33,689	679,385	713,074	-	-	-	(88,276)	(88,276)	(88,276)	624,798
Transfer to statutory reserve by equity-accounted investee	-	-	-	-	-	-	-	161,924	(161,924)	-	-	-
Transactions with owners of the Company												
Distributions												
Dividend - Final 2019 @ Rs. 3 per share	-	-	-	-	-	-	-	-	(1,788,758)	(1,788,758)	(1,788,758)	(1,788,758)
Dividend - Interim 2020 @ Rs. 3 per share	-	-	-	-	-	-	-	-	(1,788,758)	(1,788,758)	(1,788,758)	(1,788,758)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	(3,577,516)	(3,577,516)	(3,577,516)	(3,577,516)
Balance at 30 June 2020	5,962,528	5,381,821	2,704,962	130,912	8,217,695	2,435,210	38,037,767	40,472,977	54,653,200			
Balance at 01 July 2020	5,962,528	5,381,821	2,704,962	130,912	8,217,695	2,435,210	38,037,767	40,472,977	54,653,200			
Total comprehensive income												
Profit for the year	-	-	-	-	-	-	-	-	11,577,724	26,154	11,577,724	11,577,724
Other comprehensive income / (loss)	-	-	(178,425)	6,408	(172,017)	-	-	-	26,154	(145,863)	(119,709)	(145,863)
Total comprehensive income / (loss)	-	-	(178,425)	6,408	(172,017)	-	-	-	11,603,878	(119,709)	11,484,169	11,484,169
Transfer to statutory reserve by equity-accounted investee	-	-	-	-	-	-	-	188,048	(188,048)	-	-	-
Transactions with owners of the Company												
Distributions												
Dividend - Interim 2021 @ Rs. 3 per share	-	-	-	-	-	-	-	-	(1,788,758)	(1,788,758)	(1,788,758)	(1,788,758)
Dividend - Interim 2021 @ Rs. 3 per share	-	-	-	-	-	-	-	-	(1,788,758)	(1,788,758)	(1,788,758)	(1,788,758)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	(3,577,516)	(3,577,516)	(3,577,516)	(3,577,516)
Balance at 30 June 2021	5,962,528	5,381,821	2,526,537	137,320	8,045,678	2,623,258	43,491,070	46,114,328	60,122,534			

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 (Rupees '000)	2020 (Rupees '000)
CASH FLOWS FROM OPERATING ACTIVITIES		15,538,039	(506,481)
Profit / (loss) before tax			
Adjustments for:			
Gain on disposal of property, plant and equipment	30	(5,384)	(67,218)
Depreciation	16.1.5	2,936,849	3,017,573
Amortisation	17.4	131,872	123,023
(Reversal) of / provision for obsolete stores	20.1	(30,294)	70,530
Reversal of provision for slow moving stock	29	(6,358)	(7,716)
Rental income	30	(37,639)	(34,073)
Profit on deposit accounts	30	(1,373)	(1,293)
Provision for doubtful debts	31	238	5,200
Share of profit of equity-accounted investees, net of tax	35	(1,918,069)	(1,671,133)
Change in fair value of investment property	30	(8,218)	(3,726)
Interest expense on land compensation	33	14,943	16,743
Finance cost	34	1,070,586	2,151,701
Provision for employee retirement benefits		48,173	75,585
		2,195,326	3,675,196
		17,733,365	3,168,715
Changes in:			
Stores, spare parts and loose tools		142,220	(1,497,666)
Stock in trade		(1,464,617)	405,686
Trade debts		675,101	368,866
Advances		40,948	231,848
Deposits and prepayments		(705)	2,405
Other receivables		129,602	(213,350)
Trade and other payables		2,964,738	(521,151)
		2,487,287	(1,223,362)
Cash generated from operating activities		20,220,652	1,945,353
Long term deposits		(2,255)	(380)
Finance cost paid		(1,541,638)	(2,038,445)
Employee retirement benefits paid		(84)	(9,617)
Income tax paid		(2,784,054)	(1,857,825)
Net cash generated from / (used in) operating activities		15,892,621	(1,960,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,248,615)	(1,859,712)
Acquisition of intangible assets		-	(39,162)
Proceeds from sale of property, plant and equipment		54,842	309,367
Rent received from investment property		38,343	34,712
Profit received on deposit accounts		1,373	1,293
Dividends received		1,264,272	1,131,326
Net cash used in investing activities		(889,785)	(422,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(223,322)	(3,300,000)
Repayments of long term musharaka		-	(2,200,000)
Proceeds from long term financing		1,672,461	11,656,333
Dividends paid		(3,940,004)	(3,763,844)
Net cash (used in) / generated from financing activities		(2,490,865)	2,392,489
Net increase in cash and cash equivalents		12,511,971	9,399
Cash and cash equivalents at beginning of the year		(10,363,057)	(10,372,456)
Cash and cash equivalents at end of the year	38	2,148,914	(10,363,057)

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. CORPORATE AND GENERAL INFORMATION

Bestway Cement Limited ("the Company") is a public limited company incorporated in Pakistan on 22 December 1993 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017) and its shares are quoted on the Pakistan Stock Exchange Limited since 09 April 2001. The Company is principally engaged in production and sale of cement.

The Company is a subsidiary of Bestway International Holdings Limited (BIHL), which holds 56.43% shares in the Company. Bestway International Holdings Limited is a wholly owned subsidiary of newly incorporated Bestway Group Limited (BGL), ("the ultimate parent company"). Both BIHL and BGL have been incorporated in Guernsey. For internal reorganization of Bestway Group during the year, refer to note 5.2.

Registered office of the Company is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad, Pakistan. The Company's cement manufacturing plants are located at Hattar, Farooqia, Chakwal and Kallar Kahar (refer to note 16.1.3 for complete addresses). The Company's sales head office is located at House 276, Near Riphah University, Peshawar Road, Rawalpindi, Pakistan. The Company's procurement office is located at UBL Building, Jinnah Avenue, Islamabad, Pakistan. The Company has other regional sales offices located in Lahore, Peshawar and Multan.

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

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

The applicable financial reporting framework for equity-accounted investees also include Banking Companies Ordinance, 1962, Insurance Ordinance, 2001, Islamic Financial Accounting Standards (IFAS) and underlying Rules and Directives issued by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost convention except for the following items, which are measured on the following basis annually on each reporting date.

Item	Measurement basis
Investment property	Fair value
Net defined benefit liability	Present value of the defined benefit obligation determined through actuarial valuation

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees (PKR or Rupee) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Notes 4.4, 10 and 36	Recognition of deferred tax and estimation of income tax provisions
Notes 4.3 and 12.5	Measurement of defined benefit obligation
Notes 4.5, 4.6 and 15	Estimation of provisions and contingent liabilities
Notes 4.7 and 16	Useful lives, residual values and depreciation method of property, plant and equipment
Notes 4.8 and 17	Useful lives, residual values and amortization method of intangible assets
Note 4.17 and 17.3	Impairment of non-financial assets including goodwill
Note 18	Fair value of investment property

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 4.16	Impairment of financial assets
Note 4.11, 4.12, 20 and 21	Provision for stores and spares and stock in trade
Note 4.18	Right of use asset and related lease liability

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

3.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)
IAS 8	Accounting policies, changes in accounting estimates
IAS 12	Income Taxes (Amendments)
IAS 16	Property, Plant and Equipment (Amendments)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)
IFRS 3	Business Combinations (Amendments)
IFRS 7	Financial Instruments : Disclosures (Amendments)
IFRS 9	Financial Instruments (Amendments)
IFRS 16	Leases (Amendments)
	January 1, 2023
	January 1, 2023
	January 1, 2023
	January 1, 2022
	January 1, 2022
	January 1, 2022
	January 1, 2021
	January 1, 2021
	January 1, 2021

The management anticipates that adoption of above amendments in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

3.3 Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts

3.4 The following interpretation issued by the IASB have been waived off by SECP:

IFRIC 12	Service concession arrangement
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4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Business combinations

The Company accounts for business combination using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent gain is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

4.2 Investments in associated companies:

Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases. Dividends received / receivable from associate are recognized as a reduction in the carrying amount of the investment.

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

The Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If there is objective evidence of impairment that has an impact on the estimated future cash flow, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the statement of profit or loss.

4.3 Employee benefits

Short-term employee benefits: Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan: The Company operates an approved contributory provident fund for all its employees whose services were transferred to the Company upon amalgamation of the Pakcem Limited (herein after referred as "Pakcem"). Equal monthly contributions are made to the fund by the Company and the employees, at the rate of 10% of the employee's basic salary. The Company's contribution to the provident fund is expensed when they are due.

Defined benefit plans: The Company operates the following defined benefit plans:

- (a) **Gratuity:** A separate Employees' Gratuity Fund, established through a registered trust deed. The employees transferred to the Company on the amalgamation of Pakcem into the Company are not covered under this scheme. The calculation of defined benefit obligations in respect of gratuity is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method. The latest actuarial valuation of the plan was carried out as at 30 June 2021. The Company's net liability in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, are recognised immediately in other comprehensive income (OCI). The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognised in profit or loss. The actuarial assumptions used in the valuation of gratuity plan is disclosed in note 12.5.

- (b) **Un-availed leaves:** The Company recognises provision for un-availed leaves on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under un-availed leaves if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The un-availed leaves are payable to employees at the time of retirement/termination of service. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

4.4 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in OCI.

Current tax: Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured on the basis of tax laws enacted or substantially enacted at the reporting date and the decision of appellate authorities on certain cases issued in the past. Current tax also includes any tax arising from dividends.

Deferred tax: Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. 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; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and these relates to the same tax authority. Current tax assets and liabilities are offset as the Company has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously. The calculation of deferred tax involves an estimate of future ratio of export and local sales considering the current trends and future expectations.

4.5 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognised as finance cost.

4.6 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.7 Property, Plant and Equipment

Recognition and measurement: Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land and capital work in progress are stated at cost less any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure: Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation: Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the reducing balance method, except leasehold land, buildings and plant and machinery which are depreciated on a straight-line basis. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 16.1.1. Depreciation is charged on prorata basis from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.8 Intangible assets and goodwill

Recognition and measurement

Goodwill: Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets: Other intangible assets having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

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Subsequent expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation: Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised. The estimated useful lives of intangible assets are given in note 17.1. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.9 Investment property

Investment property, is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

4.10 Foreign currency

Transactions in foreign currency are translated into Pak Rupee at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rate at the reporting date. Foreign currency differences are recognised in profit or loss.

4.11 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of weighted average cost and net realizable value. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

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

4.12 Stock in trade

Stocks of raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost is calculated using the weighted average method and comprises of direct materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price less estimated cost of completion and estimated cost to sell. The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence. The closing stock of certain items may require adjustment on the basis of physical count at each period end which involves estimation of volume and density of stock and stores.

4.13 Revenue

Sale of goods: Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer. The control is transferred at the time of dispatch of cement from the plants and / or delivery at a specified location depending on the arrangement with the customers. Revenue is measured at transaction price, excluding discounts, rebates and government levies. The credit term does not include any financing component.

Rental income from investment property: Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as integral part of the total rental income, over the term of the lease.

Income on investments: Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

4.14 Finance income and finance costs

The Company's finance income and finance costs include interest income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. Interest income or expense is recognised using the effective interest method. Mark-up, interest and other charges on borrowings used for the acquisition and construction of qualifying assets are capitalised up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related property, plant and equipment acquired/constructed out of the proceeds of such borrowings.

4.15 Financial instruments

Financial assets

Classification: The Company classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

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The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition: Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement: At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortised cost include deposits, trade debts, advances, short term investments, other receivables and cash and bank balances.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversals, interest income, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss in the period in which it arises.

Equity instruments: All equity instruments at fair value are subsequently measured at FVTPL except where the Company's management has irrevocably elected to present fair value gains and losses on equity investments in OCI. In such case, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Financial liabilities are classified in the following categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of financial liabilities at amortised cost also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Financial liabilities at amortised cost: After initial recognition, financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.16 Impairment of financial asset

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at amortised cost (other than trade debts) and fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when internal and external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.17 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to depreciation / amortization and are tested annually for impairment. Assets that are subject to depreciation / amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or Cash Generating Unit (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in profit or loss for the year.

4.18 Leases

Right of use asset: The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

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

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Variable lease payments are recognised in the profit or loss in the period in which the condition that triggers those payments occurs.

4.19 Share capital and dividend

Ordinary shares are classified as equity and recognised at their face value. Dividend distribution to the shareholders is recognised as liability in the period in which it is declared.

4.20 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

4.21 Government Grants

Government grants relating to costs are deferred and recognised in the statement of profit and loss over the period necessary to match these with the costs that they are intended to compensate. Government grants relating to qualifying asset under IAS 23 'Borrowing Cost' is recognised under capital work in progress to match with those cost capitalised in the capital work in progress.

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5. SHARE CAPITAL

			2021 (Rupees '000)	2020 (Rupees '000)
Authorised share capital				
700,000,000 (2020: 700,000,000) ordinary shares of Rs. 10 each			7,000,000	7,000,000
Issued, subscribed and paid up share capital				
2021	2020			
Number of shares				
514,163,552	514,163,552	Ordinary shares of Rs. 10 each issued for cash	5,141,636	5,141,636
64,038,422	64,038,422	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	640,384	640,384
1,182,944	1,182,944	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Mustehkam Cement Limited	11,829	11,829
16,867,865	16,867,865	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Pakcem Limited	168,679	168,679
596,252,783	596,252,783		5,962,528	5,962,528

5.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

5.2 The Company was a subsidiary of Bestway (Holdings) Limited, which is a wholly-owned subsidiary of Bestway Group Limited incorporated in The United Kingdom.

During the period, an internal reorganisation exercise was undertaken by the Bestway Group by virtue of which Bestway (Holdings) Limited has transferred its entire shareholding of 56.43% in the Company to a new company "Bestway International Holdings Limited" (BIHL) on 19 March 2021. BIHL is a wholly owned subsidiary of the newly incorporated Bestway Group Limited (BGL). Both BIHL and BGL have been incorporated in Guernsey. BIHL holds 336,468,168 i.e. 56.43% shares in the Company as at 30 June 2021 (2020: Bestway (Holdings) Limited, U.K. held 336,445,868 i.e. 56.43% shares). Directors and associated companies hold 102,104,098 (2020: 102,104,098) and 23,324,913 (2020: 23,324,913) ordinary shares respectively at year end.

5.3 Capital management

The Company's policy is to maintain a strong capital base to strengthen investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determine the level of dividend to ordinary shareholders which are finally approved in annual general meeting of the shareholders. There were no changes to the Company's approach to capital management during the year.

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		2021 (Rupees '000)	2020 (Rupees '000)
6. CAPITAL RESERVES			
Share premium on ordinary shares	6.1	5,381,821	5,381,821
OCI accumulated in reserves:			
- Exchange translation reserve		2,526,537	2,704,962
- Revaluation reserves		137,320	130,912
	6.2	2,663,857	2,835,874
		8,045,678	8,217,695

6.1 This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

6.2 This amount represents the Company's share in reserves of equity-accounted investees. This amount is not available for distribution.

		2021 (Rupees '000)	2020 (Rupees '000)
7. REVENUE RESERVE			
Statutory reserve	7.1	2,623,258	2,435,210
Unappropriated profit	7.2	43,491,070	38,037,767
		46,114,328	40,472,977

7.1 This represents Company's share of statutory reserves carried by United Bank Limited ("UBL"), an equity-accounted investee, under section 21 of the Banking Companies Ordinance, 1962.

7.2 This represents unappropriated profit and is available for distribution.

		2021 (Rupees '000)	2020 (Rupees '000)
8. LONG TERM FINANCING			
Term Finance Loan	8.1	11,331,591	11,358,087
Salary Refinance Loan	8.2	642,037	456,334
Renewable Energy Financing Scheme	8.3	1,084,948	-
		13,058,576	11,814,421
Less: current portion shown under current liabilities.		(1,186,723)	(272,171)
		11,871,853	11,542,250

8.1 This represents term finance facilities amounting to Rs. 11.20 billion (2020: Rs.11.20 billion) obtained from Allied Bank Limited (ABL), Habib Bank Limited (HBL), and Industrial and Commercial Bank of China (ICBC) and also includes an amount of Rs. 0.13 billion (2020: Rs. 0.16 billion) markup accrued on it. HBL and ABL facilities are repayable in 06 equal semi-annual installments which will start from October 2022 and November 2022, respectively. Industrial and Commercial Bank of China facility is repayable in 04 equal semi-annual instalments which will start from December 2021. Mark-up is payable on semi annual basis and the rate ranges from 6-month KIBOR plus 0.15% per annum to 6-month KIBOR plus 0.20% per annum.

The entire amount of Rs. 272 million which was classified as current portion of previous term finance facility as at June 30, 2020 has been repaid during the year.

8.2 This represents long term loan obtained from Muslim Commercial Bank Limited under the Refinance Scheme for payment of Wages and Salaries by the State Bank of Pakistan (SBP) and also includes an amount of Rs. 0.7 million (2020: Rs. 0.14 million) markup accrued on it. The loan is repayable in 8 equal quarterly installments which started from January 2021. The long term financing facility is secured by way of hypothecation charge over specific plant & machinery of the Company. The facility carries mark-up at 0.40% per annum starting from the date of first disbursement and is payable in arrears on quarterly basis. Markup is payable on quarterly basis at the rate of 0.40% per annum. The value of benefit of below-market interest rate on the loans has been accounted for as government grant as detailed in note 9.

