# Speed Sustainability

**ANNUAL REPORT 2021** 



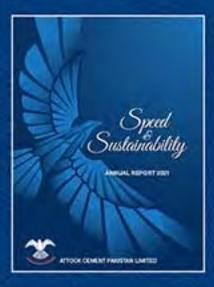
ATTOCK CEMENT PAKISTAN LIMITED

### **OVERVIEW**

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

The journey of Attock Cement started from the year 1981 and the company started its commercial production in 1988. In 4 decades, the Company has shown steady growth. ACPL has attained new peaks every year through strong team work, continuous modernization of the plant to improve efficiency and with utmost hard work. ACPL has cemented its place not only in the local market but also in the regional markets through selling quality products.

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



## Speed & Sustainability

The cement industry plays a pivotal role in Pakistan's economy. It not only contributes to the GDP of the country but also creates employment opportunities for thousands of the citizens. At Attock cement, our core objective is to build a better and stronger tomorrow.

A better and stronger tomorrow not only for the Company but also for all our direct and indirect stakeholders, which is critical to our mission.

Keeping all this in mind, this year we have chosen our theme to depict "speed & sustainability", a need of the hour, of every segment in the industry. The Falcon, which carries the core attributes of perfection with time.

In this prevalent situation, we are committed to providing the best value products & developing long-lasting relationships with our stakeholders. Moving forward is in our DNA, just like the falcon.

## CONTENTS

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

Company Information	02	Unconsolidated Financial Statements		
Group Structure	03	Independent Auditor's Report to the	70	
Our History	04	Members		
Vision & Mission	07	Statement of Financial Position	76	
Corporate Strategy	09	Statement of Profit or Loss & Other Comprehensive Income	77	
Core Values	10	Statement of Changes in Equity	78	
Code of Conduct	12	Statement of Cash Flows	79	
Quality, Health, Safety & Environmental Policy	16	Notes to and forming part of the Financial Statements		
Whistle Blowing Policy Statement	17			
Corporate Social Responsibility	18			
Our Products	23	Consolidated Financial Statement	s	
Board of Directors	26	Independent Auditor's Report to the	116	
Management Committees	32	Members		
Corporate Organogram	34	Statement of Financial Position	12	
Chairman's Review	37	Statement of Profit or Loss & Other Comprehensive Income	12	
Directors' Report (English)	38	Statement of Changes in Equity	12:	
Pattern of Shareholding	47	Statement of Cash Flows	12	
Stakeholders' Engagement	48	Notes to and forming part of the	12	
Shareholders' Information	49	Financial Statements	12	
Six Years at a Glance	55			
Notice of the Forty-Second (42nd) Annual General Meeting (English)	60	Events	16	
Statement of Compliance with the Listed	64	Directors' Report (Urdu)	17	
Companies (Code of Corporate Governance) Regulations, 2019		Form of Proxy (English & Urdu)		
Independent Auditor's Review Report to the Members on Statement of Compliance	67		17	

### **COMPANY INFORMATION**

Chairman

#### **Board of Directors**

Laith G. Pharaon Wael G. Pharaon Shuaib A. Malik Abdus Sattar Shamim Ahmad Khan Mohammad Haroon Babar Bashir Nawaz

#### Chief Executive

Babar Bashir Nawaz

#### **Alternate Directors**

Shuaib A. Malik Irfan Amanullah

#### **Audit Committee of the Board**

Shamim Ahmad Khan Chairman Shuaib A. Malik Member Abdus Sattar Member

#### **HR & Remuneration Committee**

Shamim Ahmad Khan Chairman Shuaib A. Malik Member Mohammad Haroon Member

#### Company Secretary

Irfan Amanullah

#### Chief Financial Officer

Muhammad Rehan

#### Auditors

A.F. Ferguson & Co. Chartered Accountants

#### Cost Auditors

UHY Hassan Naeem & Co. Chartered Accountants

#### Legal Advisor

M/s. HNT & Associates

#### Bankers

MCB Bank Limited
The Bank of Punjab
Allied Bank Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Ltd,
Dubal Islamic Bank Limited
Habib Metropolitan Bank Ltd.

#### Registered Office

D-70, Block-4, Kehkashan-5, Clifton, Karachi-75600 Tel: (92-21) 35309773-4 UAN: (92) 111 17 17 17 Fax: (92-21) 35309775 Email: acplicattockcement.com

#### Plant

- Hub Chowki, Lasbella Baluchistan
- Cement Grinding Unit Industrial Sector, Land No. 1/7, Sector 56, Al-Arquii Al Janobi, Khor Al-Zubair, Basra, Iraq.