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8.3 This represents loan obtained from ABL and Bank Alfalah Limited (BAFL) under the SBP's Renewable Energy Financing Scheme and also includes an amount of Rs. 7.8 million markup accrued on it. The loan obtained from ABL is repayable in 20 equal semi-annual installments which will start from July 2023. The loan obtained from BAFL is repayable in 40 equal quarterly installments which will also start from July 2023. The facilities carries mark-up at SBP's rate currently 3% plus bank's spread ranging from 0.05% - 0.35% per annum starting from the date of first disbursement and is payable in arrears on quarterly basis. The value of benefit of below-market interest rate on the loans has been accounted for as government grant as detailed in note 9.

The above facilities are secured under hypothecation charge against all present and future current and fixed assets of the Company (excluding land, buildings and long term investments) for an amount of Rs. 20.67 billion (2020: Rs. 16.27 billion).

8.4 The unavailed facilities as at year end secured against a ranking hypothecation charge on all present and future current and fixed assets of the Company (excluding land, buildings and long term investments) for an amount of Rs. 13 billion (2020: Rs. Nil).

9 DEFERRED INCOME - GOVERNMENT GRANT

This represents the value of benefit of below-market interest rate on the loans obtained under the SBP's financing scheme as disclosed in note 8.2 and 8.3, which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. The break-up of carrying amount of the deferred government grant in respect of each of the loans is as follows:

	Note	2021 (Rupees '000)	2020 (Rupees '000)
Salary Refinance Loan		75,174	-
Renewable Energy Financing Scheme		163,549	-
		238,723	-
Less:			
- Government grant deducted from borrowing cost	16.2.1	(5,214)	-
- Government grant recognised in income	30	(46,537)	-
		(51,751)	-
Less: Current portion of deferred income - government grant		(51,274)	-
		135,698	-

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
10. DEFERRED TAX LIABILITY - NET			
Deferred taxation	10.1	11,407,649	9,907,879

10.1 Breakup and movement of deferred tax balances is as follows:

	Net balance at 01 July 2020	Recognised in profit or loss	Recognised in OCI	Balance at 30 June 2021		
				Net	Deferred tax assets	Deferred tax liabilities
2021						
	(Rupees '000)					
Property, plant and equipment	9,397,855	12,866	-	9,410,721	-	9,410,721
Intangible assets	(29,166)	182	-	(28,984)	(28,984)	-
Goodwill	385,027	192,513	-	577,540	-	577,540
Available for sale investments	23,101	-	1,132	24,234	-	24,234
Share of profit of equity accounted investees	1,346,781	98,070	-	1,444,851	-	1,444,851
Other differences related to equity accounted investees	(17,813)	-	5,562	(12,251)	(12,251)	-
Minimum tax	(533,675)	533,675	-	-	-	-
Unused tax loss credits	(635,984)	635,984	-	-	-	-
Other temporary differences	(28,247)	21,797	(2,012)	(8,462)	(8,462)	-
Deferred tax (assets) / liabilities	9,907,879	1,495,087	4,682	11,407,649	(49,697)	11,457,346
Set-off of tax				-	49,697	(49,697)
Net tax liabilities				11,407,649	-	11,407,649
2020						
	(Rupees '000)					
Property, plant and equipment	9,264,635	133,220	-	9,397,855	-	9,397,855
Intangible assets	3,226	(32,392)	-	(29,166)	(29,166)	-
Goodwill	188,417	196,610	-	385,027	-	385,027
Available for sale investments	(96,790)	-	119,891	23,101	-	23,101
Share of profit of equity accounted investees	1,265,810	80,971	-	1,346,781	-	1,346,781
Other differences related to equity accounted investees	11,734	-	(29,547)	(17,813)	(17,813)	-
Minimum tax	-	(533,675)	-	(533,675)	(533,675)	-
Unused tax loss credits	-	(635,984)	-	(635,984)	(635,984)	-
Other temporary differences	(19,541)	(19,588)	10,882	(28,247)	(28,247)	-
Deferred tax (assets) / liabilities	10,617,491	(810,838)	101,226	9,907,879	(1,244,885)	11,152,764
Set-off of tax				-	1,244,885	(1,244,885)
Net tax liabilities				9,907,879	-	9,907,879

10.1.1 Based on the Company's estimate of future export sales, adjustment of Rs. 635 million (2020: Rs. 620 million) has been made in the taxable temporary differences at the year end.

	2021 (Rupees '000)	2020 (Rupees '000)
11. EMPLOYEE BENEFIT OBLIGATIONS		
Provision for un-availed leaves	16,301	27,915

Actuarial valuation of un-availed leaves has not been carried out since management believes that the effect of actuarial valuation would not be material.

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
12. TRADE AND OTHER PAYABLES			
Payable to contractors and suppliers		3,735,257	1,871,342
Accrued liabilities		1,984,421	2,120,201
Advances from customers		479,855	416,166
Security deposits	12.1	126,162	113,868
Retention money		57,580	50,636
Workers' Profit Participation Fund payable	12.2	710,215	-
Workers' Welfare Fund payable	12.3	403,063	183,201
Sales tax payable		208,641	-
Excise duty payable		1,119,951	1,376,048
Advance rent of investment property		7,737	7,033
Donations payable to Bestway Foundation	32.2	645,947	530,395
Payable to employees' provident fund	12.4	-	6,197
Payable to employees' gratuity fund	12.5	76,495	9,411
Withholding taxes payable		276,301	178,308
Other payables	12.6	632,530	791,559
Current portion of deferred income - Government grant	9	51,274	-
		10,515,429	7,654,365
12.1	These represent amounts received as security deposits from customers and suppliers of the Company, which are utilisable for the purpose of the business in accordance with their respective agreements.		
		2021 (Rupees '000)	2020 (Rupees '000)
12.2 Workers' Profit Participation Fund payable / (receivable)			
Balance at the beginning of the year		(5,365)	639,689
Allocation for the year		714,980	-
Adjustment during the year		1,320	-
Payments during the year		(720)	(645,054)
Balance at the end of the year		710,215	(5,365)
		2021 (Rupees '000)	2020 (Rupees '000)
12.3 Workers' Welfare Fund payable			
Balance at the beginning of the year		183,201	337,224
Allocation for the year		219,862	-
Adjustments claimed against income tax		-	(154,023)
Balance at the end of the year		403,063	183,201
12.4	All the investments of the Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.		
	Note	2021 (Rupees '000)	2020 (Rupees '000)
12.5 Payable to employees' gratuity fund			
Present value of defined benefit obligation	12.5.1	485,883	471,771
Fair value of plan assets	12.5.2	(409,388)	(462,360)
Payable		76,495	9,411

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
12.5.1 Movement in defined benefit obligation			
Obligation at the beginning of the year		471,771	480,444
Current service cost		59,463	74,431
Interest cost		36,236	59,587
Benefits paid		(77,757)	(106,106)
Re-measurement gain on obligation		(3,830)	(36,585)
Obligation at the end of the year		485,883	471,771
12.5.2 Movement in fair value of plan assets			
Fair value at the beginning of the year		(462,360)	(493,188)
Expected return on plan assets		(35,996)	(63,275)
Employer contributions		-	(7,800)
Benefits paid		77,757	106,106
Re-measurement loss / (gain) on plan assets		11,211	(4,203)
Fair value at the end of the year		(409,388)	(462,360)
12.5.3 Movement in payable from employee's gratuity fund			
Opening liability / (asset)		9,411	(12,744)
Employer contributions		-	(7,800)
Expense	12.5.4	59,703	70,743
Re-measurement loss / (gain) recognised in OCI	12.5.5	7,381	(40,788)
Closing liability		76,495	9,411
12.5.4 Expense recognised in profit or loss during the year			
Current service cost		59,463	74,431
Net interest on defined benefit liability		240	(3,688)
		59,703	70,743
12.5.5 Re-measurement (loss) / gain recognised in OCI during the year			
Re-measurement gain on obligation		(3,830)	(36,585)
Re-measurement loss / (gain) on fair value of plan assets		11,211	(4,203)
		7,381	(40,788)
12.5.6 Components of plan assets - unquoted			
Cash and bank		2,835	1,456
Pakistan Investment Bonds		292,543	289,283
Market Treasury Bills		114,010	171,621
		409,388	462,360
12.5.7 Actuarial assumptions			
Following significant actuarial assumptions were used at the reporting date:			
		2021	2020
Discount rate per annum		10.00%	8.50%
Salary increase rate (short term)		8% (One year)	4% (Three years)
Salary increase rate (long term)		8.00%	6.50%
Withdrawal rates		Moderate	Moderate
The discount rate is based on market yield on government bonds having maturity approximating to the term of the gratuity obligation. The salary increase rate takes into account expected inflation and management intentions.			
The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rate (2020: SLIC 2001-05 ultimate mortality rate), rated down by one year.			

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The effective duration of the future cash flows calculated based on yields available on government bonds works out to be 7.76 years (2020: 7.45 years).

12.5.8 SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2021 Increase (Rupees '000)	2021 Decrease (Rupees '000)	2020 Increase (Rupees '000)	2020 Decrease (Rupees '000)
Discount rate (1% movement)	(34,445)	39,557	(32,206)	37,149
Future salary growth (1% movement)	42,335	(37,395)	40,157	(35,328)
Future mortality (1 year change)	294	(295)	289	(291)
Withdrawal rate (10% movement)	1,403	(1,460)	1,520	(1,587)

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

12.5.9 Expected gratuity expense

Expected gratuity expense for the next financial year is Rs. 64.4 million (2020: Rs. 56.7 million).

12.5.10 Risks associated with defined benefit plan

The gratuity fund is governed under the Trusts Act, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund. The Company appoints the trustees. All trustees are employees of the Company. The payments to the fund are based on the deficit in the Fund based on actuarial valuations performed at each year end. The plan is exposed to the following risks:

Investment risks

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives. This risk is mitigated by closely monitoring the performance of investment.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate. A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan assets.

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Withdrawal / Mortality risk

The risk of actual withdrawals/mortality varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

- 12.6** This includes an amount of Rs. 618.77 million (2020: Rs. 716.5 million) including interest cost on account of estimated provision recorded up to 30 June 2021 pursuant to the decision of the Honourable Supreme Court of Pakistan against compensation to the land owners for land acquired at Hattar plant.

13. SHORT-TERM BORROWINGS

Running finance facilities from banking companies - secured

	2021 (Rupees '000)	2020 (Rupees '000)
	1,652,261	10,710,748

- 13.1** This includes an amount of Rs. 14.9 million (2020: Rs. 323.16 million) of markup accrued and represents short term finance facilities obtained from various commercial banks with an aggregate limit of Rs. 17.28 billion (2020: Rs. 20.10 billion) including export refinance facilities with an aggregate amount of Rs. 1.37 billion (2020: Rs. 1.98 billion). The short term finance facilities carry mark-up at 3-months KIBOR plus 0.00% to 0.05% (2020: 3-month/1-month KIBOR plus 0.02% to 1%) and vary from bank to bank. The export refinance facilities carry mark-up at 2.05% to 3.0% per annum (2020: at 2.05% to 3% per annum). These facilities are secured by first pari passu hypothecation charge on all present and future current and fixed assets of the Company (excluding land and buildings and long term investments) for an amount of Rs. 31.06 billion (2020: Rs. 31.77 billion) and ranking hypothecation charge on all present and future current and fixed assets of the Company (excluding land, buildings and long term investments) for an amount of Rs. Nil (2020: Rs. 1.96 billion).

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- 13.2** The Company has running finance and other short term borrowing facilities aggregating to Rs. 14.66 billion (2020: Rs. 9.71 billion) which remained un-availed at the year end.

	Note	2021 (Rupees '000)	2020 (Rupees '000)
14. UNCLAIMED DIVIDEND			
Unclaimed dividend	14.1	1,989,890	37,967

- 14.1** This includes dividend of various foreign shareholders including holding company which is pending regulatory approvals from State Bank of Pakistan.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Guarantees and claims

		2021 (Rupees '000)	2020 (Rupees '000)
Letters of guarantee issued by banks on behalf of the Company	15.1.1.1	1,813,200	2,482,627
Company's share of guarantees and claims of equity-accounted investees:			
- Guarantees		11,045,400	12,971,861
- Other contingent liabilities		2,473,516	2,180,753

- 15.1.1.1** These include bank guarantees issued in the normal course of business to Sui Northern Gas Pipeline Limited for commercial and industrial use of gas for an amount of Rs. 1.4 billion (2020: Rs. 2.07 billion).

- 15.1.1.2** As at 30 June 2021, facilities of letters of guarantee amounting to Rs. 2.73 billion (2020: Rs. 2.82 billion) were available to the Company out of which Rs. 0.92 billion (2020: Rs. 0.34 billion) remained unavailed. Facilities of letters of guarantee are secured by first pari passu charge on present and future current and fixed assets of the Company (excluding land, buildings and long term investments).

15.1.2 Litigations

- 15.1.2.1** The Competition Commission of Pakistan (CCP) issued a showcause notice dated 28 October 2008 under section 30 of the Competition Ordinance, 2007. On 27 August 2009, the CCP imposed a penalty aggregating Rs. 1.04 billion on the Company. The Company challenged the CCP order in the Honourable High Court and the Honourable High Court passed an interim order restraining the CCP from taking any adverse action against the parties.

Appeals against the CCP's orders were also filed as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007. However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal ("CAT") had been constituted, the Honourable Supreme Court of Pakistan vide its Order dated 01 July 2017 sent the above appeals to CAT to decide the same in accordance with law.

During the year, on 26 October 2020, the Lahore High Court (LHC) decided that Parliament is empowered to legislate the Act but only to the extent of 'Inter Provincial Trade and Commerce', with the result that any anti-competitive measure that affects national trade and commerce (as opposed to provincial trade and commerce) would be governed by the Act and CCP would have jurisdiction in relation thereto. The LHC directed that every notice issued by CCP under the Act should contain the reasons disclosing that the effect of anti-competitive behaviour is spilling over territorial limits of a province. LHC further directed that for the notices already issued, and under challenge, the proceedings shall continue, however, the issue of jurisdiction shall be decided at first instance.

A Civil Petition for Leave to Appeal (CPLA) has been filed in the Supreme Court of Pakistan by the cement industry among other parties against the judgment of LHC, which is currently pending. The Company and its legal advisor are confident of a favourable outcome of the matter, accordingly no provision has been made in respect of same in the financial statements.

- 15.1.2.2** In 2002, the State Life Insurance Corporation of Pakistan (an initial shareholder of Pakcem) filed two suits before the Honourable Sindh High Court against Mr. Khawaja Mohammad Jaweed (the then Chairman of the Chakwal Group, the previous parent of Pakcem) for recovery of an aggregate amount of Rs. 461 million plus markup (at rates ranging from 16% to 20%) on account of agreements of sale and repurchase of shares, executed at various times in August 1995, between State Life Insurance Corporation of Pakistan and the then Chairman of the Chakwal Group. Pakcem received a letter dated 03 September 2014 from Chakwal Group stating that Pakcem is also a party to the case and can be held liable to pay the damages by the Honourable Sindh High Court. The legal advisor of the Company is of the opinion that the Company can be extricated from the case, provided that it can be shown to the Court that the then Chairman of the Chakwal Group was not authorised to act in this regard on behalf of Pakcem. No provision has been made against the aforementioned case in these financial statements, as the management and its legal counsel are confident that the matter will ultimately be decided in favour of the Company.

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15.1.2.3 In respect of the company and its amalgamated entities Mustehkam Cement Limited and Pakcem Limited, the income tax authorities have issued amended assessment orders in respect of income tax for tax years 2013 to 2020, and created additional tax demands resulting in net tax exposure of Rs. 10.4 billion (2020: Rs. 6.3 billion) mainly on account of disallowances of deductions relating to Rebates and discounts, adjustment of losses in consequence of merger, adjustment of tax refunds and credits, advertisement expenses, disallowance of unabsorbed depreciation and tax losses, tax credit u/s 65B of the Ordinance and provision of employees gratuity fund. The Company has filed appeals against the assessment order on various dates from April 2018 to June 2021 with the Commissioner Inland Revenue (Appeals) and Appellate Tribunal Inland Revenue, where the matters are currently pending adjudication.

Further, the tax authorities have issued amended assessment orders relating to sales tax and federal excise duty for tax years 2010 to 2020, and created additional tax demands resulting in net tax exposure of Rs. 0.82 billion (2020: Rs. 0.23 billion) mainly on account of alleged suppression of production and sales, disallowance of sales tax input adjustment, excise duty on management fee and short declaration of Federal Excise Duty. The Company has filed appeals against the assessment order on various dates from Oct 2013 to Aug 2021 with the Commissioner Inland Revenue (Appeals) and Appellate Tribunal Inland Revenue, where the matters are currently pending adjudication.

Management is confident that the above disallowances do not hold any merit and the related amounts have been lawfully claimed in the income and sales tax returns as per the applicable tax laws and that these matters will ultimately be decided in favour of the Company. Accordingly no provision has been made in respect of above in the financial statements.

15.1.2.4 Certain matters other than those disclosed in these financial statements, are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favourable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

15.2 Commitments

Outstanding letters of credit including capital expenditure
Capital expenditure
Rentals for use of land

	2021 (Rupees '000)	2020 (Rupees '000)
	14,407,747	1,129,651
	51,525	188,585
	121,668	123,437

Company's share of commitments of equity-accounted investees:

- Letters of credit	16,249,512	8,892,109
- Forward foreign exchange contracts	49,386,874	48,655,105
- Forward government securities transactions	54,111	73,249
- Derivatives	178,931	48,568
- Forward lending	9,378,251	8,158,723
- Capital expenditure	239,624	36,024
- Operating leases	16,829	14,257
- Others	10,796	-

15.2.1 As at 30 June 2021, facilities of letters of credit amounting to Rs. 49.9 billion (2020: Rs. 10.1 billion) are available to the Company, out of which Rs. 35.52 billion (2020: Rs. 8.97 billion) remained unavailed.

16 PROPERTY, PLANT AND EQUIPMENT

	Note	2021 (Rupees '000)	2020 (Rupees '000)
Operating fixed assets	16.1	53,900,942	54,245,747
Capital work in progress	16.2	1,105,977	1,543,722
		55,006,919	55,789,469

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	Freehold land	Leasehold land	Buildings on freehold land	Plant and machinery	Quarry equipment	Laboratory and other equipment	Furniture and fixture	Vehicles	Office equipment	Total
Cost										
Balance at 1 July 2019	2,225,786	39,903	15,867,951	49,165,631	4,082,545	1,214,911	198,292	692,454	289,312	73,776,785
Additions	78,411	-	2,047	23,653	66,233	33,431	6,141	67,988	8,466	286,370
Transfers from CWIP	-	-	14,799	346,595	-	-	-	-	43,124	404,518
Adjustments	-	-	(6,812)	(57,483)	1	77,118	(45,765)	(2)	32,943	-
Disposals	-	-	-	(175,007)	(22,354)	-	-	(168,643)	(383)	(366,387)
Transfers / write offs	-	-	(10,743)	(80,777)	-	-	(8,556)	-	(19,369)	(119,445)
Balance at 30 June 2020	2,304,197	39,903	15,867,242	49,222,612	4,126,425	1,325,460	150,112	591,797	354,093	73,981,841
Balance at 1 July 2020	2,304,197	39,903	15,867,242	49,222,612	4,126,425	1,325,460	150,112	591,797	354,093	73,981,841
Additions	132,584	-	1,218	43,124	-	10,642	156	1,746	9,497	198,967
Transfers from CWIP	-	-	91,246	2,537,571	-	-	1,075	-	2,262	2,632,154
Adjustments	-	-	-	145,201	-	(147,815)	-	(64,530)	2,614	-
Disposals	-	-	(11,188)	-	(75,285)	-	-	-	-	(151,003)
Transfers / write offs	(832)	-	-	(376,537)	-	-	-	-	-	(377,369)
Balance at 30 June 2021	2,435,949	39,903	15,948,518	51,571,971	4,051,140	1,188,287	151,343	529,013	368,466	76,284,590
Accumulated depreciation										
Balance at 1 July 2019	-	26,910	3,375,797	10,955,506	1,569,452	412,090	88,286	322,418	139,931	16,890,390
Depreciation	-	1,217	557,523	1,853,256	385,655	102,268	8,277	73,823	35,554	3,017,573
Adjustments	-	(1)	5,424	(11,530)	-	22,462	(16,823)	-	3,527	3,059
Disposals	-	-	-	(9,486)	(15,615)	-	-	(99,084)	(53)	(124,238)
Transfers / write offs	-	-	(1,356)	(29,072)	-	-	(5,519)	-	(14,743)	(50,690)
Balance at 30 June 2020	-	28,126	3,937,388	12,758,674	1,939,492	536,820	74,221	297,157	164,216	19,736,094
Balance at 1 July 2020	-	28,126	3,937,388	12,758,674	1,939,492	536,820	74,221	297,157	164,216	19,736,094
Depreciation	-	1,217	561,487	1,871,181	326,937	85,062	7,663	54,184	29,118	2,936,849
Adjustments	-	-	-	78,017	-	(78,994)	-	-	977	-
Disposals	-	-	(2,020)	-	(61,685)	-	-	(37,840)	-	(101,545)
Transfers / write offs	-	-	-	(187,750)	-	-	-	-	-	(187,750)
Balance at 30 June 2021	-	29,343	4,496,855	14,520,122	2,204,744	542,888	81,884	313,501	194,311	22,383,648
Carrying amounts										
At 30 June 2020	2,304,197	11,777	11,929,854	36,463,938	2,186,933	788,640	75,891	294,640	189,877	54,245,747
At 30 June 2021	2,435,949	10,560	11,451,663	37,051,849	1,846,396	645,399	69,459	215,512	174,155	53,900,942
Useful life (years)/rates of depreciation per annum										
2021			30 years / 3%	30 years / 3%	15%	10-15%	10%	20%	15%	
2020			30 years / 3%	30 years / 3%	15%	10-15%	10%	20%	15%	

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16.1.2 The details of fixed assets sold during the year, having net book value in excess of Rs. 500,000 each are as follows:

Description	Cost	Carrying amount	Sale proceeds	Gain/(loss)	Mode of disposal	Purchaser
----- (Rupees '000) -----						
Building	11,188	9,168	2,300	(6,868)	Auction	Ali Ayaan
Loader	25,054	8,791	3,636	(5,155)	Auction	Atta Ullah
Vehicle (ACJ-214)	9,282	4,357	4,789	432	Auction	Transpak Enterprises
Dozer	39,182	3,725	6,818	3,093	Auction	Atta Ullah
Vehicle (CK-516)	7,267	3,101	3,101	-	Auction	Resham Dil Khan
Vehicle (ALC-579)	3,029	2,036	1,743	(293)	Auction	Augmentic Business Solution
Vehicle (RIS-1518)	5,617	1,661	3,977	2,316	Auction	Mehboob Alam
Vehicle (ALC-293)	2,006	1,321	1,681	360	Auction	Augmentic Business Solution
Vehicle (AFA-625)	2,349	1,302	2,210	908	Auction	Augmentic Business Solution
Vehicle (TV-966)	2,508	1,283	2,412	1,129	Auction	Sami ullah
Vehicle (ADH-724)	2,410	1,152	2,521	1,369	Auction	Sher Ali
Vehicle (AAJ-378)	2,347	913	2,100	1,187	Auction	M.Basharat
Vehicle (Fk-723)	2,347	849	1,855	1,006	Auction	M.Fahad Noor
Vehicle (AAV-283)	2,007	781	1,969	1,188	Auction	Augmentic Business Solution
Dump truck	7,866	781	1,364	583	Auction	Atta Ullah
Vehicle (DW-719)	1,905	772	1,245	473	Insurance claim	IGI General Insurance Ltd
Vehicle (AAF-160)	2,160	758	2,600	1,842	Auction	Rizwan
Vehicle (ABS-516)	1,714	746	746	-	As per Company policy	Shahid Sohail (Employee)
Vehicle (DJ-207)	1,828	728	1,119	391	As per Company policy	M.Tariq (Employee)
Vehicle (CG-523)	1,646	690	690	-	As per Company policy	M.Saleem (Employee)
Vehicle (CG-497)	1,646	690	717	27	Auction	Salman Khan (Employee)
Vehicle (CG-495)	1,646	679	2,275	1,596	Auction	Faheem Iqbal (Employee)
Vehicle (DW-491)	2,038	624	2,105	1,481	Auction	Safeer Ahmed
Vehicle (CU-179)	2,208	544	-	(544)	As per Company policy	Farida Khatlani (Employee's spouse)

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16.1.3 Particulars of immovable property (i.e. land and buildings) in the name of the Company are as follows:

Location	Usage of immovable property	Total area
Suraj Gali Road, Village Shadi, Hattar, District Haripur, KPK.	Production Plant	4,176 Kanals
12 km, Taxila-Haripur Road, Farooqia, District Haripur, KPK.	Production Plant	5,044 Kanals
Village Tatral, choa saiden shah, 22 km Kallar Kahar, District Chakwal.	Production Plant	8,882 Kanals
Choie Mallot Road, Tehsil Kallar Kahar, District Chakwal.	Production Plant	8,116 Kanals
19-A, College Road, F-7 Markaz, Islamabad.	Head office Building	533 Sq. Yards
Pai Khel, District Mianwali	Production Plant under construction	807 Kanals

16.1.4 Land measuring 206 kanals and 14 marlas located at Farooqia plant was purchased with the funds of the Company from Mr. Faqeer Muhammad in 2008 at the cost of Rs. 12.51 million but is not in the possession of the Company.

	Note	2021 (Rupees '000)	2020 (Rupees '000)
16.1.5 Allocation of depreciation charge			
Cost of sales		2,896,120	2,968,005
Selling and distribution expenses		14,846	18,932
Administrative expenses		25,883	30,636
		2,936,849	3,017,573
16.2 Capital work in progress			
Opening balance		1,543,722	355,691
Additions during the year	16.2.1	2,194,409	1,592,549
		3,738,131	1,948,240
Transferred to operating fixed assets:			
Buildings on freehold land		(91,246)	(14,799)
Plant and machinery		(2,537,571)	(346,595)
Furniture and fixtures		(1,075)	-
Office equipment		(2,262)	(43,124)
		(2,632,154)	(404,518)
Balance at the end of the year	16.2.2	1,105,977	1,543,722

16.2.1 This includes borrowing cost capitalised amounting to Rs. 144.76 million (2020: Rs. 19.24 million) calculated at an average rate of 6.74% (2020: 12.95%) per annum.

16.2.2 Break up of capital work in progress including borrowing cost at the year end is as follows:

	2021 (Rupees '000)	2020 (Rupees '000)
Plant and machinery and other equipment	897,176	1,423,928
Civil development works	169,887	119,794
Vehicles	38,914	-
	1,105,977	1,543,722

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17. INTANGIBLE ASSETS AND GOODWILL	Note	2021 (Rupees '000)	2020 (Rupees '000)
Computer software		100,561	123,262
Brands	17.2	415,749	524,920
Goodwill	17.3	7,062,111	7,062,111
		7,578,421	7,710,293

17.1 Reconciliation of carrying amounts

	Computer software	Brands (note 17.2)	Goodwill (note 17.3)	Total
	(Rupees '000)			
Cost				
Balance at 01 July 2019	171,988	1,091,712	7,062,111	8,325,811
Additions	39,162	-	-	39,162
Balance at 30 June 2020	211,150	1,091,712	7,062,111	8,364,973
Balance at 01 July 2020	211,150	1,091,712	7,062,111	8,364,973
Additions	-	-	-	-
Balance at 30 June 2021	211,150	1,091,712	7,062,111	8,364,973
Accumulated amortisation				
Balance at 01 July 2019	74,036	457,621	-	531,657
Amortisation	13,852	109,171	-	123,023
Balance at 30 June 2020	87,888	566,792	-	654,680
Balance at 01 July 2020	87,888	566,792	-	654,680
Amortisation	22,701	109,171	-	131,872
Balance at 30 June 2021	110,589	675,963	-	786,552
Carrying amounts				
At 30 June 2020	123,262	524,920	7,062,111	7,710,293
At 30 June 2021	100,561	415,749	7,062,111	7,578,421
Useful life (years)				
2020	6.66 years	10 years	-	
2021	6.66 years	10 years	-	

17.2 Brands

This represents intangible assets in the form of Brands on acquisition of Pakcem and reflects the expected economic benefits to the Company from the retention differential of those Brands. The value of Brands was determined on the basis of incremental cash flows to be generated from retention of those brands which the Company intends to use. Management has estimated the useful life of the Brands to be ten years starting from the date of acquisition.

17.3 Goodwill

This represents excess of the amount paid over fair value of net assets of Pakcem Limited on its acquisition on 22 April 2015. The carrying amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by cement plant (CGU) acquired from Pakcem Limited. Following are the key assumptions used in impairment testing:

	2021	2020
Discount rate	18.0%	14.5%
Terminal value growth rate	4.5%	4.0%

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The discount rate is based on the weighted average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate is determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted growth is based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth is projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth for the next five years. The operating costs are based on expected future inflation rates.

The estimated recoverable amount of the CGU exceeds its carrying amount. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of the CGU to decline below the carrying amount.

17.4 Allocation of amortisation	Note	2021 (Rupees '000)	2020 (Rupees '000)
Cost of sales		16,442	13,852
Selling and distribution expenses		111,240	109,171
Administrative expenses		4,190	-
		131,872	123,023

18. INVESTMENT PROPERTY

Balance at the beginning of the year		266,075	262,349
Change in fair value		8,218	3,726
Balance at the end of the year	18.1	274,293	266,075

18.1 The investment property is a portion of the Company's head office building in Islamabad held for letting. An independent exercise was carried out to determine the fair value of investment property. To assess the land and building prices, market survey was carried out in the vicinity of the investment property. Fair value of the investment property is based on independent valuer's judgment about average prices and has been prepared on openly available/provided information after making relevant inquiries from the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Forced sale value of the investment property amounts to Rs. 246.87 million (2020: Rs. 239.46 million).

The investment property is placed in level 3 of the fair value hierarchy. Since the value has been determined by a third party and inputs are not observable, sensitivity analysis has not been presented.

19. LONG TERM INVESTMENTS	Note	2021 (Rupees '000)	2020 (Rupees '000)
Investment in associated companies			
- United Bank Limited	19.1	13,997,241	13,479,425
- UBL Insurers Limited	19.2	210,587	208,405
		14,207,828	13,687,830

19.1 Investment in United Bank Limited - equity accounted investee

As at 30 June 2021, the Company holds 93,649,744 (30 June 2020: 93,649,744) ordinary shares in United Bank Limited 'UBL', a leading commercial bank in Pakistan with its registered office situated in Islamabad, Pakistan. The Company's shareholding in UBL constitutes 7.65% (2020: 7.65%) of total ordinary shares of UBL. UBL's ordinary shares are listed on Pakistan Stock Exchange Limited. UBL is treated as an 'associate' due to the Company's significant influence over it by virtue of common directorship and being a group company.

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	2021 (Rupees '000)	2020 (Rupees '000)
19.1.1 Reconciliation of carrying amount		
Balance at the beginning of the year	13,479,425	12,329,518
Company's share of associate's profit for the year	1,916,583	1,638,579
Company's share of associate's OCI for the year:		
- re-measurement of defined benefit liability	36,675	(197,004)
- change in exchange translation reserve	(178,425)	33,689
- re-measurement of available-for-sale investments	7,255	798,440
	(134,495)	635,125
Less: Dividends received	(1,264,272)	(1,123,797)
Balance at the end of the year	13,997,241	13,479,425

19.1.2 The following table summarises the financial information of UBL as included in its un-audited consolidated condensed interim financial statements for the six months ended 30 June 2021. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2020. The financial year-end of UBL is 31 December.

	2021 (Rupees '000)	2020 (Rupees '000)
Percentage of ownership (%)	7.65%	7.65%
Total assets	2,521,196,209	2,126,456,669
Total liabilities	(2,343,286,743)	(1,955,901,299)
Net assets	177,909,466	170,555,370
Non-controlling interests	(7,536,042)	(6,950,781)
Net assets attributable to ordinary shareholders (100%)	170,373,424	163,604,589
Company's share of net assets (7.65%)	13,033,567	12,515,751
Goodwill	963,674	963,674
Carrying amount of interest in associate	13,997,241	13,479,425
Mark-up / return / interest earned for the year	137,543,290	177,375,733
Profit after tax (100%)	25,053,373	21,419,327
Company's share of net profit for the year (7.65%)	1,916,583	1,638,579
Other Comprehensive Income (OCI):		
- Re-measurement gain / (loss) of defined benefit liability	479,412	(2,575,216)
- Change in exchange reserve	(2,332,353)	440,379
- Change in surplus on revaluation of available-for-sale investments	94,837	10,437,124
Total OCI (100%)	(1,758,104)	8,302,287
Company's share of OCI (7.65%)	(134,495)	635,125

19.1.3 Cost of investment in UBL amounted to Rs. 1.86 billion (2020: Rs. 1.86 billion). Market value of investment in UBL as at 30 June 2021 was Rs. 11.44 billion (2020: Rs. 9.68 billion). Management believes that there is no objective evidence which may indicate impairment of investment in UBL. The investment in UBL is placed in level 1 of the fair value hierarchy.

19.2 Investment in UBL Insurers Limited - equity-accounted investee

As at 30 June 2021, the Company holds 14,088,199 (30 June 2020: 14,088,199) ordinary shares in UBL Insurers Limited 'UIL', an unlisted public company engaged in insurance business with its registered office situated in Karachi, Pakistan. The Company's shareholding in UIL constitutes 12.23% (2020: 12.23%) of total ordinary shares of UIL. UIL is treated as an 'associate' due to the Company's significant influence over it by virtue of common directorship and being a group company.

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	2021 (Rupees '000)	2020 (Rupees '000)
19.2.1 Reconciliation of carrying amount		
Balance at the beginning of the year	208,405	182,521
Company's share of associate's profit for the year	1,486	32,554
Company's share of associate's OCI for the year:		
- re-measurement of defined benefit liability	411	23
- re-measurement of available-for-sale investments	285	836
	696	859
Less: Dividends received	-	(7,529)
Balance at the end of the year	210,587	208,405

19.2.2 The following table summarises the financial information of UIL as included in its un-audited condensed interim financial information for the six months ended 30 June 2021. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2020. The financial year-end of UIL is 31 December.