#### Share Registrar

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



## **GROUP STRUCTURE**

#### **Holding Company**



#### **Associated Companies**















**Technology Services Limited** 





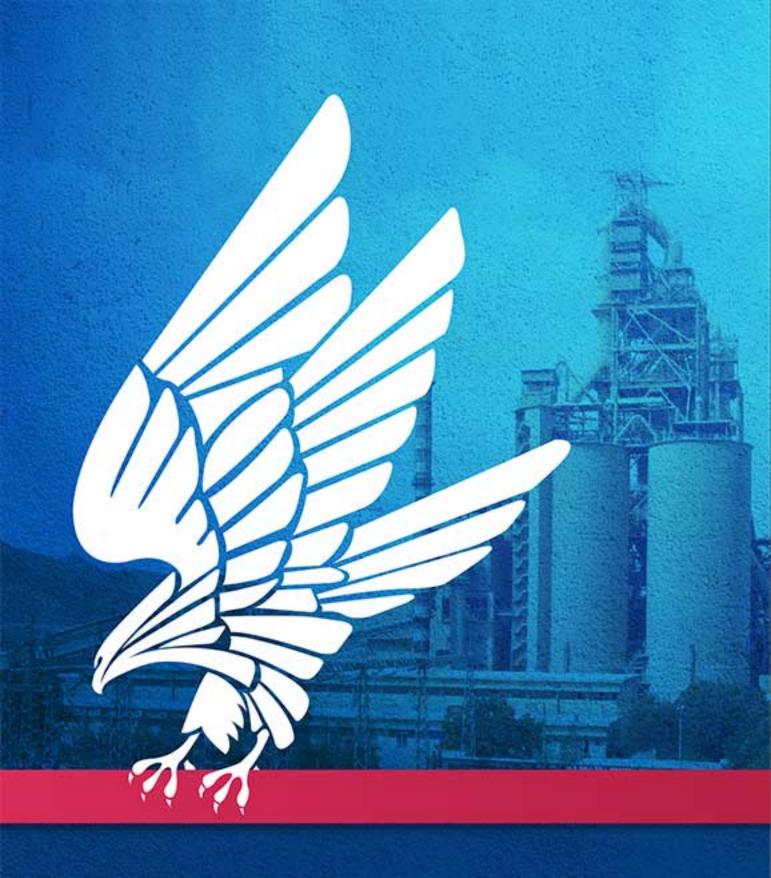
Attock Energy (Pvt) Limited



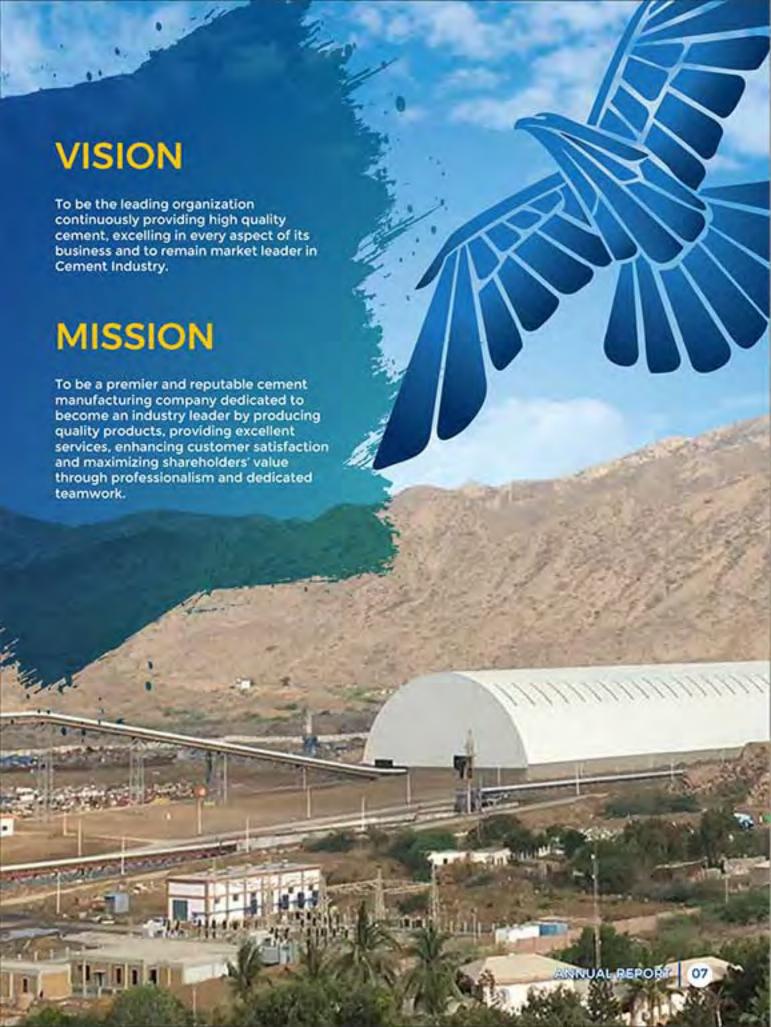


## **OUR HISTORY**











### CORPORATE STRATEGY

#### **Objectives**

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

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

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

#### Strategy

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

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

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

## CORE VALUES

#### **ETHICS**

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

#### QUALITY

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

#### PEOPLE

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

#### **BUSINESS EXCELLENCE**

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



### CODE OF CONDUCT

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

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

#### 1) Ethics

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

#### 2) Quality

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

#### 3) Respect, Honesty and Integrity

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

#### 4) Compliance with Laws, Rules and Regulations

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

#### 5) Full and Fair Disclosure

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

#### 6) Prevent Conflict of Interest

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

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

#### 7) Trading in Company shares

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

#### 8) Inside information

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

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

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

#### 9) Media relations and disclosures

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

#### 10) Corporate Opportunities

Directors and Employees are expected not to:

- a. take personal use of opportunities that are discovered through the use of Company property, information or position.
- b. use Company property, information, or position for personal gains.
- c. Directors and employees are expected to put aside their personal interests in favor of the Company interests.

#### 11) Business Excellence, Competition and Fair Dealing

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

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

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

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

#### 12) Equal Employment Opportunity

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

#### 13) Work Environment

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

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

#### 14) Record Keeping

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

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

#### 15) Protection of Privacy and Confidentiality

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

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

#### 16) Protection and Proper use of Company Assets / Data

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

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

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

#### 17) Gift Receiving

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

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

#### 18) Communication

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

#### 19) Employee Retention

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

#### 20) Internet use / Information Technology

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

#### 21) Compliance with Business Travel Policies

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

#### 22) Compliance

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

## QUALITY, HEALTH, SAFETY & ENVIRONMENTAL POLICY

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

We will achieve this standard through.

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



## WHISTLE BLOWING POLICY STATEMENT

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

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

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

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

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

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



#### EMPLOYMENT PRACTICES

ACPI understands the importance of its human resource development and thus ensures to provide a conducive working environment that can add value to the overall organizational performance.

During talent acquisition programs, a large number of fresh graduates are hired with extensive development plans. Such programs help the Company in developing young talent and putting them into future leadership roles.

For performance evaluation, a proper Performance Development Program (PDP) has been designed in order to retain and reward every employee: with ample opportunities to prove them for future leadership role. The Company's compensation packages to its employees are market driven, and are based on the fair assessment of employees' performance. In this regard, regular market surveys are being conducted for bench marking and critical positions development. Hence, the Company is proud to provide opportunities to its employees that are rewarding both; in terms of compensation and also, in terms of career opportunities.

The Company believes in open communication with its employees and gives opportunities to them to provide open feedback so that their potential can be tapped accordingly.

Regular team building activities and other developmental programs are arranged to encourage employee productivity hence fostering inter-departmental coordination. The Company also believes in conducting regular feedback sessions, and employee surveys related to employee policies, to check on company's overall atmosphere and to take further decisions in order to facilitate employees. Regular awareness sessions on general safety, health and other professional grooming are also planned for employees for their personal capacity building.

In order to further develop employees internal trainers are being identified so that a training culture can be fostered and programs can be customized accordingly.

## CORPORATE SOCIAL RESPONSIBILITY

#### COMPANY'S CSR PHILOSOPHY

Corporate Social Responsibility is a significant part of our strategies & practices here at Attock Cement Pakistan Ltd. We believe CSR shapes the values of our organization which ultimately leads to social growth & sustainable business development. A social uplift and holistic development of the under-developed areas of Baluchistan (the nucleus of the company's commercial operations) has been carried out by Attock Cement successfully.

An unbreakable commitment to society has been imprinted in our values since the very beginning. We feel immensely proud to give back to the land where we operate from Almost every sector i.e. Education. Healthcare, Environmental conservation & many more have been blessed by philanthropic initiatives taken by the company.

We will continue to pave way for a bright & promising future by leveraging these exceptional resources and thus generating massive social and environmental value.

#### **EFFORTS TO SECURE ENVIRONMENT**

As part of its corporate strategy to reduce the carbon footprint of ACPL and ensure power generation through greener and environment friendly methods, the Company has installed a 20 megawatt. Solar Power Project at the plant for electricity generation.

Through projects of bag house, Waste Heat Recovery System and other environment friendly projects, emissions of stacks are ensured to be within permissible limit of NEQ Standards

ACPL has planted more than 4,000 saplings in the factory premises (Hub) Baluchistan) to reduce carbon footprints.



#### **CONTRIBUTION TO FIGHT COVID-19**

For the safety of the employees the head office and the factory were working with the minimal employees, while the rest were provided facilitation to work from home.

The Company also encouraged employees and their families to get vaccinated. An extensive vaccination drive was carried in factory to get proper protocols in getting employees vaccinated.

Also during Covid, Company Supported external stakeholders. In this regard, Company Management provided Covid protection dresses and anti Covid19 spray to Jam Ghulam Qadli Hospital Hub.

Also ACPL Management provided Anti Rables Vaccine and insulin to District Health officer Lasbela. Besides this, Ration bags were also distributed to nearby areas.

#### OCCUPATIONAL HEALTH & SAFETY

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety and all production facilities are fully compliant with quality standards.

In the field of medical services. Company is providing its expertise in full swing in terms of a 6 bedded medical center within factory premises, a welfare dispensary at Sakran and through distribution of free medicines throughout the year through regular medical camps. The treatment in camps is free for the local communities.

The Company Has also implemented an integrated Quality. Environment, Health & safety management system based on ISO 9001, ISO 14001 and OHSAS 18001 requirements.

Regular safety drills are also conducted to record maximum of safe hours in the factory. Also, employees are regularly given orientations about safe work environment. A lot of interventions are in pipeline to further enhance the safety culture.

#### COMMUNITY RELATIONS

We are committed to be responsible neighbours. This means operating in compliance with applicable regulations and being an integral part of the life of our communities. We accomplish this through support of local non-profit organizations, providing access to our properties and engaging in constant dialogue with residents to inform them of our activities and listen and respond to their concerns. The company provides potable water to many villages in and around its factory area. Through this activity more than 10,000 people have been provided free potable water throughout the year. The Company has established 10 water filtration plants in different Goths located in and around its factory area as part of its overall Social Action Plan. Work is currently underway on installation of the 11th & 12th water filtration plant in Javed Mari Goth and on Adalat Road Hub respectively.

Besides this, the Company has also provided water bore pumps and accessories at different Goths in order to meet water demand of the people. Through these and other actions, we seek to make a difference in our community. Our presence has a measurable positive economic impact on our community.

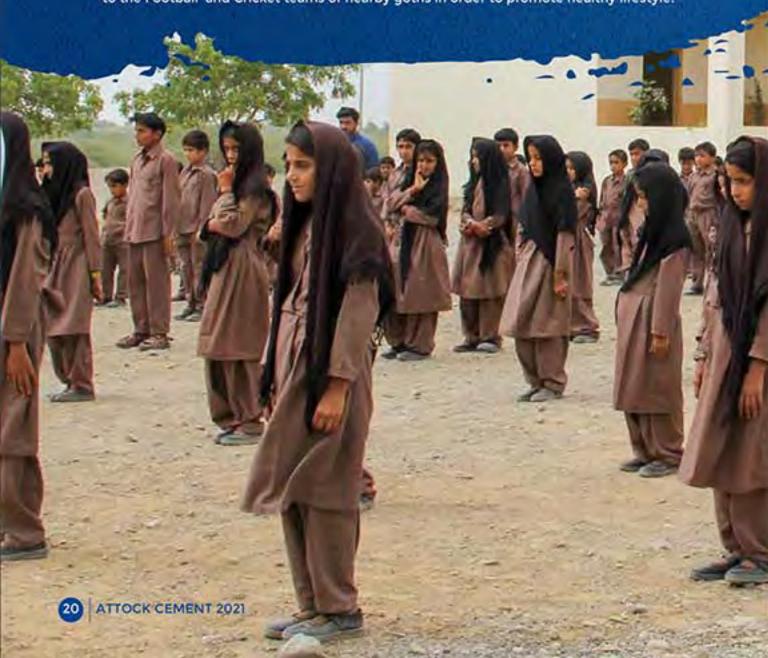


#### **EDUCATION**

The Company currently operates two Primary and Secondary level schools that impart education to children of both plant employees and also those from neighbouring villages. The Company sponsored TCF - Dr. Gaith R. Pharaon Campus, started its academic activities from April, 2010 under the supervision of The Citizen Foundation (TCF), a non-profit organization. Also, another school under the name of Falcon Public School is fully supported by ACPL.