	2021 (Rupees '000)	2020 (Rupees '000)
Percentage of ownership (%)	12.23%	12.23%
Total assets	6,342,378	5,810,921
Total liabilities	(4,620,144)	(4,106,528)
Net assets	1,722,234	1,704,393
Company's share of net assets (12.23%)	210,587	208,405
Carrying amount of interest in associate	210,587	208,405
Net insurance premium for the year	3,698,472	3,440,641
Profit after tax for the year	12,149	266,233
Company's share of net profit for year (12.23%)	1,486	32,554
Other Comprehensive Income (OCI):		
- Re-measurement gain on defined benefit liability	3,361	188
- Change in surplus on revaluation of available-for-sale investments	2,330	6,836
Total OCI (100%)	5,691	7,024
Company's share of OCI (12.23%)	696	859

19.2.3 Cost of investment in UIL amounted to Rs. 106.27 million (2020: Rs. 106.27 million).

	Note	2021 (Rupees '000)	2020 (Rupees '000)
20. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores, spare parts and loose tools		6,562,455	5,824,427
Stores and spare parts in transit		525,393	1,256,258
		7,087,848	7,080,685
Less: Provision for obsolete stores	20.1	-	(70,530)
		7,087,848	7,010,155

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
20.1 Movement in provision for obsolete stores			
Balance at the beginning of the year		70,530	-
(Reversal) of / provision for the year		(30,294)	70,530
Write off for the year		(40,236)	-
Balance at the end of the year		-	70,530
21. STOCK IN TRADE			
Raw and packing material		768,256	324,131
Work in process		2,191,609	1,422,506
Finished goods		831,282	579,893
	21.1	3,791,147	2,326,530
Less: Provision for slow moving stock	21.2	(28,699)	(35,057)
		3,762,448	2,291,473
21.1	This includes stock in transit amounting to Rs. 9.89 million (2020: Rs. 6.25 million).		
21.2 Movement in provision for slow moving stock			
Balance at the beginning of the year		35,057	42,773
Reversal of provision		(6,358)	(7,716)
Balance at the end of the year		28,699	35,057
22. TRADE DEBTS	Note		
Trade debts - unsecured			
- Considered good		1,052,451	1,727,790
- Considered doubtful		5,060	8,135
	22.1	1,057,511	1,735,925
Less: Provision against doubtful trade debts	22.2	(5,060)	(8,135)
		1,052,451	1,727,790
22.1	This includes Rs. Nil (2020: Rs. 58.99 million) receivable from customers against export sales.		
22.2 Movement in provision against doubtful trade debts			
Balance at the beginning of the year		8,135	2,935
Provision for the year		238	5,200
Write off during the year		(3,313)	
Balance at the end of the year		5,060	8,135
23. ADVANCES			
Advances to employees and executives - secured		11,246	19,413
Advances to suppliers and contractors - secured		123,730	156,511
		134,976	175,924

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
24. DEPOSITS AND PREPAYMENTS			
Security deposits		6,991	9,550
Short-term prepayments		18,171	14,907
		25,162	24,457
25. OTHER RECEIVABLES			
Excise duty	25.1	615,146	615,146
Receivable from Lafarge S.A.		8,847	8,847
Sales tax		-	1,823
Receivable from Workers' Profit Participation Fund		-	5,365
Others	25.2	88,105	210,519
		712,098	841,700
25.1	This represents claim filed by the Company for Rs. 615.15 million relating to excise duty paid on sales during the period from June 1998 to April 1999 which, pursuant to the decisions of the Honourable Supreme Court of Pakistan, detailed below, was otherwise not leviable and payable under the law. The Commissioner Appeals rejected the claim of Rs. 211.15 million pertaining to the Company (excluding Mustehkam Cement Limited) and the Company filed an appeal with Appellate Tribunal against unlawful rejection of refund claims. ATIR vide the order dated 17 March 2020 has set aside the impugned orders and has directed the Department to refund the claim filed by the Company. During the year, Commissioner Inland Revenue (CIR) filed a reference against the order of ATIR before the Honourable Islamabad High Court u/s 34A of the Federal Excise Act, 2005. Further, on refund claim of Mustehkam Cement Limited (amalgamated with the Company) of Rs. 404 million, tax authorities held the proceedings in abeyance awaiting result of litigation pertaining to the Company's refund claim. Management and the Company's legal advisor believe that the Company's claim is valid and the amount is fully recoverable, accordingly no provision has been made in the financial statements.		
	The matter in dispute is whether excise duty be levied on retail price inclusive of excise duty or retail price exclusive of excise duty. The Federal Board of Revenue's (FBR) point of view was that excise duty be calculated on declared retail price inclusive of excise duty whereas the concerned respondents disagreed with that interpretation. The Honourable Supreme Court of Pakistan in its judgment dated 14 April 2007 in a comparable case for levy of excise duty, dismissed the appeal filed by the FBR and upheld the decisions made by the honourable High Courts of Peshawar, Sindh and Punjab. The FBR moved a review petition before the Honourable Supreme Court of Pakistan which to date is pending.		
25.2	This includes an amount of Rs. Nil (2020: Rs. 55 million) receivable from MAP Rice Mills (Pvt.) Limited, a related party, on account of management fee charged. This also includes Rs. Nil (2020: Rs. 62 million) insurance claim receivable and Rs. 33.2 million (2020: Rs. 81 million) as compensation from supplier.		
26. SHORT TERM INVESTMENTS	Note		
Term deposit receipt	26.1	3,090,751	-
26.1	This represents short term investment at the rate of 7.5% p.a. maturing on 05 July, 2021.		
27. CASH AND BANK BALANCES	Note		
Cash at banks:			
in current accounts	27.1	699,621	347,578
in deposit accounts	27.2	10,803	113
		710,424	347,691
		710,424	347,691

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- 27.1** This includes Rs. 666.2 million (2020: Rs. 338.68 million) held in current accounts maintained with UBL, a related party. Maximum aggregate amount outstanding at the end of any month during the year amounted to Rs. 675.87 million (2020: Rs. 338.68 million).
- 27.1.1** Current accounts include balances amounting to Rs. 79.7 million (2020: Rs. 3.19 million) held in US Dollar accounts.
- 27.2** Deposit accounts carried profit rate of 5.5% (2020: 6.5% to 11.25%) per annum during the year.
- 27.3** Following completion of acquisition process of Pakcem by the Company, the balances of Pakcem with Lafarge S.A. (previous parent entity of Pakcem) and its affiliates as of 21 April 2015 were agreed between the Company and Lafarge S.A. and transferred to an escrow account maintained with Citi Bank N.A. pursuant to the Escrow Agreement dated 21 April 2015 between the Company, Lafarge S.A. and CitiBank N.A. According to the agreement the transferred funds will be utilised exclusively for payments to Lafarge S.A. from time to time and the Company will be entitled only to the balance left in the escrow account after completion of payments to Lafarge S.A. Accordingly, the amount in escrow account and payable balances aggregating to Rs.140.89 million (2020: Rs.140.89 million) relating to Lafarge S.A. and its affiliates have been netted off in these financial statements till final settlement of the escrow account.

	Note	2021 (Rupees '000)	2020 (Rupees '000)
28. GROSS TURNOVER			
Gross turnover:			
- Local		82,476,676	61,795,395
- Export		2,720,420	1,892,359
		85,197,096	63,687,754
29. COST OF SALES			
Raw and packing materials consumed	29.1	8,169,550	6,482,774
Fuel and power		26,376,937	22,339,075
Stores, spares and loose tools consumed		1,249,631	996,707
Repairs and maintenance		238,062	162,037
Salaries, wages and benefits	29.2	1,305,140	1,613,948
Support services		581,907	732,593
Rent, rates and taxes		14,981	12,981
Insurance		53,066	48,179
Equipment rental		115,942	82,616
Utilities		88,344	41,519
Travelling, conveyance and subsistence		150,164	121,417
Communication		12,862	10,844
Printing and stationery		10,733	9,717
Entertainment		7,451	13,163
Depreciation	16.1.5	2,896,120	2,968,005
Amortisation	17.4	16,442	13,851
(Reversal) of provision for slow moving stock		(6,358)	(7,716)
(Reversal) of provision / provision for obsolete stores		(30,294)	70,530
Legal and professional charges		6,053	5,290
Fees and subscriptions		11,247	52,175
Other manufacturing expenses		13,437	16,785
		41,281,417	35,786,490
Opening work in process		1,422,506	1,638,538
Closing work in process		(2,191,609)	(1,422,506)
Cost of goods manufactured		40,512,314	36,002,522
Opening finished goods stock		579,893	589,363
Closing finished goods stock		(831,282)	(579,893)
		40,260,925	36,011,992

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		2021 (Rupees '000)	2020 (Rupees '000)
29.1 Raw and packing materials consumed			
Opening stock		324,131	504,315
Purchases / expenditures during the year		8,613,675	6,302,590
Closing stock		(768,256)	(324,131)
		8,169,550	6,482,774
29.2 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 35.1 million (2020: Rs. 58.6 million).			
	Note	2021 (Rupees '000)	2020 (Rupees '000)
30. OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		1,373	1,293
Exchange gain / (loss)		5,710	(1,658)
		7,083	(365)
Income from non-financial assets			
Gain on disposal of property, plant and equipment		5,384	67,218
Compensation from Supplier		-	81,175
Rental income		37,639	34,073
Disposal of waste materials		31,322	1,246
Change in fair value of investment property	18	8,218	3,726
		82,563	187,438
Others			
Others	30.1	119,014	60,545
Deferred income - government grant	9	46,537	-
		165,551	60,545
		255,197	247,618
30.1 This includes an amount of Rs. 30 million (2020: Rs. 55 million) on account of management fee charged to MAP Rice Mills (Pvt.) Limited, a related party.			
	Note	2021 (Rupees '000)	2020 (Rupees '000)
31. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and benefits	31.1	80,563	145,704
Support services		2,649	3,231
Freight and handling - local		231,434	301,608
Freight and handling - export		57,795	110,388
Rent, rates and taxes		20,493	17,997
Repairs and maintenance		1,699	2,404
Utilities		4,196	4,405
Travelling, conveyance and subsistence		14,231	20,438
Communication		4,619	4,047
Printing and stationery		(604)	1,196
Entertainment		2,224	3,160
Advertising and promotion		8,624	15,419
Depreciation	16.1.5	14,846	18,932
Amortisation	17.4	111,240	109,171
Provision for doubtful debts		238	5,200
Fees and subscriptions		55,831	28,344
Others		1,164	2,569
		611,242	794,213

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31.1 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 3.1 million (2020: Rs. 3.9 million).

	Note	2021 (Rupees '000)	2020 (Rupees '000)
32. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	32.1	290,391	337,579
Rent, rates and taxes		15,606	9,362
Repairs and maintenance		9,013	17,797
Insurance		1,252	1,730
Utilities		15,569	16,236
Travelling, conveyance and subsistence		31,661	36,291
Communication		8,226	11,226
Printing and stationery		7,996	3,399
Entertainment		2,034	4,112
Advertisements		6,135	1,603
Welfare activities		-	1,517
Donations	32.2	121,767	3,313
Legal and professional charges		23,050	16,345
Fees and subscriptions		25,030	64,773
Auditors' remuneration	32.3	3,707	4,280
Depreciation	16.1.5	25,883	30,636
Amortisation	17.4	4,190	-
Others		15,502	19,109
		607,012	579,308

32.1 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 9.94 million (2020: Rs. 13.10 million).

32.2 During the year a provision of Rs. 115.8 million (2020: Rs. 0.49 million) was made for donation to Bestway Foundation. The following directors are among the trustees of the Foundation:

- Sir Mohammed Anwar Pervez
- Zameer Mohammad Choudrey
- Mohammed Younus Sheikh
- Muhammad Irfan A. Sheikh

None of the directors of the Company or their spouses have a beneficial interest in Bestway Foundation.

	Note	2021 (Rupees '000)	2020 (Rupees '000)
32.3 Auditors' remuneration			
Statutory audit fee (including reporting to group auditors)		2,362	3,000
Half year review		578	550
Certification for regulatory purposes		452	430
Out of pocket expenses		315	300
		3,707	4,280

33. OTHER EXPENSES

Workers' Welfare Fund		219,862	-
Workers' Profit Participation Fund		714,981	-
Interest expense on land compensation	12.6	14,943	16,743
		949,786	16,743

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
34. FINANCE COST			
Mark-up on long term financing		821,282	158,088
Mark-up on syndicate long term financing		-	226,878
Mark-up on syndicate musharaka		-	151,758
Mark-up on short term borrowings		219,198	1,585,175
Bank charges and commissions		30,106	29,802
		1,070,586	2,151,701

35. SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEEES-NET OF TAX

United Bank Limited	19.1.1	1,916,583	1,638,579
UBL Insurers Limited	19.2.1	1,486	32,554
		1,918,069	1,671,133

	2021 (Rupees '000)	2020 (Rupees '000)
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36. INCOME TAX CHARGE / (CREDIT)

36.1 Amounts recognised in profit or loss

Current tax charge / (credit)

- for the year	2,465,228	722,298
- for prior year	-	(467,192)
	2,465,228	255,106
Deferred tax charge / (credit)	1,495,087	(810,838)
Tax charge / (credit) for the year	3,960,315	(555,732)

Reconciliation of tax charge / (credit) for the year

Accounting profit before tax	15,538,039	(506,480)
Tax using the Company's domestic tax rate	4,506,032	(146,879)
Tax effects of:		
Share of profit of equity-accounted investees taxed at reduced rates	(268,530)	(233,959)
Income taxable under final tax regime (exports)	(129,349)	141,675
Effect of prior year credits	-	(467,192)
Others	(147,838)	150,623
	3,960,315	(555,732)

37. EARNINGS PER SHARE - Basic and diluted

Profit for the year (Rupees in '000)	11,577,724	49,252
Weighted average number of ordinary shares in issue	596,252,783	596,252,783
Earnings per share - basic (Rupees)	19.42	0.08

37.1 There is no dilution effect on earnings per share of the Company.

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	Note	2021 (Rupees '000)	2020 (Rupees '000)
38. CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	710,424	347,691
Short-term borrowings, secured	13	(1,652,261)	(10,710,748)
Short term Investments	26	3,090,751	-
Cash and cash equivalents for the purpose of statement of cash flows		<u>2,148,914</u>	<u>(10,363,057)</u>

38.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term financing	Unclaimed dividend	Total
	----- (Rupees '000) -----		
Balance at 01 July 2020	11,814,421	37,967	11,852,388
Changes from financing activities			
Proceeds from long term financing	1,672,461	-	1,672,461
Repayment of long term financing	(223,322)	-	(223,322)
Dividend paid	-	(3,940,004)	(3,940,004)
Total changes from financing cash flows	1,449,139	(3,940,004)	(2,490,865)
Other changes			
Dividend announced	-	5,962,527	5,962,527
Withholding tax on dividend	-	(70,600)	(70,600)
Finance cost	821,281	-	821,281
Deferred income - government grant	(186,972)	-	(186,972)
Finance cost paid	(839,293)	-	(839,293)
Total liability related changes	(204,984)	5,891,927	5,686,943
Balance at 30 June 2021	13,058,576	1,989,890	15,048,466

	Long term musharaka	Long term financing	Unclaimed dividend	Total
	----- (Rupees '000) -----			
Balance at 01 July 2019	2,249,733	3,375,360	213,797	5,838,890
Changes from financing activities				
Proceeds from long term financing	-	11,656,333	-	11,656,333
Repayment of long term financing and musharaka	(2,200,000)	(3,300,000)	-	(5,500,000)
Dividend paid	-	-	(3,763,844)	(3,763,844)
Total changes from financing cash flows	(2,200,000)	8,356,333	(3,763,844)	2,392,489
Other changes				
Dividend announced	-	-	3,577,516	3,577,516
Withholding tax on dividend	-	-	10,498	10,498
Finance cost	151,759	384,966	-	536,725
Finance cost paid	(201,492)	(302,238)	-	(503,730)
Total liability related changes	(49,733)	82,728	3,588,014	3,621,009
Balance at 30 June 2020	-	11,814,421	37,967	11,852,388

BESTWAY CEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits and perquisites of the chief executive, directors and executives of the Company are given below:

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- (Rupees '000) -----			----- (Rupees '000) -----		
Managerial remuneration	30,000	23,121	485,201	30,000	23,121	562,870
Bonus	-	2,569	51,716	-	2,447	54,437
Provision for gratuity	-	1,285	20,419	-	2,691	5,910
Unavailed leaves	-	(899)	(2,941)	-	(44)	(1,079)
Others	-	-	307	-	-	195
	<u>30,000</u>	<u>26,076</u>	<u>554,702</u>	<u>30,000</u>	<u>28,215</u>	<u>622,333</u>
Number of persons	1	1	127	1	1	137

39.1 The Chairman, Chief Executive, Executive Director, and eligible executives are also provided with vehicle facility while medical facility is provided to Executive Director and eligible executives as per their entitled limits.

39.2 Executive means an employee whose basic salary exceeds Rs. 1.2 million (2020: Rs. 1.2 million) during the year.

39.3 In addition to the above, meeting fees amounting to Rs. 0.81 million (2020: Rs. 0.69 million) were paid to 7 directors (2020: 7) who attended the Board of Directors meetings during the year.

40. RELATED PARTIES

40.1 Parent and ultimate controlling party and related party relationships

The Company is a subsidiary of Bestway International Holdings Limited, Guernsey. ("the holding company"). Bestway International Holdings Limited, Guernsey is a wholly owned subsidiary of Bestway Group Limited, Guernsey. ("the ultimate parent company") therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company. For internal reorganisation of Bestway Group during the year, refer to note 5.2. Other related parties comprise of directors, key management personnel, entities with common directorships, entities over which the directors are able to exercise influence and employee retirement funds. Balances with related parties are shown in notes 5.2, 12 and 27 and transactions with related parties are disclosed in notes 30.1, 32.2 and 39. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

BESTWAY CEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

	2021 (Rupees '000)	2020 (Rupees '000)
Transactions and balances with Bestway (Holding) Limited U.K. (former holding company)		
Dividend paid during the year	2,018,809	1,927,526
Amounts paid on behalf of Bestway (Holdings) Limited U.K.	14,000	-
Amounts received from Bestway (Holdings) Limited U.K.	18,636	-
Balances with Bestway International Holding Limited (Holding Company)		
Unclaimed dividend	1,345,873	-
Transactions with associated undertakings under common directorship		
Dividend received	1,264,271	1,131,326
Sale of cement	-	757
Insurance claims received	22,624	74,485
Dividend paid	233,234	231,089
Service/bank charges paid	14,525	12,562
Interest earned	670	365
Rent paid	19,650	16,643
Maintenance fee paid	1,786	1,786
Insurance premium paid	36,777	29,576
Transactions and balances with key management personnel		
Remuneration, allowances and benefits	56,886	58,905
Dividend paid	746,909	613,737
Other related party transactions		
Expense / employer's contribution to provident fund	14,409	15,432
Payments made to gratuity fund	-	7,800
Balances with related parties		
Trade debt	-	68
Unclaimed dividend	275,986	-
Insurance claim receivable	-	31,018

40.2 Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

Associated company	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Bestway International Holdings Limited, Guernsey	Holding Company	336,468,168	56.43%
Bestway (Holdings) Limited, U.K.	Former holding company and now a group company by virtue of sharing the same ultimate parent	-	-
Bestway Foundation	Common directorship	23,323,432	3.91%
United Bank Limited	Common directorship	1,481	0.0002%
UBL Insurers Limited	Common directorship	-	-
MAP Rice Mills (Pvt) Limited	Common directorship	-	-

BESTWAY CEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

Related party	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Sir Mohammed Anwar Pervez	Chairman	21,640,779	3.63%
Mr. Zameer Mohammed Choudrey	Chief Executive	12,358,184	2.07%
Mr. Mohammed Younus Sheikh	Director	11,711,513	1.96%
Mr. Dawood Pervez	Director	37,536,226	6.30%
Mr. Haider Zameer Choudrey	Director	18,695,317	3.14%
Ms. Rakhshanda Choudrey	Close family member of CEO	185,425	0.03%
Mr. Muhammad Irfan A. Sheikh	Director	161,983	0.03%
Ms. Najma Naheed Pirzada	Director	67	-
Ms. Nazia Nazir	Director	29	-
Employees' Provident Fund	Employees' Provident Fund	-	-
Employees' Gratuity Fund	Employees' Gratuity Fund	-	-

40.3 Following particulars relate to associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year:

Particulars	Bestway International Holdings Limited, Guernsey	Bestway (Holdings) Limited, U.K.
Registered address	Newport House, 15 The Grange, St Peter Port, Guernsey GY1 2QL	2 Abbey Road, London NW10 7BW
Country of incorporation	Guernsey	United Kingdom
Basis of association	Holding Company	Former holding company and now a group company by virtue of sharing the same ultimate parent
Aggregate Percentage of shareholding	56.43%	-

41 **FINANCIAL INSTRUMENTS - Fair values and risk management**

41.1 **Accounting classification**

The following table shows the carrying amounts of financial assets and financial liabilities by categories:

		30 June 2021			30 June 2020		
		Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
		(Rupees '000)			(Rupees '000)		
Financial assets							
Deposits		127,664	-	127,664	127,968	-	127,968
Trade debts	22	1,052,451	-	1,052,451	1,727,790	-	1,727,790
Advances	23	11,246	-	11,246	19,413	-	19,413
Short term investments	26	3,090,751	-	3,090,751	-	-	-
Other receivables	25	96,952	-	96,952	224,731	-	224,731
Cash and bank balances	27	710,424	-	710,424	347,691	-	347,691
		5,089,488	-	5,089,488	2,447,593	-	2,447,593
Financial liabilities							
Current portion of long term financing	8	-	1,186,723	1,186,723	-	272,171	272,171
Long term financing	8	-	11,871,853	11,871,853	-	11,542,250	11,542,250
Trade and other payables	12	-	7,181,897	7,181,897	-	5,478,001	5,478,001
Unclaimed dividend	14	-	1,989,890	1,989,890	-	37,967	37,967
Short-term borrowings	13	-	1,652,261	1,652,261	-	10,710,748	10,710,748
		-	23,882,624	23,882,624	-	28,041,137	28,041,137

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

41.2 Fair values of financial assets and financial liabilities

The fair value information of current financial assets and liabilities are not disclosed as their carrying values reflected in the financial statements reasonably approximate their fair values. The carrying value of non current financial liabilities also approximate their fair values as these are interest bearing based on market interest rates.

41.3 Financial risk management

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

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

41.3.1 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for development and monitoring of the Company's risk management policies.

The Company's risk management policies are established to identify and analyse 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 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

41.3.2 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, and arises principally from the Company's receivables from customers and balances with banks. The carrying amount of financial assets represents the maximum credit exposure.

Bank balances and short term investments

The Company held balances of Rs. 3,801 million which also includes short term investments of Rs. 3,091 million with banks at 30 June 2021 (2020: Rs. 347.69 million). Management assesses the credit quality of the counter parties as satisfactory. Geographic analysis and credit rating information is given below:

	Credit rating agency	Long term Credit rating	Short term Credit rating	2021 (Rupees '000)	2020 (Rupees '000)
Pakistan:					
Allied Bank Limited	PACRA	AAA	A1+	3,094,268	2
Askari Bank Limited	PACRA	AA+	A1+	85	-
Bank Alfalah Limited	PACRA	AA+	A1+	258	-
Dubai Islamic Bank Pakistan Limited	VIS	AA	A-1+	78	78
Faysal Bank Limited	PACRA	AA	A1+	66	18
Habib Bank Limited	VIS	AAA	A-1+	403	233
MCB Bank Limited	PACRA	AAA	A1+	9,467	8,014
Meezan Bank Limited	VIS	AAA	A-1+	944	-
National Bank of Pakistan	PACRA	AAA	A1+	844	6
Soneri Bank Limited	PACRA	AA-	A1+	303	3
Standard Chartered Bank	PACRA	AAA	A1+	93	569
United Bank Limited	VIS	AAA	A-1+	693,578	338,685
Industrial and Commercial Bank of China Limited	S&P	A		146	-
BankIslami Pakistan Limited	PACRA	A+	A1	228	83
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	239	-

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Trade debts

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the credit risk of its customer base. The Company has established a credit policy under which each new customer is assessed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer and are reviewed on monthly basis. Trade debts amounting to Rs. 9.9 million (2020: Rs 108.1 million) are secured against post dated cheques, letters of credit and bank guarantees. The Company maintains provision for doubtful debts that represents its estimate of probable losses in respect of trade debts.

	2021 (Rupees '000)	2020 (Rupees '000)
At reporting date, the maximum credit exposure in trade debts by geographic region was as follows:		
Domestic	1,052,451	1,668,795
African region	-	55,228
Asia	-	3,767
	1,052,451	1,727,790

At reporting date, the maximum credit exposure in trade debts by type of customer was as follows:

	2021 (Rupees '000)	2020 (Rupees '000)
Dealers	861,058	1,138,297
End-user customers	191,393	589,493
	1,052,451	1,727,790

At reporting date, the ageing of trade debts and provision for doubtful debts were as follows:

	Gross amount		Provision for doubtful debts	
	2021 (Rupees '000)	2020 (Rupees '000)	2021 (Rupees '000)	2020 (Rupees '000)
1-30 days	886,285	1,034,787	-	-
31-60 days	11,003	72,197	-	-
61-90 days	5,081	42,007	-	-
Over 90 days	155,142	586,934	(5,060)	(8,135)
	1,057,511	1,735,925	(5,060)	(8,135)

The management believes that all unimpaired amounts are collectable in full, based on historical payment behavior and extensive analysis of customer credit risk. The movement in provision for doubtful debts during the year is disclosed in note 22.2.

41.3.3 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. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly liquid assets at an amount in excess of expected cash outflows on financial liabilities. In addition, the Company maintains lines of credit as mentioned in note 13.

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Exposure to liquidity risk

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

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
30 June 2021	(Rupees '000)	(Rupees '000)					
Financial liabilities							
Current portion of long term financing	1,186,723	1,186,723	140,077	1,046,646	-	-	-
Long term financing	11,871,853	11,871,853	-	-	4,080,228	7,220,256	571,369
Trade and other payables	7,181,897	7,181,897	7,181,897	-	-	-	-
Unclaimed dividend	1,989,890	1,989,890	1,989,890	-	-	-	-
Short-term borrowings	1,652,261	1,652,261	1,652,261	-	-	-	-
	<u>23,882,624</u>	<u>23,882,624</u>	<u>10,964,125</u>	<u>1,046,646</u>	<u>4,080,228</u>	<u>7,220,256</u>	<u>571,369</u>
30 June 2020							
Financial liabilities							
Current portion of long term financing	272,171	272,171	158,051	114,120	-	-	-
Long term financing	11,542,250	11,542,250	-	-	828,167	10,714,083	-
Trade and other payables	5,478,001	5,478,001	5,478,001	-	-	-	-
Unclaimed dividend	37,967	37,967	37,967	-	-	-	-
Short-term borrowings	10,710,748	10,710,748	10,710,748	-	-	-	-
	<u>28,041,137</u>	<u>28,041,137</u>	<u>16,384,767</u>	<u>114,120</u>	<u>828,167</u>	<u>10,714,083</u>	<u>-</u>

The loan facilities of the Company contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the table above. The Company monitors the compliance with covenants on regular basis. There were no financial covenants breach as at 30 June 2021.

The contractual cash flows relating to mark-up on loans and borrowings have been determined on the basis of expected market mark-up rates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

41.3.4 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 returns. The Company is exposed to currency risk and interest rate risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly due to changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies.

Exposure to currency risk

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

	USD	
	30 June 2021	30 June 2020
	(Rupees '000)	
Trade debts	-	58,995
Cash and bank balances	79,657	3,191
Trade and other payables	(823,121)	-
Net exposure	(743,464)	62,186

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

The following significant exchange rates have been applied:

	Average rate	Year-end spot rate	
	2021 (Rupees)	2020 (Rupees)	2021 (Rupees)
USD 1	157.13	168.19	157.54

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the USD against Pak Rupee at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected the profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening (Rupees '000)	Weakening (Rupees '000)	Strengthening (Rupees '000)	Weakening (Rupees '000)
30 June 2021				
USD (10% movement)	(74,346)	74,346	(74,346)	74,346
30 June 2020				
USD (10% movement)	6,219	(6,219)	6,219	(6,219)

(b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings and short term deposits with banks.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Nominal amount	
	2021 (Rupees '000)	2020 (Rupees '000)
Fixed-rate instruments		
Financial assets	3,101,554	113
Variable-rate instruments		
Financial liabilities	14,710,837	22,525,169

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates of variable rate instruments at the reporting date would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	(Rupees '000)	(Rupees '000)	(Rupees '000)	(Rupees '000)
30 June 2021				
Cash flow sensitivity (net)	(147,108)	147,108	(147,108)	147,108
30 June 2020				
Cash flow sensitivity (net)	(225,252)	225,252	(225,252)	225,252

42. PLANTS' CAPACITIES AND PRODUCTION - Clinker

	Available Capacity		Actual Production	
	2021	2020	2021	2020
	(Metric Tonnes)	(Metric Tonnes)	(Metric Tonnes)	(Metric Tonnes)
Hattar	1,230,177	1,230,177	1,058,332	962,197
Chakwal	3,428,700	3,428,700	2,534,911	2,085,618
Farooqia	3,004,994	3,004,994	2,399,026	1,963,274
Kallar Kahar	2,494,200	2,494,200	1,943,150	1,407,534
	10,158,071	10,158,071	7,935,419	6,418,623

42.1 The actual production is generally adjusted in view of existing and expected market conditions

43. NUMBER OF EMPLOYEES

	2021	2020
Number of employees at year end	1,537	1,501
Average number of employees during the year	1,436	1,662

44. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and companies listed on the Islamic Index shall disclose the following:

	2021 (Rupees '000)	2020 (Rupees '000)
Short term running finance facilities as per Islamic mode	215,573	1,046,125
Shariah compliant bank balances	1,316	179
Finance cost on Islamic mode of financing	60,964	234,430

For profits earned and finance cost on conventional loans, refer to note 30 and 34.

The Company maintains bank accounts with Meezan Bank Limited, Faysal Bank Limited, Dubai Islamic Bank Pakistan Limited and BankIslami Pakistan Limited. The Company has obtained Islamic Export refinance facility (IERF) from Meezan Bank Limited. (refer note 13).

45. DIVIDEND

The Board of Directors in their meeting held on 27 August 2021 has proposed a final dividend of Rs. 4 per share.

46. DATE OF AUTHORISATION

These financial statements were authorised for issue on 27 August 2021 by the Board of Directors.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE

BESTWAY CEMENT LIMITED

KEY OPERATIONAL AND FINANCIAL DATA

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020	2019	2018	2017	2016
OPERATING RESULTS	RUPEES IN MILLIONS					
Net turnover	56,864	37,129	53,602	52,884	51,624	45,721
Cost of sales	40,261	36,012	37,557	33,928	29,091	24,573
Gross profit	16,603	1,117	16,045	18,956	22,533	21,148
Operating profit / (loss)	14,691	(26)	13,290	14,217	17,439	16,789
Net finance costs	1,071	2,152	1,498	600	831	1,823
Profit/(loss) before tax	15,538	(506)	13,246	14,964	18,664	17,078
Profit for the year	11,578	49	10,097	13,158	13,293	11,880

STATEMENT OF FINANCIAL POSITION

	RUPEES IN MILLIONS					
Share capital and reserves	60,123	54,653	57,606	53,310	47,769	41,983
Property, plant and equipment	55,007	55,789	57,242	56,086	44,732	42,955
Long term financing, shikart ulmelk, Murabaha and musharka	11,872	11,542	-	5,500	10,000	16,500
Net current assets / (liabilities)	6,366	(1,441)	(9,680)	(7,250)	2,008	2,031

SIGNIFICANT FINANCIAL INDICATORS

Gross profit (%)	29.20	3.01	29.93	35.84	43.65	46.25
Net profit (%)	20.36	0.13	18.84	24.88	25.75	25.98
Interest coverage ratio	15.51	0.76	9.84	25.94	23.46	10.37
Return on equity (%)	19.26	0.09	17.53	24.68	27.83	28.30
Earnings per share	19.42	0.08	16.93	22.07	22.29	20.16
Dividend (%)	100	60	110	120	120	100

	IN THOUSAND METRIC TONNES					
Despatches of cement and Xtreme bond	8,664	7,311	8,126	8,590	7,478	6,904

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NUMBER OF SHAREHOLDERS	SHAREHOLDING		NUMBER OF SHARES HELD
	FROM	TO	
5390	1	100	172900
1735	101	500	488052
588	501	1000	481802
775	1001	5000	1934580
155	5001	10000	1186305
62	10001	15000	800849
35	15001	20000	630963
25	20001	25000	582801
18	25001	30000	505197
7	30001	35000	239400
7	35001	40000	265945
13	40001	45000	557210
14	45001	50000	685482
3	50001	55000	158105
2	55001	60000	114800
4	60001	65000	247236
7	65001	70000	467783
1	70001	75000	74200
6	75001	80000	463493
2	80001	85000	161983
3	85001	90000	264300
1	90001	95000	90900
1	95001	100000	100000
1	105001	110000	105800
1	110001	115000	113600
3	115001	120000	354233
1	125001	130000	129904
2	135001	140000	277000
1	145001	150000	149400
3	150001	155000	463491
2	155001	160000	316541
1	165001	170000	170000
2	175001	180000	353390
1	185001	190000	185425
1	190001	195000	195000
1	200001	205000	205000
4	215001	220000	878460
2	230001	235000	465258
4	240001	245000	969449
1	255001	260000	255250
2	275001	280000	556358
1	280001	285000	280400
1	285001	290000	289159
1	295001	300000	300000
2	300001	305000	607794

BESTWAY CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NUMBER OF SHAREHOLDERS	SHAREHOLDING		NUMBER OF SHARES HELD
	FROM	TO	
1	395001	400000	400000
1	505001	510000	507310
1	620001	625000	623664
5	675001	680000	3394400
1	730001	735000	733316
1	735001	740000	737500
1	800001	805000	803037
1	895001	900000	899815
2	1060001	1065000	2129512
2	1085001	1090000	2178724
1	1355001	1360000	1357760
1	1570001	1575000	1573445
2	1910001	1915000	3822942
1	1970001	1975000	1975000
1	2200001	2205000	2202894
1	2695001	2700000	2698994
1	4320001	4325000	4323753
1	7875001	7880000	7878441
1	11710001	11715000	11711513
1	12355001	12360000	12358184
1	18695001	18700000	18695317
1	21640001	21645000	21640779
1	23320001	23325000	23323432
2	18745001	18750000	37496432
1	37535001	37540000	37536226
1	40485001	40490000	40487027
1	336465001	336470000	336468168
8,927			596,252,783

CATEGORIES OF SHAREHOLDERS	SHARES HELD	%
Directors, Chief Executive, their Spouse and Minor Children	102,289,523	17.16
Associated Companies Undertakings & Related Parties	359,791,600	60.34
NIT/ICP	564	0.00
Banks, Development Finance Institutions and Non Banking Financial Institution	2,278,192	0.38
Insurance Companies	1,766,616	0.30
Modarabas and Mutual Funds	948,673	0.16
Shareholders holding 10% *	-	0.00
General Public		
a. Local	127,301,639	21.35
b. Foreign	-	0.00
Others		0.00
i. Joint Stock Companies and Trusts	1,875,976	0.31
TOTAL	596,252,783	100.00

* Bestway International Holdings Limited is holding 56.43% shares of the Company.