Both the schools have the capacity of almost 1,000 students. These schools have been equipped with all modern facilities including state of the art laboratory. Constant expansion in classrooms and extension of buildings is carried out in both the schools on as and when required basses.

Furthermore, the Company has established a fully functional computer lab to Government High School, Sakran. Additionally, the Company also provided sports kits to the Football and Cricket teams of nearby goths in order to promote healthy lifestyle.





## OUR QUALITY IS GLOBALLY ENDORSED

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

#### **OUR ACTIVE EXPORT MARKETS INCLUDE**

BANGLADESH	IRAQ	SRILANKA	SOMALIA	MOZAMBIQUE
SOUTH AFRICA	OMAN	SUDAN	TANZANIA	MADAGASCAR
QATAR YEMEN KUWAIT INDIA		DJIBOUTI	MAURITIUS	KENYA
		ETHIOPIA	COMOROS	• UAE

### **OUR PRODUCTS**



#### Ordinary Portland Cement (OPC)

OPC being the most popular product under the Falcon Brand is used in all types of general construction. It is manufactured from Portland Clinker and Gypsum and not only conforms but also surpasses to the following standards.

Pakistan Standard

PS 232-2008(R) Grade 43

European Standard

EN 197-1 : 2011: CEM 1. Class 42:5N

#### Sulphate Resistant Cement (SRC)

SRC, another popular product under the Falcon brand, is a cement with additional special features. Generally used in coastal and saline areas. It is manufactured with SR Clinker and Gypsum, as its main constituents. SRC is an active resistant against the attack of sulphate salt and alkali aggregate reaction, in addition to being cost effective and offering greater area coverage.





#### Falcon Block Cement

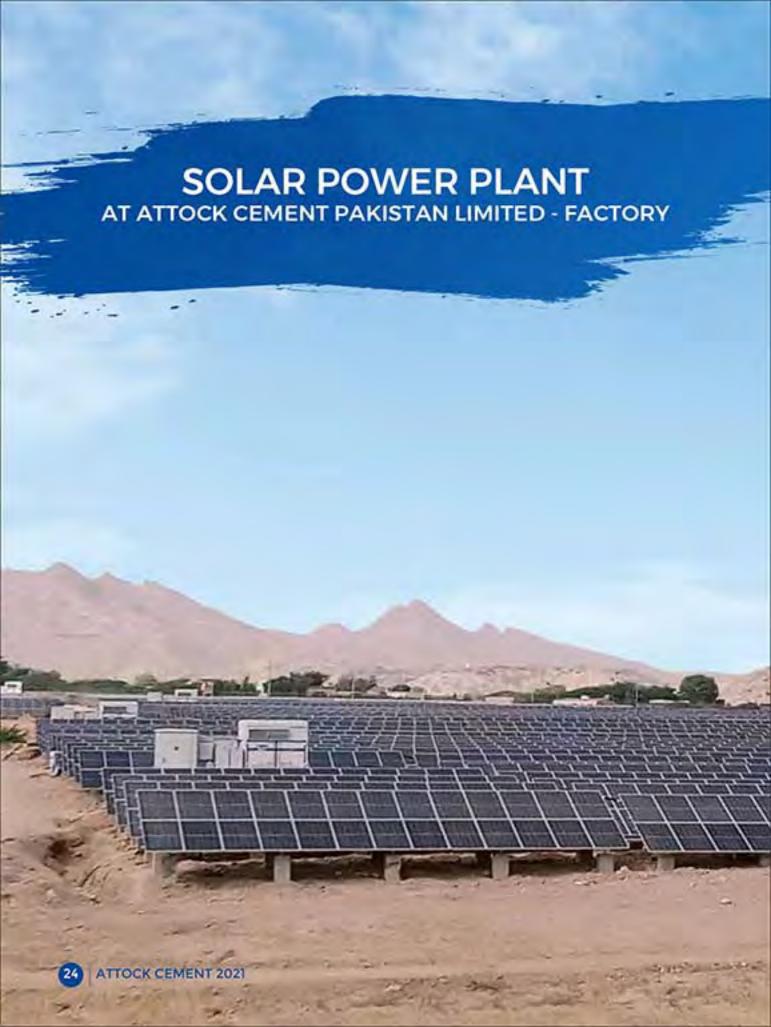
This product has been developed exclusively for block 5 precast slab makers.

The product due to its unique specifications gives quick setting time and is very popular among the block & precast slabs makers. The product due to its quality commands premium in price over the similar products of competitors.

#### Falcon Rock Cement

Another popular product of the Company is Falcon Rock Cement. This product conforms and surpass the Pakistan Standard PS-5313-2014 CEM II A-M (L) & European Standard EN-197-12000 (E) CEM II A-M 42 SN











Wael G. Pharaon



Shuaib A. Malik



Abdus Sattar



Shamim Ahmad Khan



Mohammad Haroon



Babar Bashir Nawaz



Irfan Amanullah (Alternate Director)

## PROFILE OF THE BOARD OF DIRECTORS



Laith G. Pharaon Chairman Non Executive Director

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

#### OTHER ENGAGEMENTS Chairman & Director

Attock Petroleum Limited The Attock Oil Company Limited

#### Director

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



Wael G. Pharaon Non Executive Director

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

#### OTHER ENGAGEMENTS

Director

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



Shuaib A. Malik Non Executive Director Also Alternate Director to Mr. Laith G. Pharaon.

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around 4 decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July, 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations & affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies, besides being the Director on the Board of all the Companies in the Group.

#### OTHER ENGAGEMENTS

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

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

Chief Executive Officer & Director The Attock Oil Company Limited Attack Petraleum Limited

Director & Alternate Director Attock Gen Limited

Resident Representative Philippon Investment Group Limited (Holding) SAL



**Abdus Sattar** Non Executive Director

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

#### OTHER ENGAGEMENTS

Director

Pakistan Olifields Limited Attock Petroleum Limited Attock Refinery Limited National Refinery Limited

## PROFILE OF THE BOARD OF DIRECTORS



Shamim Ahmad Khan Independent Director

After Joining Civil Service of Pakistan, Mr. Shamim Ahmad Khan served in senior positions in the Government, particularly in the Ministry of Finance and retired as Secretary, Ministry of Commerce: For ten years, he worked in Corporate Law Authority, regulatory body for the corporate sector as a Member and later as Chairman. He restructured it as Securities and Exchange Commission of Pakistan (SECP) and served as its first Chairman. After leaving SECP in 2000, he has been serving as independent/non-executive director of a number of listed companies Presently, he is a non-executive director of IGI Holdings Limited, an independent director of Pakistan Oilfields Limited and Attock Refinery Limited. He is also Chairman of IGI Life Insurance. and IGI General Insurance. Earlier he has served on the Boards of Packages. Abbott Laboratories Pakistan, ABN AMRO/ Royal Bank of Scotland Linde Pakistan and Pakistan Reinsurance Company He has also been associated with non-profit sector. For six years, he served as a Member/ Chairman, Certification Panel, Pakistan Center for Philanthropy and presently he is a member of Board of Governors of SDPI and director of Karandaaz, a non-profit company sponsored by DFID. Mr. Khan has undertaken a number of consultancy assignments for Asian Development Bank World Bank and DFID.

#### OTHER ENGAGEMENTS Independent Director Attock Refinery Limited Pakistan Oilfields Limited



Mohammad Haroon Independent Director

Mr. Mohammad Haroon brings with him over two and half decades of diverse experience in two of the most dynamic and vibrant industries i.e. Oil and Telecommunications A Certified Director from Pakistan Institute of Corporate Governance, additionally he is serving as an Independent Director on the Board of Sui Northern Gas Pipelines Limited (Ministry) of Energy - Petroleum Division) Earlier, he had a long prolific association with the "Attock Group", a fully integrated Group of Companies covering all segments of Oil and Gas industry from exploration. production and refining to marketing of a wide range. of petroleum products. He has extensive experience in the 'downstream' sector of the oil industry. He has the honor of being one of the primary members of the team that established "Attock Petroleum Limited', which is, currently, one of the largest OMCs in Pakistan: Mr. Haroon was also involved in a number of marketing and customer care related initiatives for a Telecom giant in Pakistan During his professional career, he gained rich experience in Retail Network (Development/Sales), Human Resource, Administration. Business Development, Customer Care and Joint Ventures. He has worked in challenging diverse. multi- cultural environments, gaining considerable. exposure to both corporate environment and regional set-ups at a senior level. He has done Masters in Business Administration and attended a number of management courses in Pakistan and abroad.