عملی ڈائریکٹرز

- لارڈ ضمیر محمد چوہدری
- جناب محمد عرفان اے۔ شیخ

بورڈ کی کمیٹیز

- آڈٹ کمیٹی
 - i- محترمہ نجمہ ناہید بیروزادہ (چیئر پرسن)
 - ii- جناب داؤد پرویز
 - iii- جناب حیدر ضمیر چوہدری
- ایچ آر اینڈ ریسرچیشن کمیٹی
 - i- محترمہ نازیہ ندیر (چیئر پرسن)
 - ii- جناب محمد یونس شیخ
 - iii- جناب محمد عرفان انور شیخ

آڈیٹرز

موجودہ آڈیٹرز، اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے اور انھوں نے اہلیت کے حامل ہونے کی وجہ سے دوبارہ تقرری کیلئے خود کو پیش کر دیا ہے۔ کمپنی کی آڈٹ کمیٹی نے اس امر پر غور کے بعد سبکدوش ہونے والے آڈیٹرز کی دوبارہ تقرری کیلئے سفارش کی ہے۔


اعترافات

ڈائریکٹرز اپنے شیئرز ہولڈرز، عملے کے ارکان، کسٹمرز، سپلائرز، بینکرز خاص طور پر الائینڈ بینک لمیٹڈ، حبیب بینک لمیٹڈ، میزبان بینک لمیٹڈ، ایم سی بی بینک لمیٹڈ، یونائیٹڈ بینک لمیٹڈ، عسکری بینک لمیٹڈ، سویری بینک لمیٹڈ، بینک الفلاح لمیٹڈ، انڈسٹریل اینڈ کمرشل بینک آف چائنا، بینک اسلامی پاکستان لمیٹڈ، فیصل بینک لمیٹڈ، دئی اسلامک بینک پاکستان لمیٹڈ، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، ایم سی بی اسلامک، حبیب میٹروپولیٹن، نیشنل بینک آف پاکستان، سٹی بینک اور مختلف سرکاری ایجنسیوں کی جانب سے پورے سال اس کمپنی میں ان کے مسلسل تعاون، شراکت اور اعتماد کے اظہار کیلئے ان کی تمام تر کوششوں کا اعتراف کرتے ہوئے اظہار تشکر کرتے ہیں۔

برائے دستخط بورڈ



لارڈ ضمیر محمد چوہدری
چیف ایگزیکٹو



محمد عرفان اے شیخ
ہیڈنگ ڈائریکٹر

اسلام آباد

27 اگست 2021ء

صحت

بنیادی صحت کے شعبے میں، ہیٹھ وے کی فیکٹری کے علاقے میں واقع تمام کے تمام چاروں مراکز کے ذریعے مقامی آبادی میں ہزاروں مریضوں کو طبی سہولیات فراہم کی جاتی ہیں۔ زیرِ جائزہ سال کے دوران، 12,000 سے زائد مریضوں نے ان طبی مراکز سے استفادہ کیا۔

مالی امداد

تعلیم کی بہتری اور صحت کی بنیادی سہولیات کی فراہمی کے اپنے اہم ترین مقاصد کے حصول کے علاوہ، آپ کی کمپنی اپنے فلاحی ورفائی شعبے کے ساتھ مل کر 369 بیوگان اور مقامی آبادی کے افراد کو ماہانہ مشاہیرے کی شکل میں مالی امداد بھی فراہم کرتی ہے۔

مقامی افراد کیلئے روزگار کی تشکیل

آپ کی کمپنی نے اپنی فیکٹری کے گرد و نواح میں مقامی ہنرمند اور غیر ہنرمند افراد کیلئے ہزاروں روزگار متعارف کروائے ہیں۔ روزگار کے مواقع پگلی اور اوپری سرگرمیوں میں پیدا کیے جارہے ہیں۔ روزگار کی تشکیل سے مقامی آبادی میں ناصرف قوت خرید میں بہتری آتی ہے بلکہ اس سے ان کے معیار زندگی کو بہتر بنانے کیلئے بھی اچھے مواقع مہیا ہو جاتے ہیں۔

اپریٹنٹس شپ اور ٹریننگز

ہیٹھ وے بڑی باقاعدگی کے ساتھ زیرِ تربیت انجینئرز، منیجرز، اپریٹنٹس اور انٹرنیز جنہیں اپنے اپنے شعبے میں زبردست تربیت دی جاتی ہے، کو روزگار فراہم کرتی ہے۔ ان ٹرینیز اور اپریٹنٹس میں سے کچھ کمپنی میں رہ جاتے ہیں جبکہ باقی دیگر صنعتوں کی طرف چلے جاتے ہیں جہاں وہ بڑی کامیابی کے ساتھ اپنے کیریئر کو آگے بڑھانے کیلئے ہیٹھ وے کی مہیا کردہ بنیاد کے ذریعے ان کو دی گئی تربیت کو بروئے کار لاتے ہیں اور اس ملک کی ترقی میں اپنا کردار ادا کرتے ہیں۔ فی الحال 160 ٹرینیز انجینئرز، منیجمنٹ ٹرینیز، اپریٹنٹس اور انٹرنیز کمپنی کے مختلف مقامات پر تربیت حاصل کر رہے ہیں۔

ڈیزاسٹر منیجمنٹ اور بحالی

آپ کی کمپنی آفات کی نظم کاری میں فیاضی سے اپنا کردار ادا کرتی ہے اور زلزلے، سیلابوں کی وجہ سے تباہی کے بعد یا سماجی ترقی کے کسی دیگر منصوبوں کے ذریعے امدادی، بحالی اور تعمیر نو کی کوششوں میں ہاتھ بٹاتی ہے۔

سماجی ترقی

ہیٹھ وے باقاعدہ طور اپنے پلانٹس کے ارد گرد علاقوں کی ترقی و بحالی میں بھرپور حصہ لیتی ہے۔ سالانہ لاکھوں روپے ان سرگرمیوں جیسے مختلف گاؤں میں پینے کے صاف پانی کی فراہمی اور فراہمی آب کی بحالی، ہیٹھ وے کے عطیات اور مقامی علاقوں میں تعمیراتی منصوبوں کیلئے نقل و حمل میں امداد کی فراہمی جس میں مساجد اور اسکولز وغیرہ کی تعمیرات بھی شامل ہیں، اور ہماری مقامی لوگوں میں ضرورت مندوں میں گندم کی تقسیم پر خرچ کیے جاتے ہیں۔ عطیات کی ایک بڑی رقم مقامی انتظامیہ کو بھی دی جاتی ہے تاکہ مقامی میلوں، ثقافتی اجتماع اور ساج کو اوپر اٹھانے کے دیگر کئی منصوبوں میں مدد کی جائے۔

برسہا برس سے کٹناں راج تالاب کے پانی سطح کی باقاعدہ دیکھ بھال اور تالاب کی مرمت کے علاوہ، ہیٹھ وے نے ایک علیحدہ گارڈروم کی تعمیر و فرش کی تزئین اور ایک بھاری لاگت سے اس قومی ورثے کے مرکزی دروازے کو بھی محفوظ بنا دیا ہے۔

آپ کی کمپنی باقاعدگی سے رمضان کے مقدس مہینے میں اپنے ہیڈ آفس اور تمام تر پلانٹس پر مفت دسترخوان کا اہتمام کرتی ہے جہاں پورے مہینے کے دوران ہزاروں مقامی رہائشیوں اور مسافروں کو افطار کروایا جاتا ہے۔ اس کے علاوہ رمضان کی آمد پر مقامی علاقوں کے سینکڑوں سفید پوش گھرانوں میں اشیائے خورد و نوش بھی تقسیم کی جاتی ہیں۔

ہولڈنگ کمپنی

یہ کمپنی ہیٹھ وے انٹرنیشنل ہولڈنگز لمیٹڈ (بی آئی ایچ ایل) کی ذیلی کمپنی، جو مکمل طور پر ہیٹھ وے گروپ لمیٹڈ (بی جی ایل) کی ملکیتی ذیلی کمپنی ہے۔ بی آئی ایچ ایل اور بی جی ایل دونوں گنڈی میں قائم ہیں۔ لہذا بی جی ایل کی تمام ذیلی کمپنیاں اور منسلک زیرِ حلف ادارے کمپنی کی متعلقہ پارٹنرز (فریقین) ہیں۔

مستقبل کی توقعات

حکومت کی جانب سے کووڈ-19 کے اثرات میں کمی لانے کی غرض سے نافذ معاشی امداد کے اقدامات جس میں تعمیراتی صنعت کیلئے کئی ترغیبات بھی شامل ہیں، اب تک مفید و کارآمد رہی ہیں، انفراسٹرکچر کی ترقی

اور ہاؤسنگ پر حکومت کی خصوصی توجہ مقامی سطح پر ہیٹھ وے کے بھرپور استعمال پر منتج ہوئی ہے اور یہ رجحان مستقبل قریب میں بھی جاری رہنے کی توقع کی جاتی ہے۔

پاکستان نے کووڈ-19 کی وباء کے ابتدائی جھٹکوں سے مفر حاصل کر چکا ہے اور جو نسبتاً غیر نقصان دہ رہا ہے، تاہم یہ بامعیشیت کو تسلسل کے ساتھ اس وقت تک ڈرائی رہے گی جب تک کہ عوامی سطح پر بڑی تعداد میں ویکسینیشن نہیں ہو جاتی اور وبا کے اثرات میں واضح کمی نہیں آ جاتی۔

کوئٹہ کی عالمی قیمتوں میں حالیہ مہینوں میں تیزی سے اضافہ ہوا ہے جس کی وجہ دنیا بھر میں معاشی سرگرمیوں کا دوبارہ آغاز ہے۔ توانائی کے نرخ میں بھی اضافہ ممکنہ طور پر جاری رہے گا کیونکہ بجلی کی پیداوار کیلئے ہمارے ملک کا بھاری انحصار درآمدی ایندھن پر ہے۔ کیونکہ ایندھن اور توانائی پیداواری لاگت کے ایک بڑے حصے کی تشکیل کرتے ہیں اس لئے ایندھن اور بجلی کی قیمتوں میں مزید اضافہ ان پٹ لاگتوں میں اضافہ کر دیں گی۔

ایندھن اور توانائی کی لاگتوں میں مسلسل اور تیزی سے اضافہ، اعلیٰ افراط زر، روپے کی قدر میں کمی اور بلند تر نامعقول ٹیکسوں سے ہیٹھ وے کی صنعت پر بوجھ بڑھتا رہے گا۔

ہیٹھ وے کی ترسیلات اور قیمت فروخت اب تک اچھی رہی ہیں۔ تاہم مستقبل قریب میں منافع کی گنجائش کا انحصار ہیٹھ وے کی صنعت کو لاگتوں میں اضافے کو آگے منتقل کرنے کی صلاحیت پر ہو سکتا ہے۔

افغانستان میں تازہ ترین پیش رفت پورے خطے میں غیر یقینی صورتحال پر منتج ہوئی ہے۔ ہیٹھ وے کی صنعت کیلئے خصوصی طور پر افغانستان کو ہماری برآمدات مستقبل قریب میں سست روی کا شکار ہو سکتی ہیں۔

ہیٹھ وے ملک کے اندر ناصرف سب سے کم لاگت ہیٹھ وے ساز ہے بلکہ یہ قدرے کم اثر کی حامل بھی ہے جس کا مطلب یہ ہے کہ اس کے زیادہ تر حریفوں کے مقابلے میں یہ کسی تند و تیز پیچیدوں کو برداشت کر جانے کے لحاظ سے بہتر مقام پر ہے۔ آپ کی ہیٹھ وے چینلجز سے ہمیشہ باخبر رہتی ہے جو کہ آگے درپیش ہوں گے اور مستعدی خود کو اسکے مطابق ڈھالنے کے تسلسل کو جاری رکھے گی تاکہ آپ کی کمپنی کی طرف سے بہتر سے بہتر کارکردگی کو یقینی بنایا جائے اور اپنے شیئرز ہولڈرز کیلئے اعلیٰ منافع کو یقینی بنایا جائے۔

شیئرز ہولڈنگ کا اسلوب

30 جون 2021ء کے مطابق کمپنی کے انڈر شیئرز ہولڈنگ کے اسلوب کا گوشوارہ آگے صفحات میں موجود ہے۔

بورڈ کی تشکیل و ترتیب

بورڈ درج ذیل 8 ڈائریکٹرز پر مشتمل ہے:

- مرد 6
- خواتین 2

بورڈ کی ترتیب درج ذیل ہے:

- خود مختار / آزاد ڈائریکٹرز

i - محترمہ نجمہ ہاید پیرزادہ

ii - محترمہ نازیہ نذیر

- دیگر غیر عملی ڈائریکٹرز:

i - سر محمد انور پرویز (چیئرمین)

ii - جناب محمد یونس شیخ

iii - جناب داؤد پرویز

iv - جناب حیدر ضمیر چوہدری

ہے، جس میں دیگر پھولوں/سجاوٹی پودوں کے درمیان 300 صنوبر کے درخت ہیں، بگرائی کرتے یہ پودے اور پورے ہتارا نڈسٹرمل ایسٹٹ اور اس کے گرد و نواح میں یہ پرکشش منظر مہمانوں کیلئے قائم کیے گئے ہیں اور اسے مختلف اجتماعات کے انعقاد کیلئے بھی استعمال کیا جاتا ہے۔

ہیٹ وے سینٹ ڈبلیو ڈبلیو ایف پاکستان کی پرجوش حامی ہے۔ آپ کی کمپنی کو کاربن کے نقش پائیس کی کاوشوں کیلئے خوب سراہا جاتا ہے اور زبردست تعریف کی جاتی ہے جبکہ ہم بقائے ماحولیات اور اس کے تحفظ کیلئے بھی کام کر رہے ہیں۔ یہ پاکستان میں چند اداروں میں سے ایک ہے جسے ڈبلیو ڈبلیو ایف پاکستان کی جانب سے ایک گرین آفس (دفتر سبز) کے طور پر سند دی گئی ہے۔

بقائے آب (پانی کا تحفظ)

آپ کی کمپنی اب نیئر کولڈکنڈنسر سسٹمز کی تنصیب کے بعد بقائے آب میں پیشرو کی حیثیت حاصل کر چکی ہے، پہلی اور واحد کمپنی ہے جس نے روایتی واٹر کولڈسٹم کی جگہ جدید سسٹم نصب کیا ہے جس سے پانی کی صنعتی ضروریات کے تقریباً 80 فیصد کی کمی کو ممکن بنایا ہے۔

بارش کے پانی کو جمع کرنا تو جو کا اہم مرکز ہے اور آپ کی کمپنی نے ناصرف بارش کے پانی کو جمع کرنے کے موجودہ تالابوں کو بہتر بنانے کی اچھی خاصی کوشش کی ہے بلکہ نئے بھی قائم کیے ہیں۔ آپ کو یہ جان کر خوشی ہوگی کہ ہمارے چکوال اور کلرکھار پلائس کی صنعتی پانی کی ضروریات کا 100 فیصد بارش کے پانی کو جمع کرنے کے ذریعے پوری کی جاتی ہیں۔

آپ کی کمپنی نے انڈسٹرمل ویسٹ واٹر کو دوبارہ استعمال کے قابل بنانے کیلئے جدید ٹیکنالوجی کے حامل ریورس اوسموسس پلائس بھی نصب کر دیئے ہیں۔ اس کے علاوہ پلانٹ کے رہائشی علاقوں کا گھریلو پانی کو بھی ری ٹریٹ اور ری سائیکل کیا جا رہا ہے چنانچہ پانی کی ایک بھاری مقدار کو محفوظ کیا جا رہا ہے۔

توانائی کے متبادل اقدامات

سینٹ سازی شدید توانائی سے بھرپور عمل ہے۔ بجلی پیداوار کی لاگتوں میں سے ایک بڑی لاگت کی ترجمان ہے۔ ملک میں مستقل طور پر جاری بجلی کے بحران نے روایتی زبر زمین ایندھن سے توانائی کے متبادل حل کی جانب منتقلی کی ضرورت کو پیدا کر دیا ہے۔ قومی گرڈ پر اپنے انحصار میں کی حکمت عملی کے جزو کے طور پر، آپ کی کمپنی نے تمام کی تمام چاروں جگہوں چکوال، ہتار، فاروقیہ اور کلرکھار پریسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) قائم کر رکھے ہیں۔ چکوال پر قائم ہیٹ وے کا ڈبلیو ایچ آر پی پی پاکستان کی سینٹ انڈسٹری کا پہلا پلانٹ ہے جو دوسروں کو ترغیب دیتا ہے کہ وہ بھی اس کی پیروی کریں۔

آپ کی کمپنی کیلئے یہ بقائے توانائی کے سلسلے میں ایک اہم قدم ہے، جس سے کمپنی اپنے تمام تر آپریشنز پر ڈبلیو ایچ آر ٹیکنالوجی کو اختیار کرنے والوں میں پیشرو کی حیثیت حاصل کر لی ہے۔ ان منصوبوں سے بجلی کے بیرونی ذرائع پر کمپنی کے انحصار میں اچھی خاصی کمی لانے میں مدد ملے گی چنانچہ پیداوار کی لاگتوں، عملی استعداد کا رکو بہتر بنانے اور ماحولیات کے تحفظ میں بھی مدد حاصل ہوگی۔ زبر جائزہ سال کے دوران، آپ کی کمپنی نے ڈبلیو ایچ آر پی پی، بوانلر ز اور جین سٹس کے ذریعے اپنی توانائی کی %45 ضروریات کی تکمیل کر لی ہے۔

سولر پاور جزیشن

ماحولیاتی باشعور کمپنی ہونے کے ورثے پر تعمیر کرتے ہوئے، آپ ہیٹ وے کی جانب سے اس محاذ پر مزید ترقی پر خوش ہوں گے۔ آپ کی کمپنی نے اپنی تمام پیداواری سہولتوں پر 51 میگا واٹس آف گرڈ سولر پاور پلائس کے قیام کیلئے معاہدات پر دستخط کیے ہیں۔ یہ کسی بھی مینوفیکچرنگ کمپنی کی جانب سے ناصرف ملک میں کیا جانے والا سب سے بڑا سولر پاور اقدام ہے بلکہ یہ پورے خطے میں سب سے بڑا قدم ہے۔ ان سولر پاور پلائس کا پہلا جس کی گنجائش 14.36 میگا واٹس ہے نے جون 2021 میں فاروقیہ پلانٹ پر بجلی کی پیداوار کا آغاز کر چکا ہے۔ اس کے علاوہ، چکوال میں دوسرا سولر پاور پلانٹ جس کی گنجائش 15.20 میگا واٹس ہے اطلاع کردہ تاریخ کے مطابق بجلی کی پیداوار کا آغاز کر چکا ہے۔ سولر پاور جزیشن ناصرف آپ کی کمپنی کے قومی گرڈ پر مزید انحصار کو کم کر دے گی بلکہ اس کے کاربن فٹ پرنٹ میں بھی اچھی خاصی کمی کر دے گی۔ جیسے ہی تمام سولر پاور پلائس شروع ہو گئے تو پیدا شدہ بجلی اس پروجیکٹ کی زندگی کے اوپر ایک ملین ٹن کے کاربن ڈائی آکسائیڈ اخراج کے مساوی کٹوتی کر دیگے، جو کہ تقریباً 21 لاکھ درخت کی شجرکاری کے برابر ہے۔

ادارہ جاتی سماجی ذمے داری

ہیٹ وے اپنے امور کار میں طویل مدت کیلئے سرمایہ کاری کرتی ہے اور مقامی برادریوں کی طرف خصوصی ذمے داری جو اس پر عائد ہے کو سراہتی ہے۔ کمپنی سرگرمیوں کے ذریعے جیسے خدمات صحت تک رسائی میں بہتری، تعلیم، ہنرمندانہ تربیت، پروگرام برائے بقائے ماحولیات، اور روزگار کی تشکیل میں اعانت اور مقامی افراد کے روزگار کے ذریعے پسماندہ افراد کی فلاح و بہبود اور ان کی فعال ترقی کو باعث افتخار سمجھتی ہے۔ آپ کی کمپنی اپنے رفائی ٹرسٹ، ہیٹ وے فاؤنڈیشن کے ذریعے ہی زیادہ تر اپنی ادارہ جاتی سماجی ذمے داری کی سرگرمیوں کا انعقاد کرتی ہے۔

زبر جائزہ سال کے دوران، آپ کی کمپنی نے مختلف سی ایس آر اقدامات میں 204 ملین روپے سے زائد خرچ کیے جس سے آپ کی کمپنی سی ایس آر اخراجات کے لحاظ سے خرچ کرنے ملک کی سب سے بڑی کمپنیز میں سے ایک ہو گئی ہے۔

تعلیم

معیاری تعلیم کیلئے محروموں کی مدد کے مقاصد کو جاری رکھتے ہوئے، ہیٹ وے سال 2018ء سے فاروقیہ، ٹیکسلا-ہری پور روڈ، کے قرب وجوار میں ایک پرائمری اسکول چلا رہی ہے اور ایک بڑا بمقصد اور آراستہ پرائمری تاسکینڈری اسکول چکوال ڈسٹرکٹ کے تترال گاؤں میں سن 2016ء سے کام کر رہا ہے جس کی تعمیر پر 67 ملین روپے کی لاگت آئی ہے۔

فی الوقت مجموعی طور پر کوئی 761 طلباء کو تجربہ کار اساتذہ کی طرف سے عمدہ تعلیم برائے نام فیس کے ساتھ دونوں مقامات پر فراہم کی جا رہی ہے۔

ہیٹ وے، فرح پرویز ڈگری کالج، گو جرخان، کے ذریعے مفت کالج تعلیم خصوصی طور پر لڑکیوں کیلئے فراہم کر رہی ہے۔ یہ پروجیکٹ کئی کلاس رومز، لیبارٹریز، غیر نصابی سرگرمیوں کیلئے سہولیات اور تدریسی عملے کے ارکان کی رہائش کیلئے اقامت گاہ پر مشتمل ہے جسے مکمل طور پر آپ کی کمپنی نے رقم فراہم کی ہے اور 30 ملین روپے کی لاگت سے بننے والا یہ پروجیکٹ سن 2011ء میں فعال ہو گیا تھا۔

کمپنی کے اپنے قائم کردہ تعلیمی اداروں کے علاوہ، ہیٹ وے دیہات کے محروم علاقوں کے اردگرد اس کی مقامی برادریوں میں کئی سرکاری اسکولوں کو بھی مدد فراہم کر رہی ہے۔

سال 2021ء کے دوران، ڈسٹرکٹ چکوال میں منگوال، سرکالہ اور جھٹال میں موجود چار سرکاری اسکولز کی بھرپور بحالی اور مکمل تزئین و آرائش کا کام بھی 8 ملین روپے سے زائد کی لاگت سے پایہ تکمیل کو پہنچ چکا ہے۔

قومی و بین الاقوامی وظائف

اعلیٰ تعلیم کسی بھی منظم اور زندگی سے بھرپور سماج کی کی تعلیم کیلئے ضروری ہے، جبکہ کئی قابل اور مستحق نوجوان کافی مالی وسائل کی کمی کی وجہ سے اپنی تعلیم جاری رکھنے سے قاصر رہتے ہیں۔ مستحق طلباء کی مدد کے مسئلے کو حل کرنے کے عزم کے ساتھ، آپ کی کمپنی نے اپنے فلاحی ادارے ہیٹ وے فاؤنڈیشن کے ذریعے 12.5 ملین روپے کا ایک ہیٹ وے اینڈاؤمنٹ فنڈ نیشنل یونیورسٹی آف سائنسز اینڈ ٹیکنالوجی (این یو ایس ٹی) کے ساتھ یونیورسٹی کے انڈرگریجویٹ پروگرامز میں اندراج شدہ مالی طور پر غیر منظم طلباء کے فائدے کیلئے قائم کر دیا ہے۔

یہ وظائف ہر سال پانچ طلباء کے استفادے کیلئے دیئے جاتے ہیں جو کہ بنیادی طور پر ان کی فیس کے اخراجات کو پورا کرتا ہے اور یہ کسی بھی انوائٹمنٹل انجینئرنگ، میٹلر جی اینڈ میٹیریلز انجینئرنگ، میکینیکل انجینئرنگ، کمپیوٹر انجینئرنگ اور میکاٹرانکس انجینئرنگ کے شعبوں میں دیئے جاتے ہیں۔

درج بالا کے علاوہ، کئی دیگر ملکی و بین الاقوامی وظائف بھی آپ کی کمپنی لاتعداد قابل طلباء کو فی الوقت فراہم کر رہی ہے۔ ان وظائف کا مقاصد ان طلباء کو مالی امداد فراہم کرنا ہے جو اپنی تعلیم کو جاری رکھنا چاہتے ہیں۔

ہیٹ وے برطانیہ کے انڈر آکسفورڈ یونیورسٹی، یونیورسٹی آف بریڈ فورڈ اور یونیورسٹی آف کینٹ میں مستحق اور قابل پاکستانی طلباء کیلئے ہر سال 12 مکمل فنڈ ڈاسکالرشپس بھی دیتی ہے۔

خیر و فلاح کے کاموں کا فروغ

ہیٹ وے ان اداروں اور تنظیموں کو باقاعدگی کے ساتھ مالی امداد فراہم کرتی ہے جو تعلیم و صحت کے شعبوں میں حقیقی فرق وتبدیلی لانے کیلئے کوشاں ہے۔

گزشتہ چند برسوں میں کچھ مستفید ہونے والے اداروں میں انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن، کراچی، غلام اسحاق خان انسٹیٹیوٹ، صوابی، نمل کالج میانوالی، نیشنل یونیورسٹی آف سائنس اینڈ ٹیکنالوجی، اسلام

آباد، لاہور یونیورسٹی آف مینجمنٹ سائنسز، سہارنپور لائف ٹرسٹ میاوالی، زندگی ٹرسٹ، سندھ یونیورسٹی آف یورولوجی اینڈ ٹرانسپلانٹیشن، پاکستان ہندو کونسل، عبدالستار ایڈی فاؤنڈیشن، شوکت خانم میموریل ٹرسٹ، مسکن انسٹی ٹیوٹ سوات، ثمار فاطمہ گرلز اسکول، شالیمار ہسپتال، آجمل کورفاؤنڈیشن، محمد گلستان خان فاؤنڈیشن، لیٹن رحمت اللہ بینولٹ ٹرسٹ، نیشنل سوسائٹی فور میٹیل ایڈاموٹل میٹیکپیڈ چلڈرن، فورمین کریسٹین کالج یونیورسٹی، فیملی ایجوکیشنل سروسز فاؤنڈیشن، ناردرن یونیورسٹی پشاور، دی سٹیٹن فاؤنڈیشن، ڈمگ کور، کے پی ایس ایس سینڈری اسکول، سیگل آباد، چکوال، سلطانہ فاؤنڈیشن، کیئر فاؤنڈیشن، کاغان میموریل ٹرسٹ، المصطفیٰ ٹرسٹ، ٹھٹھی ویلفیئر فاؤنڈیشن، ضیا العلوم ٹرسٹ، دی کڈنی سینٹر کراچی، پاکستان فاؤنڈیشن فائننگ بلائینڈ نیس، نورانی فاؤنڈیشن اور کئی دیگر تنظیمیں شامل ہیں۔

زیر جائزہ سال کے دوران، ہمارے تمام سینٹ پلائس اور ویسٹ ہیٹ ریکوری پلائس اطمینان بخش طور پر چلتے رہے۔ آپ کی کمپنی نے اس سال کے دوران اوسط سینٹ کیپسٹی یوٹیلائزیشن کا 81% حاصل کر لیا ہے (2020: 69%)۔ سینٹ کیلئے پچھلے سال کی نسبت اس سال کی بلند تر کیپسٹی یوٹیلائزیشن پر جوش طلب کا نتیجہ تھی۔

حصہ داران کے لئے منافع

آپ کی کمپنی اپنے حصہ داران کو عمدہ منافع کی فراہمی کا احساس رکھتی ہے۔ آپ کی کمپنی کی جانب سے اطلاع کردہ کارکردگی کے پیش نظر، ڈائریکٹرز 40 فیصد کے حتمی نقد منافع منقسمہ کا اعلان کرتے ہوئے خوش محسوس کرتے ہیں جس سے اس سال کیلئے منافع ادائیگی 140 فیصد تک پہنچ گئی ہے۔

معیاری یقین دہانی

ہیٹ وے سینٹ وہ کمپنی ہے جو شعور استعداد و معیار سے متحرک ہے۔ معیار کے ضوابط کے سخت طریقہ کار کے نفاذ کے ساتھ، کمپنی نے پلائس پر معیار کے ضوابط کو پرکھنے کیلئے بلند درجے کا ساز و سامان لگا رکھا ہے۔ بسٹ وے کی لیبارٹریز جدید ترین ایکس رے فلورسینس اور ڈفریکشن اینالائزرز سے لیس ہیں اور یہ پاکستان میں فنی مہارت کو سب سے پہلے متعارف کروانے کا سہرا بھی ہیٹ وے کے سر ہے۔ اس ساز و سامان کی وجہ سے، کمپنی ملک میں فی الوقت دستیاب سینٹ کی نسبت مسلسل بہتر معیار کا سینٹ تیار کر رہی ہے۔ فاروقیہ پلانٹ میں لیبارٹریز ISO 17025 سرٹیفیکیشن کی حامل ہیں جس سے ہیٹ وے پاکستان میں صرف دوسری سینٹ بنانے والی کمپنی ہے جس نے یہ سنگ میل عبور کیا ہے۔ تین دیگر پلائس پر ہماری لیبارٹریز بھی اس سرٹیفیکیشن کے حصول کیلئے کارروائی میں مصروف ہیں۔

مارکیٹنگ

ہیٹ وے اپنی مستقل اعلیٰ معیار، وسیع ترین مصنوعات کی حد بندی، مؤثر خرید و فروخت کی حکمت عملی، صارف کی سہولت اور اپنی سرگرم و پر عزم خرید و فروخت کی ٹیمز کی وجہ سے اپنی بطور مارکیٹ لیڈر کی حیثیت کو مسلسل برقرار رکھے ہوئے ہے۔ آپ کی کمپنی پاکستان کے اندر دوسری سب سے بڑی سینٹ بنانے والی کمپنی ہے اور ISO 9001 کو ایلیمنٹ سسٹم کیلئے تصدیق شدہ ہے۔

ہیٹ وے اپنی اعلیٰ کوالٹی پروڈکٹس کیلئے معروف ہے۔ اس کی پروڈکٹس ملکی مارکیٹ اور بین الاقوامی مارکیٹس میں بھی اعلیٰ برانڈز کے طور پر مضبوطی سے قائم ہے۔ آپ کی کمپنی ان چند کمپنیز میں شامل ہے جن کے پاس سی ای - سرٹیفیکٹ آف کنفرمٹی موجود ہے اور جو اپنی سینٹ کو بھارت برآمد کرنے کیلئے بھی سرٹیفائیڈ ہیں۔ ان سرٹیفیکیشن سے ہیٹ وے کیلئے بھارت، یورپی کمیونٹی اور ممالک میں برآمدات کے مواقع تلاش کو ممکن بنایا جہاں سی ای سرٹیفیکیشن درکار ہے۔ آپ کی کمپنی تسلسل کے ساتھ افغانستان کو سینٹ برآمد کرنے والے بڑے بڑے برآمد کنندگان میں سے ایک ہے۔

تربیت اور فروغ

آپ کی کمپنی اپنے عملے کیلئے تربیت، فروغ اور تعلیم کو بڑی اہمیت دیتی ہے۔ اپنی ورک فورس کو بہترین عملی تکنیک اور طور طریقوں سے آگاہ رکھنے کی غرض سے، مختلف شعبوں اور افراد کی مختلف اقسام کیلئے ٹیکنیکل اور جنرل مینجریل ٹریننگ کورسز کا اہتمام کیا جاتا ہے۔ اسٹاف ممبرز کو دیگر اداروں کی جانب سے بیرونی طور پر ترتیب دیئے گئے کورسز، ورکشاپس اور سیمینارز پر بھی بھیجا جاتا ہے۔ کمپنی اپنے ملازمین میں پروفیشنل ڈویلپمنٹ اور کریئر کوآگے بڑھانے کی لگن میں ان کی بڑی استعدادی سے حوصلہ افزائی کرتی ہے اور انھیں مدد بھی کرتی ہے۔

ورک فورس کے ہنر کے فروغ اور اسے نکھارنے کے عزم کے حصے کے طور پر، آپ کی کمپنی نئے اہل انجینئرز، گریجویٹس، پروفیشنلز اور حتیٰ کہ غیر ہنرمند افراد کو بھی باقاعدگی سے ملازمت فراہم کرتی ہے۔ منظم ٹریننگ پروگرامز کو پوری احتیاط کے ساتھ منعقد کیا جاتا ہے تاکہ عملے کے ان افراد کو ضروری علم، عملی تجربے اور ہنرمند اور مفید ذریعہ بن جانے کے اعتماد سے آراستہ کرنے کو یقینی بنایا جائے۔

زیر تربیت انجینئرز کو الیکٹریکل، میکینیکل اور کان کنی کے شعبوں میں زبردست تربیت دی جاتی ہے، جبکہ زیر تربیت انتظامی افراد کو مارکیٹنگ، فنانس، افرادی وسائل اور انتظامی امور میں شامل کر لیا جاتا ہے جہاں انہیں مستقبل میں مؤثر مینجریل سب سے اہمیت دی جاتی ہے۔ ایجنٹس کو تمام فیکٹریوں میں مختلف ٹیکنیکل شعبوں میں ملازمت دی جاتی ہے۔ جبکہ ان میں سے کچھ زیر تربیت اور ایجنٹس کو کمپنی ہی میں رکھ لیا جاتا ہے، دیگر افراد دوسری صنعتوں میں چلے جاتے ہیں جہاں وہ ہیٹ وے سینٹ کی طرف سے فراہم کردہ بنیاد پر کامیاب تعمیر اس تربیت کے ذریعے کرتے ہیں جو انھیں ان کے کریئر میں ترقی کیلئے فراہم کی گئی تھی اور اس وہ اس ملک کی ترقی میں اپنا کردار ادا کرتے ہیں۔

صحت و حفاظت

آپ کی کمپنی کی اپنی شہرت ایک ذمے دار ادارہ جاتی شہری کے طور پر ہے اور وہ صرف اپنے ملازمین کی صحت و حفاظت کو سب سے اولین ترجیح نہیں دیتی بلکہ اپنے کاروبار کو مؤثر طور پر انجام دینے کے سلسلے میں سب کنٹریکٹڈ افراد کیلئے بھی ترجیح دیتی ہے۔ آپ کی کمپنی اس لئے کام کی جگہ پر جانی نقصان اور املاک کی بربادی کی روک تھام کیلئے بھی پرعزم ہے اور اپنے ماحول، صحت اور سیفٹی منجمنٹ اور کارکردگی میں مسلسل بہتری کیلئے کوشاں ہے۔