#### OTHER ENGAGEMENTS Independent Director

Sui Northern Gas Pipelines Limited (Ministry of Energy - Petroleum Division)



Babar Bashir Nawaz Chief Executive & Director

He has been affiliated with the Attock Group of Companies for over 40 years. He took over as Chief Executive Officer in the year, 2002. With his broad based expertise, he has been Instrumental in creating developing a result oriented management team, and an extraordinary business model for the Company that focuses on continually fine-tuning efficiencies and upgrading facilities to meet increased competition and growing challenges in the Cement Industry. In addition to his responsibilities at ACPL, he is also serving as a Director on the Boards of all the listed Companies of the Attock Group in Pakistan During his academics, he pursued Business Management Studies with a major in Finance and holds a Master's degree from the Quaid-e-Azam University, Islamabad. He has attended several advanced level trainings and conferences across the world in relation to the Cement Industry and cames an enormous knowledge about the industrial trends. Over the years, he has been an active participant in various industry bodies and trade associations In the country like OICCI, Karachi Port Trust Currently, he is the Vice Chairman of All Pakistan Cement Manufacturers Association (APCMA)

#### OTHER ENGAGEMENTS

Alternate Director

Attock Petroleum Limited Pakistan Oilfields Limited Attock Refinery Limited National Refinery Limited



Irfan Amanullah Alternate Director

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



## MANAGEMENT COMMITTEES

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

#### **Executive Committee**

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

#### **Procurement Committee**

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

#### **IT Steering Committee**

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

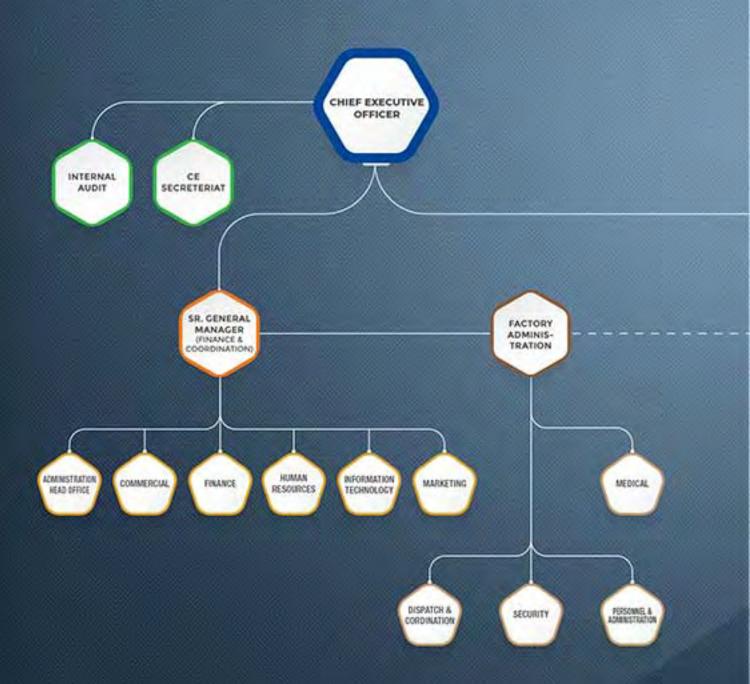
#### **Budget Committee**

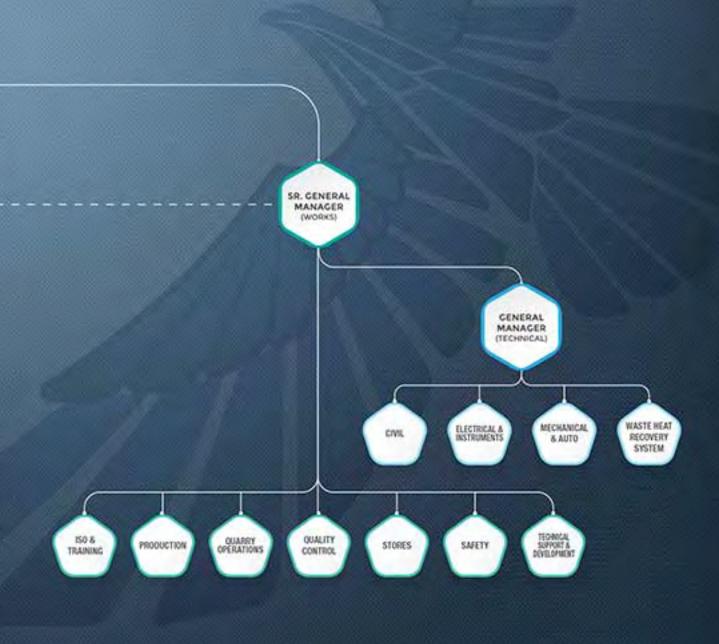
The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

#### Safety Committee

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

## **CORPORATE ORGANOGRAM**







# CHAIRMAN'S REVIEW

# I welcome you all in the 42<sup>nd</sup> Annual General Meeting of the Company.

# Overview of the Economy

Pakistan's economy has successfully resisted 3 waves of COVID 19 pandemic and recovered successfully during the year 2020-21 This V shape recovery was beyond expectations and after witnessing negative growth in the preceding year the country is all set to achieve the GDP growth of around 4% during the year 2020-21 mainly due to impressive growth in Large Scale Manufacturing (LSM) sector and bumper growth in Agriculture sector. Wholesale and retail sector and Service sector also contributed favourably towards this impressive growth. The resulting 3.94% GDP growth rate surpassed IMF and World Bank projections and exceeded the State Bank of Pakistan (SBP) estimate of 3%

The Government has set the GDP growth target of 4.8% for the fiscal year 2021-22 with main emphasis on construction sector which may boost the production of LSM in the upcoming year.

The State Bank of Pakistan has indicated to keep the bench mark interest rate at 7% in short to medium term despite inflationary pressure in order to ensure current momentum in the economy which has further escalated the confidence of the investors on the country's economy.

The Government has also announced a massive package for construction sector including the onetime Amnesty Scheme in order to promote this sector and generate employment in the country.

# **Industry Review**

The Government support packages to the construction sector have showed positive results and the reduction in the interest rates has improved the local tremendously. During concluding year 2020-21 Time cement industry showed a healthy growth of around 20% with overall capacity utilization of 83% During the year ended June 30, 2021, local despatches increased by 20% as compared to same period last year while exports have increased by 19% as compared to the preceding year.

# Operational & Financial Performance

The year 2020-21 was a challenging year and despite of COVID restrictions both in local and regional markets the Company was able to sell 3365.807 M tons (2019-20-2.923,734 M. tons) of both cement and clinker showing increase of 15%. The Company also achieved net sales revenue of Rs. 212 billion Further due to high input costs owing to the significant increase in coal prices in the international market both the gross and operating margins of your remained Company under pressure.

# Board of Directors Performance

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

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

Laith G. Pharaon Chairman

August 11, 2021



The Directors of your Company have pleasure to present before you the Annual Report of your Company along with the audited financial statements for the year ended June 30, 2021.

### **PRODUCTION & SALES**

During the year 2020-21 Company achieved 110% of its overall clinker production capacity and all lines remained operative throughout the year.

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

	2020-21 Oty in	2019-20 M. tons
Clinker Production	3,191,164	2,828,898
Cement Production	2,006,269	1,766,734
Cement Dispatches		
Local	1,490,250	1,244,358
Exports	520,281	522,084
Total	2,010,531	1,766,442
Clinker Dispatches-Export	1,355,276	1,157,292
Total Dispatches	3,365,807	2,923,734

The Company sold 2,010,531 M. tons of cement in both local and export markets, showing an increase of 14% as compared to the preceding year, out of which 1,490,250 M, tons (2019-20: 1,244,358 M. tons) was sold in the local market, showing increase of 20% as compared to the preceding year.

The Company exported 520,281 M, tons of cement in the markets of Sri Lanka and Indian Ocean Island (2019-20: 522,084 M tons)

The Company, during the year under review, continued its exports of high quality clinker in the regional markets of Bangladesh. Sri Lanka and Qatar and was able to sell 1,355,276 M. tons: clinker (2019-20, 1,157,292 M. tons) showing an increase of 17% as compared to the preceding year.

Overall, total dispatches of the Company including both clinker and cement recorded at 3,365,807 M, tons showing increase of 442,075 M tons (15%) as compared to the preceding year. This is the highest ever volumetric dispatch of the company since its inception.

# FINANCIAL PERFORMANCE

A comparison of the key financial numbers of your Company for the year ended June 30, 2021 with the preceding year is as under

	2020-21	2019-20	Inchasa	Increase
	-	St. in Million	******	- 50
Net Sales	21,245	18,501	2,744	15
Gross Profit	4,643	4,249	394	9
Profit Before Tax	1,540	1,532	8	1
Profit After Tax	1,107	1,107		9
EPS in Rupees	8.06	8.06		-

### (i) Sales Performance

The overall net sales revenue increased by Rs. 2,744 million (15%) as compared to the preceding year. This is mainly attributable to higher quantity of 442,075 M tons of cement & clinker sold as compared to the preceding year. The sales prices in local markets remained highly competitive due to availability of surplus capacities and continuous influx of northern brands in the markets of South. In export markets cement prices remained at more or less the same level of previous year with a margin of 5% (+/-). The average net retention per ton of cement sold increased by Rs. 138 per ton (2%) due to marginal price increase and better sales / market mix.

However, export proceeds realized from clinker sales showed decline of US\$ 4.65 per ton due to availability of surplus clinker from Pakistan to regional markets.

# (ii) Profitability

In the year 2020-21 the Company earned a net profit

after tax of Rs. 1,107 million which is almost the same as achieved in the preceding year.

Both Gross margins and operating margins reduced to 22% and 9% from 23% and 11% respectively in preceding year.

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

- Fuel cost per ton of clinker produced increased by Rs. 77 per ton as compared to corresponding period due to rise in the coal prices in the international market. The average purchase price of coal increased by around 10%.
- Power cost per ton of clinker produced increased by Rs 67 per ton due to increase in power tariff by Rs 43 per kwh during the year under review.
- Distribution cost increased by Rs. 373 million (20%) over the corresponding period due to higher combined quantities of both clinker & cernent exported during the year, and
- Finance cost decreased by Rs 168 million (3296) due to utilization of Export Refinance to meet its working capital requirements.

# (iii) Appropriation

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

	2020-21 (Ropus	2019-20
Profit after tax	1,107,352	1,107,491
Add: Other Comprehensive Income	21,529	(104,586)
Total Comprehensive Income for the year	1,128,881	1,002,905
Us appropriated profit full	15,178,386	14,725,189
Profit available for appropriation.	16,307,267	15,728,094
Appropriation:		
Final Dividend for the year 2019-20:		
Cash Diviocod of Rs. 3.5 per share		
(2018-19 Rs. 4.0 per stens)	(480,995)	(549,708)
Um appropriated profit of	15,826,272	15,176,386
Un appropriated profit of	15,826,272	15,176,386

For the year ended June 30, 2021 the Board in its meeting held on August 11, 2021 has proposed a final cash dividend of Rs. 4 per share (40%) amounting to Rs. 550 million.

# Cement Sales



# Profit Before Tax



27-18

16-17 15-16

# CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs 5,727 million during the year to the national exchequer on account of payments towards Sales Tax, Income tax Excise duty and other statutory levies. An amount of approximately Rs 515 million was also paid as withholding income tax deducted by the Company from shareholders employees, suppliers and contractors. In addition to that your Company earned foreign exchange of approximately USS 57 million during the year under neview from export proceeds.

### MARKETING

During the year 2020-21, the local market of South, where your Company is situated, construction activities showed robust growth of 34% due to announcement of construction incentive package by the government and low interest rates. Further, due to high exports of clinker in the regional markets, the exports showed a growth of 15% and overall growth in South market was recorded at 24%.

The Company maintained its dominant position in its core market of Karachi both in terms of volume share and price due to strong brand loyalty and superior quality. However, gradually, because of influx of North brands and the arrival of new capacities in South, the Company is facing stiff challenges in maintaining its market share in lower Punjab markets and in Upper Sindh and part of Baluchistan. Since last one year the Company has made strong inroads in the market of Quetta and FALCON is now a well recognized brand in this market.

The Company as part of its strategy is trying to maximize its local sales and surplus quantities will be exported both in the form of clinker or cement. The Company sold 2,010,531 M. tons of cement in both local and export markets, showing an increase of 1496 as compared to preceding year, out of which 1,490,250 M tons (2019-20, 1,244,358 M. tons) was sold in the local market, showing increase of 2096 as compared to the same period last year.

20-21 19-20 18-19

The Company exported 520,281 M, tons of cement in the markets of Sri Lanka and Indian Ocean Island. (2019-20-522,084 M, Tons).

The Company during the year continued its exports of high quality clinker in the regional markets of Bangladesh Sri Lanka and Qatar, and was able to sell 1.355,276 M. tons clinker (2019-20-1,157,292 M. tons) showing an increase of 17% as compared to last year.

Overall total dispatches of the company including both clinker and cement recorded at 3,365,807 M, tons showing an increase of 442,073 M, tons (15%) as compared to preceding year.





# **HUMAN RESOURCE**

ACPL understands the importance of its human resource development and thus ensures to provide a conducive working environment that can add value to the overall organizational performance

During talent acquisition programs, a large number of fresh graduates are hired with extensive development plans. Such programs help the Company in developing young talent and putting them into future leadership roles.

For performance evaluation, a proper Performance Development Program (PDP) has been designed in order to retain and reward every employee with ample opportunities to prove them for future leadership role. The Company's compensation packages to its employees are market-driven and are based on the fair assessment of employees' performance. In this regard, regular market surveys are being conducted for bench marking and critical positions development. Hence, the Company is proud to provide opportunities to its employees that are rewarding both, in terms of compensation and also, in terms of career opportunities.

The Company believes in open communication with its employees and gives opportunities, provide and receive open feedback so that their potential can be tapped accordingly. Regular team-building activities and other developmental programs are arranged to encourage employee productivity hence fostering inter-departmental coordination. The Company also believes in conducting regular feedback sessions and employee surveys' related to employee policies, to check on company's overall atmosphere and to take further decisions in order to facilitate employees. Regular awareness sessions on general safety, health and other professional grooming are also planned for employees for their personal capacity building.

In order to further develop employees, internal trainers are being identified so that a training culture can be fostered and programs can be customized accordingly.





# CORPORATE SOCIAL RESPONSIBILITY

The Company is fully conscious of its responsibilities as a good corporate citizen and takes its CSR programs very seriously. Besides providing employment opportunities to local youth, the Company actively works in the field of health, education and environment for all the stake holders living in its area of activities. The company provides potable water to many villages in and around its factory area. Through this activity, more than 10,000 people have been provided free potable water throughout the year.

Work is currently underway on installation of the 11th & 12th water filtration plant in Javed Mari Goth and on Adalat Road Hub respectively.

The Company's two schools te Palcon Public School and TCF sponsored Dr Ghaith R Pharaon campus are providing free of cost quality education to over a 1,000 students. Constant expansion in classrooms and extension of buildings is carried out in these schools on as and when required basis. Furthermore, the Company has provided computers to Government Schools located in Sakran and Hub areas.

During the year under review, the Company: also initiated and executed water boring and installation of solar system for Rakhshani Goth & Haji NabiBuksh Goth

Additionally, the Company also encourages the sporting events in the area and sponsors sport tournaments on frequent basis besides providing sports kits to local cricket and football teams.

In the field of medical services. Company is providing its expertise in full swing in terms of a 6 bedded medical center within factory premises, a welfare dispensary at Sakran and by distribution of free medicines throughout the year either through organizing regular free medical camps or through its own welfare dispensary.



# HEALTH, SAFETY AND ENVIRONMENT

Currently, work is underway on the installation of a 20 MW solar based power project which will ensure that ACPUs carbon footprint is significantly reduced and ensures generation of electricity through a clean and green method

The Company has also implemented an integrated Quality, Environment, Health & safety management system based on ISO 9001; ISO 14001 and OHSAS 18001 requirements.

Through projects of bag house, Waste Heat Recovery System (WHRS) and other environment friendly projects, carbon emissions are adequately controlled.

ACPL is actively involved in different plantation drives within the factory premises in order to further add its contribution in green house mechanism ACPL has planted more than 4,000 plants during last one year in the Factory premises (Hub, Balochistan) to enhance the plantation coverage in the vicinity.

Regular safety drills are also conducted to record maximum number of safe hours in the factory Also, employees are regularly given orientations about safe work environment A lot of interventions are in pipeline to further enhance the safety culture.

# INVESTMENT IN SUBSIDIARY SAQR AL KEETAN

The company has 60% investment in Subsidiary Company - Sagr Al Keetan for Cement Production (SAKCPCL). Company Limited incorporated in Basra, Iraq The Company started commercial production from September 1, 2019. During the year total cement despatches recorded at 749,004 M. tons (2019-20: 544,325 M. tons). The net sales revenue for the year ended June 30, 2021 is US\$ 451 million (2019-20 USS 33.2 million) and profit after tax is US\$ 7.8 million [2019-20, 8.9 million]. Overall the market situation is healthy as far asdispatches are concerned, however, the margins are marginally depleted due to higher commodity prices and tho. significant devaluation of Iraqi Dinar against US Dollar.



# PROGRESS ON PROJECTS

### SOLAR POWER PLANT

As apprised earlier, the Board has approved the installation of captive solar power plant of 20 MW at its factory premises. The work on the project is on full swing and it is expected that power production will be started from 2QFY 2021-22.