اقدامات جس میں کام کے محفوظ نظام پر تربیت بھی شامل ہے کیونکہ صحت و حفاظت، حفاظتی اجلاس، ورک سسٹم کیلئے اجازت نامہ مع خطرات کی تشخیص، نشاندہی اور خطرات کے قابو، واقعات کی اطلاع کرنا، سیفٹی آڈٹس، سیفٹی چیمپئنز، اچھی ہاؤس کیپنگ اور حفظانِ صحت کے کنٹرولز کے مختلف پہلوؤں پر تربیتوں کو سرگرمی سے اور لگاتار جاری رکھا جاتا ہے تاکہ عملے کے تمام افراد میں حفاظتی برتاؤ کو فروغ دیا جائے۔ آپ کی کمپنی صنعتی امور کار کو محفوظ تر بنانے کیلئے کوشاں ہے، اور ملازمین، کنٹریکٹرز اور دیگر اسٹیک ہولڈرز جیسے وزیٹرز اور درددل کی آبادیوں میں آگہی کی سطح میں اضافے کی غرض سے کئی احکامات اور معیارات اور مشورہ جات قائم کر دیئے ہیں۔ یہ مشورہ جات پورے ادارے میں سختی سے پیروی کیے جاتے ہیں اور بہترین طور طریقوں کے طور پر بیرونی اسٹیک ہولڈرز کے ساتھ تبادلہ کیے جاتے ہیں کیونکہ ہمارے لئے حفاظت فرض منصبی کی بجائے ایک طرز زندگی ہے۔

کووڈ-19

آپ کو یہ جان کر خوشی ہوگی کہ آپ کی کمپنی کووڈ-19 سے متعلق تمام ایس او بیز کی لگاتار پاسداری کر رہی ہے اور کمپنی کی جانب سے اختیار کیے گئے اقدامات کے نتیجے میں، ہمارے کسی پلائس یا دفاتر میں انفیکشن کی وباء نے متاثر نہیں کیا ہے۔ کووڈ-19 وباء کی جاری چوتھی اہر کے دوران، کمپنی کی انتظامیہ اپنے تمام تر آپریشنز پر ایس او بیز کی پاسداری میں ہوشیار رہی۔ حقیقت میں ہمارے فاروقیہ پلانٹ کو توصوبائی معائنہ ٹیم، حکومت خیبر پختونخوا کی جانب سے کووڈ-19 کی روک تھام کیلئے مزید سرکاری ایس او بیز کے نفاذ کیلئے سرٹیفیکٹ بھی دیا گیا ہے۔

آپ کی کمپنی کی طرف سے ایک مکمل ویکسینیشن مہم چلائی گئی۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی کی 98 فیصد سے زائد افرادی قوت کو اب حفاظتی ٹیکے لگائے جا چکے ہیں۔

چونکہ حکومت کی جانب سے پابندیوں میں بتدریج نرمی کر دی گئی ہے، اس لئے آپ کی کمپنی عملے کے تمام ارکان کیلئے بلند ترین معیارات حفاظت سے جڑے رہنے کیلئے نہایت پرعزم ہے اور یقین دہانی کرواتی ہے کہ ہیٹ وے کام کی اور کاروبار کرنے کی محفوظ جگہ ہے۔

ماحول

ہیٹ وے سینٹ کی اپنی شہرت ایک ذمے دار کارپوریٹ سینیئر کی ہے اور وہ ناصر ف اپنے ملازمین کیلئے حفاظت اور صحت مند ماحول کی تشکیل کو اولین ترجیح دیتی ہے بلکہ ہماری ان برادریوں کیلئے بھی جہاں کمپنی کے اپنے چار پلائس قائم ہیں کو اولین ترجیح دیتی ہے۔ سماجی ماحول کی بھلائی جس میں ہیٹ وے کام کرتی ہے اسے کمپنی کی کامیابی کا لازمی جزو تصور کیا جاتا ہے۔ ہمارے پلائس ISO 14001:2004 انوائرنمنٹل مینجمنٹ سسٹم (ای ایم ایس) سرٹیفائیڈ ہیں۔

کمپنی اس بات کو یقینی بناتی ہے کہ اس کے پلائس ہمہ وقت ماحولیات کے قائم شدہ معیاری معیارات کی پاسداری کے تسلسل کو برقرار رکھیں۔ ہمارے پلائس صرف متعلقہ ادارہ برائے تحفظ ماحول پاکستان (ای پی اے) کے مجوزہ ماحولیاتی معیاری معیارات کی سختی سے تکمیل کرتے ہیں بلکہ وہ زیادہ بڑے عالمی اخراج کے معیارات کی بھی رضا کارانہ طور پر پاسداری کرتے ہیں۔ اسے ہمارے پلائس اور ذیلی پلائس کی ڈیزائن سسٹم میں ماحولیاتی تصورات کو شامل کرنے کے ذریعے حاصل کر لیا گیا ہے۔ نصب کردہ الیکٹرو اسٹینک پریسیپٹیٹرز اور ہیگ-ہاؤس فلٹرز اس کلاس میں بہترین ہیں جبکہ لگاتار دیکھ بھال اور اپ گریڈیشن نے کمپنی کو اس کے زبردست امیشن ریکارڈ کو برقرار رکھنے میں مدد دیتا ہے۔

ہیٹ وے خود مختار ماہرین کے ذریعے اپنی پروڈکشن سہولیات کے باقاعدہ جائزے کا انعقاد بھی کرتی ہے اور فریق ثالث مشیروں کے ذریعے اخراج کی ماہانہ نگرانی بھی کی جاتی ہے تاکہ اس بات کو یقینی بنایا جائے کہ ہم انضباطی شرائط اور اندرونی اہداف کے ساتھ ہم آہنگ ہیں۔ مزید برآں ای پی اے کے ساتھ فعال اشتراک بھی تمام تر ہیٹ وے پلائس پر ماحولیات کا عالمی دن منانے کی بجائے جاری رہا جس میں متعلقہ ای پی اے کے نمائندوں نے شرکت کی۔

ہیٹ وے ماحولیات کو بہتر بنانے کے مختلف پروگرامز میں باقاعدگی سے شریک ہوتی ہے جس میں شجرکاری مہم اور کانوں کی بحالی کے اقدامات بھی شامل ہیں۔ ایک جامع کانوں کی بحالی کا منصوبہ کمپنی کی سطح پر نافذ کیا جا رہا ہے تاکہ ان کانوں کے استعمال شدہ حصوں کو بتدریج بحال کر دیا جائے۔

چکوال پلانٹ پر زیتون کے کئی درخت لگائے گئے جن کی اب تعداد 11,000 سے بھی تجاوز کر چکی ہے۔ اس جگہ کو حکومت پنجاب کی طرف سے زیتون کیلئے مرکزی علاقہ قرار دے دیا گیا ہے۔ لوکاٹ چکوال کے علاقے کا پھلدار مقامی درخت ہے۔ ہیٹ وے کے صاف و شفاف سرسبز عزم کے جزو کے طور پر، صرف پچھلے سال کے دوران ہم نے قریباً 38,000 پودے کام کی تمام تر جگہوں پر کاشت کیے۔ اس کے علاوہ تمام کے تمام چاروں پلائس پر دیگر پھلوں کے باغات بھی قائم ہیں جو کہ آپ کی کمپنی کے وہ جاری و ساری کام ہیں جو پائیدار ترقی کے حصول کا حصہ ہے۔

کلرکھار کی کانوں کے علاقے میں ایک دلکش منظر قائم ہے جس میں 100 سے زائد صنوبر اور دیودار (سرو) اور دیگر مقامی انواع کے درخت بھی شامل ہیں۔ ہتارکانوں کے علاقے میں ایک اور خوبصورت منظر

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2021ء کو ختم شدہ سال کیلئے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ کے ہمراہ اپنی رپورٹ پیش کرتے ہوئی خوشی محسوس کرتے ہیں۔

بے شمار چیلنجز خصوصاً وبائی صورتحال جو کہ دنیا بھر کیلئے پریشانی کا سرچشمہ بنی ہوئی ہے کے باوجود پاکستان کی معیشت حکومت کی جانب سے اعلان کردہ کئی اقدامات کی مدد سے بتدریج ترقی کی راہ پر گامزن ہو رہی ہے۔ کووڈ صورتحال کی ہوش مندانہ نظم کاری کے علاوہ، گزشتہ 18 مہینوں کے دوران اعلان کردہ کاروبار دوست اقدامات، سازگار مالیاتی پالیسی اور کاروبار کیلئے رعایتی قرضہ جات وہ اقدام ہیں جن کے بارے میں خیال کیا جاتا ہے کہ وہ ترقی کی رفتار کو برقرار رکھنے میں مددگار ثابت ہوں گے۔ کاروبار کے بہتر ماحول نے معیشت کے کئی شعبوں کو براہ راست مستفید کیا ہے۔ زیرِ جائزہ سال کے دوران، بڑے پیمانے پر صنعتی پیداوار میں 14.85% (2020: 9.8% تک کمی) کا اضافہ ہوا ہے جبکہ ملک کے اندر تعمیراتی سرگرمیوں میں قابل ذکر اضافے کا مشاہدہ بھی کیا گیا ہے۔

صنعتی جائزہ:

اندرون ملک سینٹ کی ترسیلات گزشتہ سال کے 40.0 ملین ٹن سے 20% تک بڑھ کر زیرِ جائزہ سال کیلئے 48.1 ملین ٹن ہو گئے۔ برآمدی حجم میں بھی 19% کا اضافہ ہو گیا جو گزشتہ سال کے 7.8 ملین ٹن کے مقابلے میں بڑھ کر 9.3 ملین ٹن ہو گیا۔ مجموعی طور پر اس صنعت کی ترسیلات 20% کے اضافے سے پچھلے سال کے 47.8 ملین ٹن سے بڑھ کر زیرِ جائزہ سال کیلئے 57.4% ہو گئی ہیں۔ حجم میں اس اہم تبدیلی کی بنیادی وجہ گزشتہ برس سے رکی ہوئی طلب، حکومت کی جانب سے اعلان کردہ تعمیراتی چیک اور دیگر کئی امدادی ورعایتی اقدامات ہیں جس کا آغاز حکومت کی جانب سے کیا گیا تاکہ ملک کے اندر عوامی اعتماد اور تعمیراتی سرگرمیوں کو فروغ دیا جائے۔

سینٹ کی صنعت کے مجموعی مارجنز بھی پچھلے سال کے مقابلے میں بہتر ہو گئے جو کہ طلب میں پر جوئی اور بہتر نرخوں کا نتیجہ ہے۔

مالیاتی عملی جائزہ

پیداوار اور فروخت کا جائزہ

	30 جون 2021ء کو ختم شدہ سال	30 جون 2020ء کو ختم شدہ سال	اضافہ	فیصد
	ٹن	ٹن	ٹن	%
کلنکر کی پیداوار	7,935,419	6,418,623	1,516,796	24%
سینٹ کی پیداوار	8,696,792	7,263,500	1,433,292	20%
سینٹ اور ایکسٹریم یونٹ کی فروخت	8,663,504	7,311,290	1,352,214	18%

آپ کی کمپنی نے مجموعی سینٹ کی ترسیلات میں دہرے ہندسے کا اضافہ ظاہر کیا جس کی وجہ دونوں ملکی و برآمدی فروخت کے حجموں میں اضافہ ہے۔ یہ اضافہ طلب میں اچھی خاصی بہتری جس کی وجوہات کی وضاحت اوپر کردی گئی ہے کی وجہ سے ہوا ہے۔

سخت مسابقت کے باوجود، بیسٹ وے نے کامیابی سے ملک کے اندر سب سے بڑے سینٹ بنانے والوں میں سے ایک اور مارکیٹ لیڈر کے طور پر اپنی حیثیت کو برقرار رکھا۔

مالیاتی جھلکیاں

30 جون 2021ء کو ختم شدہ سال کیلئے کمپنی نے 85.2 ارب روپے کا مجموعی کاروبار ریکارڈ کیا ہے جو کہ پچھلے سال کے دوران 63.7 ارب کے مقابلے میں 34% زیادہ ہے۔ خالص کاروبار 53% کی شرح سے بڑھتے ہوئے 37.1 ارب سے بڑھ کر 56.9 ارب روپے ہو گیا۔

اس سال کیلئے مجموعی منافع پچھلے سال کے 1.1 ارب روپے سے بڑھ کر 16.6 ارب روپے ہو گیا۔

کاروبار اور مجموعی منافع میں اضافے کے محرکات میں بلند تر سیلز حجم، بہتر قیمت فروخت اور فیڈرل ایکسائز ڈیوٹی میں کمی شامل ہیں۔

اس سال کیلئے مالیاتی چارجز پچھلے سال کے 2.2 ارب روپے کے مقابلے میں 1.1 ارب روپے تک کم ہو گئے۔ اس کمی کی وجہ شرح سود میں کمی اور مثبت کیش فلوز کے سبب قرضوں میں ہے۔

منافع قبل از ٹیکس کی رقم 30 جون 2020 کے 0.5 ارب روپے کے نقصان کے مقابلے میں اس سال 15.50 ارب روپے منافع رہی۔ جبکہ منافع بعد از ٹیکس پچھلے سال کے 0.05 ارب کے منافع کے ساتھ اس سال مقابلتاً اس کی رقم 11.6 ارب روپے منافع رہی۔

30 جون 2021ء کو ختم شدہ سال کیلئے کمپنی کی آمدن فی حصص پچھلے سال کے 0.08 کے مقابلے میں 19.42 روپے ہو گئی۔

کمپنی کا کل سرمایہ 30 جون 2020ء کو ختم شدہ سال کے 54.7 ارب روپے کے مقابلے میں 60.1 ارب روپے رہا۔

آپ کی کمپنی اپنے ہر اقسام کے قرضوں کی ادائیگی کے فرائض میں جلدی کا مظاہرہ کرتی ہے۔

30 جون 2021ء پر ہمارے موجودہ خالص اثاثہ جات کی مالیت 6.4 ارب روپے (2020: 1.4 ارب روپے کے موجودہ خالص واجبات) تھی۔ یہ اہم بہتری سال کے دوران بلند تر زرفند کی تشکیل کے نتیجے میں آئی ہے۔

دیگر سرمایہ کاریاں

یونائیٹڈ بینک لمیٹڈ

یونائیٹڈ بینک لمیٹڈ میں آپ کی کمپنی کی سرمایہ کاری کی کمپنی کیلئے مستحکم منافع کے حصول کو جاری رکھے ہوئے ہے 31 دسمبر 2020ء کو ختم شدہ سال کیلئے بینک کا منافع قبل از ٹیکس 34.4 ارب روپے تھا۔

آپ کو یہ جان کر خوشی ہوگی کہ 31 دسمبر 2020ء کو ختم شدہ سال کیلئے بینک نے 135% منافع منقسمہ ادا کیا ہے اس طرح آپ کی سرمایہ کاری پر 1.3 ارب روپے کا منافع دیا ہے۔

یو بی ایل انشوررز لمیٹڈ

یو آئی ایل نے 31 دسمبر 2020 کو ختم شدہ سال کیلئے 94 ملین روپے کے قبل از ٹیکس منافع کی اطلاع دی ہے۔ یو بی ایل انشوررز نے 31 دسمبر 2020ء کو اس کے ختم شدہ سال کیلئے کوئی بھی منافع منقسمہ ادا نہیں کیا ہے۔

قومی خزانے میں حصہ

بیسٹ وے سینٹ ملک کے اندر سب سے بڑے ٹیکس دہندگان میں سے ایک ہے۔ زیرِ جائزہ سال کے دوران، آپ کی کمپنی کا قومی خزانے میں حصہ اکم ٹیکس، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مدد میں 28.2 ارب روپے سے زائد تھا۔ اس کے علاوہ، آپ کی کمپنی وفاقی، صوبائی اور بلدیاتی حکومتوں کو بڑی رقم کئی بالواسطہ ڈیویڈنڈ اور ٹیکسز کی صورت میں بھی ادا کرتی ہے۔

صلاحیت میں توسیع

ملک کے اندر سینٹ کی بڑھتی مانگ کے پیش نظر، آپ کی کمپنی نے 9 میگا واٹ ویسٹ ہیٹ ریکوری پلانٹ کے ساتھ پائپ لائن، میانوالی کے قریب یومیہ 7200 ٹن کلینکر کی گنجائش کے ساتھ گرین فیلڈ سینٹ پلانٹ قائم کرنے کا فیصلہ کیا ہے۔ اس مقصد کیلئے کمپنی نے ای پی سی کیلئے سائنو مائنٹیشنل انجینئرنگ کمپنی، لمیٹڈ، پی آر چائنا کے ساتھ ایک معاہدہ کر لیا ہے۔ تمام ضروری انضباطی منظوریاں اور مالیاتی انتظامات حاصل کر لیے گئے ہیں اور کام کا آغاز کر دیا گیا ہے۔

پلائس کی کارکردگی

آپ کی کمپنی کی انتظامیہ آغاز سے ہی مرمت کی روک تھام کے جامع منصوبے پر کاربند ہے۔ اس فعال سوچ نے کم سے کم رکاوٹوں کے ساتھ مستعد اور مستحکم آپریشنز کو یقینی بنایا ہے۔ ہمارے پرعزم منیجرز، انجینئرز، ٹیکنیشنز اور مینجمنٹ اور ایڈمنسٹریٹو اسٹاف کے دیگر ممبران کی مربوط ٹیم نے اس منصوبے کے کامیاب نفاذ میں کلیدی کردار ادا کیا ہے۔