### LINE 4 PROJECT

As advised earlier, the company is installing a new production line of A,250 tons cement per day at its plant site. Letters of Credit have been established and preliminary work on construction has been commenced. It is expected that the plant erection would be completed by IQ 2023.

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

The Directors hereby confirm that-

- a) The annexed financial statements present fairly the state of the affairs of the Company, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively monitored and implemented;
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The following is the value of investments of terminal benefit schemes based on their respective latest accounts.



	Rupees in Million	Year Ended
Provident Fund (unaudited)	781	June 30, 2021
Gratuity Funds (unaudited)	441	June 30, 2021
Pension Funds Junaudited	395	June 30, 2021

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

Sr. No.	Name of the Directors / Chief Executive	No. of meetings attended
1	Mr. Laith G. Pharaon (Chairman) Non Executive Director	5
2	Mr. Warl G. Pharaon Non Executive Director	5
3	Mr. Shuaib A. Malik Non Executive Director	5
4,	Mr. Abdus Sattar Non Executive Director	5
5	Mr. Shamim Ahmad Khan Non Esecutive & Independent Director	3
6.	Mr. Mohammad Hardon Non Executive & Independent Director	3
7	Mr. Babar Bashir Nawaz Executive Director & Chief Executive	5
8	Agha Sher Shah Non Executive & Independent Director	2
9.	Mr. Sajid Nawaz Non Executive Director	2

During the year two Directors Agha Sher Shah and Mr Sajid Nawaz completed their term and retired from the office. With effect from October 22, 2020, two new directors Mr. Shamim Ahmad Khan and Mr. Mohammad Haroon have been elected on the Board in place of retiring directors. The Board appreciated the efforts put in by the retiring directors during their tenure.

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

St. No.	Name of the Members	No. of meetings attended
1	Mr. Shamim Ahrnad Khan (Cheleman) Non Executive & Independent Director	2
2	Mr. Shuaib A. Malik. Non Executive Director	4
3	Mr. Abdus Sattar Non Executive Director	4
4	Agha Sher Shah Non Executive & Independent Director	2:



During the year Agha Sher Shah completed his term and retired from the office and Mr. Shamim Ahmad Khan was elected as the Chairman of the Audit Committee.

- K) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2020-21 have been given on page 57
- The key operating and financial data for the last 6 years is set out on page 55

# DIRECTOR'S REMUNERATION POLICY

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

### HOLDING COMPANY

M/s Pharaon Investment Group Limited Holding S.A.L. Lebanon (PIGL) is a company incorporated in Lebanon having its registered office at Beirut, Lebanon PIGL holds 84,06% shares of Attock Coment Pakistan Limited.

# PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2021 is given on page 47.

# **AUDITORS**

The retiring auditors, Messrs. A. F. Ferguson & Co. Chartered Accountants retire at the conclusion of the 42nd Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

## AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 with the following members:

Sr. No.	Name of Members	Position
1	Mr. Sharnirn Ahrnad Khan Non-Executive & Independent Director	Chairman
2	Mr. Shuaits A. Malik Non Executive Director	Member
3	Mr. Abdus Sattar	Member

# **Terms of Reference**

- Determination of appropriate measures to safeguard the assets.
- Review of preliminary announcements of results prior to external communication and publication.
- Review of quarterly, half yearly and annual financial statements prior to the approval by the Board of Directors, major focus on
  - Judgmental areas
  - Significant adjustments resulting from the audit
  - Going concern assumption
  - Any changes in accounting policies and practices.
  - Compliance with applicable accounting standards
  - Compliance with the listing regulations and other statutory and regulatory requirements and
  - All related party transactions
- 4 Facilitating the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight in the absence of management, where necessary.
- Review of management letter issued by external auditors and management response thereto.
- Ensuring coordination between the internal and external auditors.
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
- 8 Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto
- 9 Ascertaining that the internal control system includes financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- 10 Review of statement on internal control systems prior to the endorsement by the Board of Directors.

- Instituting special projects, value for money studies or other investigations on any matters specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
- Determination of compliance with relevant statutory requirements
- Monitoring compliance with these regulations and identification of significant violations thereof.
- 14. Review of arrangements for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- Consideration of any other issue or matter as may be assigned by the Board of Directors.
- 16. External Auditors
  - Recommendations regarding the appointment of External Auditors.
  - Resignation and removal of External Auditors.
  - · Audit fees
  - Provision by external auditors of any services to the company in addition to the audit of the Financial Statements.
  - Facilitating external audit and discussion with external auditors of major observations arising from interim and final audits and any other matter that auditors wish to highlight.

# HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board, in compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019 has formed Human Resource & Remuneration Committee comprising of the following members:

Sr. No.	Name of Members	Position
1.	Mr Shamim Ahmad Khan Non Executive & Independent Director	Chairman
2	Mr. Shuaib A. Malik Non Executive Director	Member
3.	Mr. Mohammad Harbon Non Executive & Independent Director	Member

# Terms of Reference

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

- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment.
- Recommending human resource management policies to the board.
- Recommending to the board the selection evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer, and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

### **FUTURE OUTLOOK**

During the last 12 months the Government of Pakistan has taken various positive steps in order to revive the economy and recently announced budget for the year 2021-22 indicates that there will be continuity of all these positive steps. As a result of these steps the economy has shown sign of recovery without compromising any major risk on internal and external factors. The GDP growth target for the year 2021-22 has been set at 4.80% with major emphasis on construction sector which would boost the local demand in near

term The funds allocated for the Naya Pakistan Housing Scheme, construction of new water reservoirs and upgradation of existing ones, higher allocation for Public Sector Development Program and massive investment allocation for power related infrastructure clearly shows that the demand pattern of cement consumption would continue in next 2-3 years which would prove very healthy for the cement sector as a whole.

However, rising global commodity prices (oil coal steel scrap and food related items) may continue the inflationary pressure in Pakistan's economy. The company may not be able to pass on the impact of these higher costs on end users at once and this may keep the margins under check.

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

# ACKNOWLEDGEMENT

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

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

On behalf of the Board

BABAR BASHIR NAWAZ Chief Executive

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August 11, 2021 Karachi

# PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2021

No. of Physiologists	Share	eholdings	Total Chases Unite
No. of Shareholders	From	То	Total Shares Held
417	1	100	15,119
423	101	500	122,469
309	501	1.000	263,253
415	1.001	5,000	1,023,364
115	5,001	10,000	877,078
164	10,001	95,000	4,691,284
32	95,001	955,000	11,635,360
1	955,001	1,200,000	1,200,000
1	1,200,001	2,075,000	2,072,696
1	2,075,001	115,530,000	115,526,338
1,877			137,426,961

S.No.	Categories of Shareholders	Shares held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	145,211	0.10
2	Associated Companies, Undertakings and related Parties	7,000	0.01
3	NIT and ICP	100	1 5
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	104,235	0.07
5	Insurance Companies	2,305,996	1.68
6	Moderabas and Mutual Funds	5,491,328	4.00
7	Shareholders holding 10% or more	115,526,338	84.06
8	Others:		
	- Local	10,649,835	7.75
	- Foreign		-
	- Individual	3,197,018	2.33
		137,426,961	100

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

Total Paid-up Capital of the Company 137,426,961 Shares 5% of the paid-up capital of the Company 6,871,348 Shares

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

No transaction has been reported by the Chief Executive and/or any other company's Director(s), Executives and their spouse(s) and minor Children from July 01, 2020 to June 30, 2021 in the shares of the Company.



# STAKEHOLDERS' ENGAGEMENT

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

# Corporate Briefing Session 2019-20 through video link

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

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

On December 29, 2020, the Company held a formal corporate briefing session on its financial performance and operational overview through video link. The CFO briefed the investors regarding the financial statements of the financial year 2019-20 along with first quarter 2020-21 financial performance and Company's investment plans for the future years. Further, the CFO also highlighted the status of project(s) in hand. The investors from all walks of life attended the event and showed great interest in the affairs of the Company. The presentation was followed by a Question and Answer Session where some thought-provoking questions were put forward to the Management, which were very well addressed to the satisfaction of the audience.

# SHAREHOLDERS' INFORMATION

# VERTICAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30

	202	J. services	2021	O second	2019	g versense	www. 2018 w	S contribut	ADE money		- 2016	
	Rs in million	*	Rs in million	18. 0	Rs in million	16 4	Rsinmillon	18 0	Rs in million		Rs in million	18
Revenue	21,244,56 100,00	100.00	18,500.57	100.00	20,780.95	100,00	16,495,66	10000	14,735.17	00'00)	13,918.34	10000
टेक्स जे आख	(16,602,00) (78.15)	(78.15)	04251501	(2077)	0599803)	(76.89)	(1169758)	(1007)	(8,842.96)	(60.01)	(8,33184)	(59,86)
Cross profit	4,642.56	21.85	4249.07	22.97	4,802.90	2331	4,798.08	29.09	5,892.21	39.99	5,586,50	4014
Detraution costs	(2.203.45)	(10.57)	0.630.95	(06'61	0,419,823	(08'9)	[782.22]	(474)	(303.55)	(6.13)	1954,75	(6,86)
Administrative exp. h	(568.04)	(2.67)	(50694)	(2.74)	(\$1505)	(2.4.3)	(533311)	(323)	(41938)	(2.85)	(62104)	(289)
Other expenses	(194.15)	(0.54)	192,273	(0.50)	656650	(0.72)	(165,00)	(66.0)	(333.65)	(226)	(314,05)	(2.26)
Other Postmin	154.80	0.63	223355	126	293.00	141	60.80	0.37	236.63	191	34110	245
Profit from Operations	1,691.75	8.90	2,052.46	60'11	302698	14.57	3,380,55	2049	4,472.29	30.36	4,257.01	30.59
FINENCE COST	(357.49)	(1.68)	(8228)	(284)	(548,44)	(5.12)	1253.17	(1,52)	(2837)	(610)	(21.31)	(0.15)
Share of net expense of associate	59'5	0.03	265	0,03	2466	0.12	•			-	ř.	-
Profit before income tax	1539.91	725	1,58249	828	240520	1156	3,129.35	18.97	4,443.92	30.16	423570	30.43
Income tax (expense) / credit.	(432.56) (2.04)	(2.04)	425.00	(022)	(220.00)	0.59)	127041	770	(1,409.86)	1957	0.345.680	(9.67)
Profit for the year	(102.35 5.21	5.21	1,1077.49	599	207320	96.6	4,39978	26.67	303408	20.59	2,890.02	20.76

# VERTICAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30

AS AT JUNE 30	100		4000		- America		2000		Action Comments		2000	
	Rs in million	×	Rs in million	8	Rs.in million	8	Rs in million	8	Rs in million	8	Ris in million	¥
ASSETS Non-current assets												
Find assets. Property plant & equipment	19,477.02	59.64	1725596	62.93	17,68558	6474	17 962.93	68.05	16,650.34	8045	7,1	05.69
Ling-term loans and addinosi-considered good		0.21		0.14	6529	0.77	673	0.18	48.59	023	757	029
Long term deposits Deferred tax assets		0.51		979	16.66	127	99994	0.50	1298	021	42.98	030
	21,508.67	65,86	1925280	70.21	19.669.65	72.00	19.677.10	74.52	17,538,02	84.69	7,22953	11.05
Current assets	3,642,50	11.15	346594	12.64	5,595,52	12.43	3.649,07	13.82	192978	-932	191676	15.29
Tride tebelables - considered asod	1,631,40	5.00		180	295.06	2.91	20992	269	180.45	0.87		146
Losens and ledylinges - considered gased	143,93	0.44		0.59	8795	0.32	7850	030	76.38	0.57		0.57
Stort term disposits and propagments	25.36	0.08		0.05	452)	400	22.50	600	23.66	0.11	17.52	0.12
Investments				36		Č			,		427536	29,62
CRINH III.CONSDIES.	320.04	0.98	_	138	2358)	980	15102	0,76	10579	0.51	114.86	080
Taxation - payment less provisions.	2,859.34	8,76	20	10.45	2.60224	953	1,453,50	5.50	736,66	338		9
Tax refureds due from Government - Sales tax	19,43	0.06	58.52	0.20	192.59	068	28927	110	969678	240		
Short term investment.	1,914.89	5,86		1		-	K	0	i.	8		
Carty and bank balances	591.41	1.81	4	286	302.59	H	32494	123	23.85	0.59	J	4.03
	11,148.29	34.14		3979		28.00	6,728.95	25.68		1531	7,1H6.B6	49.89
Total Assets	32,656,96	100.00	27,422,64	100,001	27,316,60	100.00	26,406,06	100:00	20,709.58	100,00	T4.426.40	100.00
EQUITY AND LIABILITIES Share capital and reserves												
Shire ciptal, sucset, subsorbed 8 paid up	1,574.27	42		100	1,574,47	505	114523	450	1,45.25	13		794
Unappropriated brond	12,826.27	52.67	16.65266	50.00	14,099.66	50.00	18,727.61	56.55	DOBOZGE TOBOZGE	52760	930162	200
LIABILITIES Non-current Months					DE LEGISTON DE LEG	5		2		27,000		
Long-term loans	2,382.12	7.29	236.25	0.86	218750	10/8	3,45750	15.02	1500.00	724		ľ
Dokered income Got grant	335.26	1.03		1	-							
Long form lease liabilities	38.28	0,12		017	7.91	0.03	10.29	0.04	103	000		0.03
Description in the second seco	1,233.82	5.78		199	35128	128	10000	100	897.75	295		1981
Elephone On many opening	4 297 43	13.16	1775428	6.75	781447	10 20	1915, 50	14 57	280334	11656	1258351	8 50
Current Sabilities		00		1		100	100000	10.00	The same and	1	- 1	2000
FROM DOTHER DISTRICT	6,657.14	20,39	ě.	9250	2000	0167	4000000	19.87	5,2819,09	1840	707	500
Account and	10.67	0.00	2677	500	10.10	500	1000	0,03	10000	000	ō	600
Sport serin Bostowings	4.393.85	13.45	4	17.88	4.66920	280	2612.51	DE D	208085	10.05		,
Current portion of long-term lease labilities	25.45	0.08		0.05	288	100	3.91	000	299	000	3.95	0.05
Taxation - provision less payments		1					No.	Y			5670	0.39
100 M	11,158.99	34.17	\$146.FF	3535	8,403.57	3076	2,698.03	2914	155565	2875		19 00
Controperor and commitments	19,430,42	47,33		33.03	10,217,19	40,000	11.555 PA	9000	870074	1623	337933	667/2
Total Equity and Liabilities	32,656,96	100.00	02742244 100000	100.001	27,516,60 100,00	100.000	26406.06.100.00	100.00	20709.58	100.001	(442640	100,001

# HORIZONTAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30

Revenue	21,244.56	M.83	18500531	(10,97)	20,780.93	25.98	16,495.66	11.95	14,735.17	587	13.918.34	6.36
Cost of sales	(16,602.00)	16.50	(14,25) 50)	00000	15,978,631	3659	(85,766,11)	32.28	(8.842.96)	613	(8.331.84)	(4.12)
Cross profit	4,642.56	9.26	424207	M.53)	4,802.90	010	4,798.08	(18.57)	5,892.21	547	5,586.50	27,08
Distribution costs	(2203.45) 2034	2034	0,83095	29,41	0.414.821	80.87	[782.22]	(15.43)	(90353)	(5236)	(95475)	(5.24)
Administrative expenses	(568.04)	12.05	(50694)	0.35	(\$0515)	(524)	(53311)	27.12	(41938)	438	(40179)	15.81
Offiser experises	(114,15) 25.69	25.69	(92.27)	(SX 8X)	127.841	(812)	(163.00)	(51.15)	(333,65)	624	(3)4,05)	3150
Other income	134,80	(42.28)	53355	12021	29580	583.22	6080	(74.30)	23663	(30.65)	34110	119,359
Profit from Operations	189175	(7.83)	2.052.46	(52.19)	3,07698	(10.46)	338055	(24.41)	4,472.29	506	4,257.01	31.12
Finance cod:	[557.49] [52.02]	(52.02)	(5525.89)	(06.90)	(S-8-6)	158.17	(77172)	78534	128.571	33.13	(2151)	(18,04)
Share of net income of associate	\$65	(4.56)	5.02	(75.98)	2466	×	X	1	à	4	Ŋ.	1
Profit before income tax	1539.91	0.48	153249	(3623)	240520	(23.21)	3,12938	(29.58)	9.64392	492	423570	3152
incurre Tax (expense) / credit	(432.56)	1.78	1925.00	28,79	(330)001	(125.97)	1270.41	(11,061)	(1,409.86)	12.77	(134568)	32.58
Profit for the year	1107.35	(10:01)	(10769	(46.58)	207326	152.881	4.399.78	4501	503406	4.98	289002	3105

# HORIZONTAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30

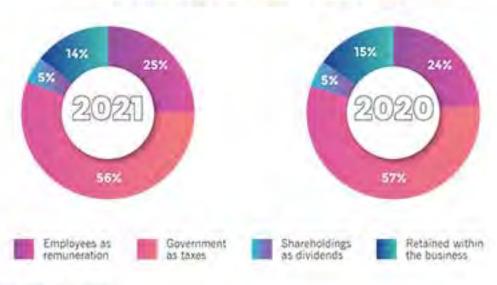
ASSETS. Nen-current assets.	Rs in million	*	Rs in million	2	Rs.in million	8	Rs (n million	0	HORIZON THE SHE	9	Rin millon	y.
Freid assess Property paint a equipment Long-term lovestments Long-term loves and advences Long-term deposits	19,477.02 1,863,74 67.96 99,94	0.30	7725596 165809 3887 9994	(243) 177 ((8 44)	77.685.58 183.6.54 17.59 19.99	1154 2795 060	143559 143559 173 9999	782 02.59 UZ.50	78411 48.59 42.54	153.52	734051 450 4754 4298	19.02
Deserved has Assess	21,508.67	11.72	1925281	0.12	19.669.65	(0.04)	19.677.10	1220	77.558.02	142.59	722953	1846
Current assets	3.642.50	5.09	3.465.94	207	339552	(96.9)	\$649.07	89.09	192978	0.68	1916361	550
Trade todesylbles - considered good	1,631,40	229.89	494.54	(57.80)	795.06	11.99	709.92	29533	(80.49	(14.50)	2000	69.69
Lates and attances - considered deed Sport term deposits and manuscriptors	143.93	(91.40)	16244	100 DO	87.93	1201	78.50	277	7638	(679) \$5.05	19.95	24.07
Investments	0000		240	200	15.70	2	****	1	200	2	4Z73.56	37.63
Cyties incehables.	320.04	(1.38)	324.52	37,62	23581	1210	20137	9035	105.79	(067)	114,86	68 63
Takathon - payment less provisions. Tak refunds that from Sovernment - Soles tak	2,859.34	(65.62)	2865.67	(69.04)	182.59	79,06	78927	54.00 (4177)	49676	10000		(00 00)
Short term investment	1,914,89	100.00	100.00	1000	4600 660	100 47	44.01	100.00	100	Des part	00000	100000
Carty and Carty Desiron	PC 891 H	36.66	2316965	686	20000	15.60	5.728 QK	1000V	K 101 26	165.95	2106.92	17.57
Total Assets	32,656,96	19.09	ZIAZZAH	0.59	27,516,60	3.45	26,406,06	27.51	2070938	43.55	11	1792
EQUITY AND LABBITIES Stain Capital and reserved State control forms in the plant of the	1 172, 27		1476.975		1 696.372	0000	196538		1124.34		26370	
Unappropriated profit	15,826.27	4.27	15,778.39	3.08	14,725.19	727	1577041	27.08	10,80241	1613	930162	19.61
	17,200,54	3,91	16552266	2,61	16,09946	825	14,872,64	SAAB	1,947,64	34.57	1044634	16.92
Monourier Manufes												
Long-Telm Bans	2,382.12	908.31	22625	(89.20)	2,187,50	(36.36)	345750	12021	1500.00	10000	-	
Long Serm Nature Cabultimes	353.26	00000	4646	486.94	791	Deas	1079	94786	101	(74.44)	404	1407.363
Deferred habitoes	1,233.82	14.12	1,08115	35128	35128	1			817.75	102	15608	1047
Errployee beneate obligations	307.96	(14.37)	35964	3476	266.88	(\$105)	NE7 09	(2091)	46945	15.08	425.55	9599
September 1	4,297,43	149.35	177348	(3874)	281357	(2664)	3.8355.39	36.58	230823	126.68	124887	15.39
Tracks and other payables	6,657.14	59.05	4,785.04	17,00	5,57744	(2766)	4.983.84	30,60	5,816,09	6271	2690,06	5124
Utclaimed dividend	10.67	2.48	10,42	230	1018	13.13	006	1852	9.89	24.54	671	1534
Accrued markup	71.87	113,95	52.59	(76.65)	145.87	62.07	88.77	9502	4539	00000		,
Current portion of long-strem least lab. con Taxation - provided long-strem least lab. con	25,45	80.24	14.12	590 44	288	(26.34)	391	3080	299	(253/2)	595	1107.100
	11,158.99	22.01	334651	8.84	155058	977	7,698.03	2930	5,955.51	17/23	2740,69	2334
Total habilities	15,456,42	42.20	10,859.79	(3.10)	1127214	(274)	11,53342	5165	876174	2017	3,979.55	20.61
Total Equity and Liabilities	32,656,96	19.09	27,422,64	0.59	27,316.60	545	2540505	2751	20,70938	4355	14.426.40	17.92

# STATEMENT OF VALUE ADDITION AND DISTRIBUTION

FOR THE YEAR ENDED JUNE 30, 2021

(Rupees in 27,751 (17,746) 10,005 6 135 141 10,146	24,621 (15,153) 9,468 6 233 239
(17,746) 10,005 6 135 141	(15,153) 9,468 6 233 239
10,005 6 135 141	9,468 6 233 239
6 135 141	6 233 239
135 141	233 239
141	239
10,146	9,707
2,540	2,288
433	425
114	92
5,130	4,975
5,676	5,492
550	481
823	821
558	626
1,381	1,447
10,146	9,707
	433 114 5,130 5,676 550 823 558 1,381

# DISTRIBUTION OF VALUE ADDITION



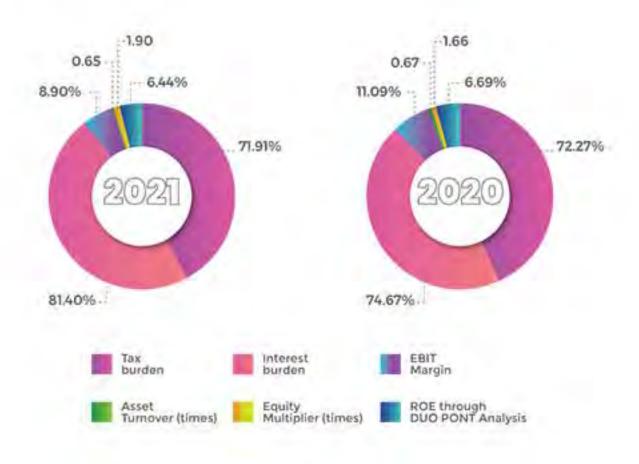
# SIX YEARS AT A GLANCE

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
	0.511112000	Rupees	n million unle	rss otherwise	stated	15:200-200
Productions and Sales						
Clinker production (in tons)	3,191,164	2.828.898	3,184,363	2482551	1.866,325	1.866.997
Capacity utilization %	110	98	110	109	107	107
Coment production (in tons)	2,006,269	1,766,734	2,437,425	2,309,345	2.081,858	1.967.391
Cement sales (in tons)	2,010,531	1.766.442	2,447,666	2,268,613	2.082.582	1.970.589
Profit or Loss						
Revenue from contracts with customers	21,245	18,501	20,781	16,496	14,735	15,918
Cost of sales	16,602	16,252	15.978	17,698	8.843	B.332
Grass profit	4,643	4,249	4,803	4798	5,892	5,587
Other income	135	234	294	61	237	341
Operating profit	1,892	2.052	3,027	3,381	4,472	4.257
Profit before tax Profit after tax	1,540	1,532	2,403	3,129 4,400	3,034	4,236 2,890
Profit litter tax	1.107	1,101	2.073	4,400	3,034	2,000
Financial Position						
Paid-up capital	1,374	1,374	1,374	1.145	1,145	1145
Unappropriated profit	15,826	15,178	14,725	13,727	10,802	9,302
Long term & deferred liabilities	4,297	1,723	2,614	5,835	2.608	1,239
Current liabilities	11,159	9346	8,404	7,698	5,954	2,741
Fixed assets less depreciation	19,477	17,256	17,686	17,963	16,660	7,141
Other long-term assets Current assets	11,148	8,170	7,647	6,729	3,171	7,197
Current assets	11,140	0,170	1/047	0,742	35171	1,131
Key Financial Ratios						
Gross-profit 96	21.85	22.97	2511	29.09	39.99	
Operating profit %	8.90	1109	16.57	20.02	30.35	30.59
Not profit after tax %	5.21	5.99	998	26 06	20.59	2076
Return on equity % Return on capital employed	11.00	1240	12.88	29,58	2539	27 66
No. of days in inventory	27.21	3534	11.26	22.75	37.43 21.8	29.86
No. of days in receivables	18.26	12.72	13.22	9.62	4.85	439
Fixed assets turnover ratio (times)	1.36	116	1.24	0.98	2.76	2.60
Current ratio (tirnes)	1.00	0.89	0.91	0.67	0.53	
Price carring ratio (times)	22.31	15/46	4.73	3.50	1143	9.46
Dividend yield ratio %	2.22	2.81	5.60	595	4.46	524
Dividend payout ratio %	49.63	43.42	26.51	20.82	50.96	49.52
Debt equity ratio	39.39	31.05	42.59	40.68	29.97	60.05
Interest cover ratio (times)	5.29	3.90	467	15.46	157.64	199.78
Shares and Earnings						
Market price share at June 30 (Rs.)	180	125	71	135	305	239
Earnings per share (Rs.)	8.06	8.06	15.09	32.02	26,49	2524
Cash dividend per share	4.00	3.50	4.00	8.00	13.50	12.50
Break-up value per share	125.16	120.45	117.15	129,87	104.33	91.22

# **DUO PONT ANALYSIS**

FOR THE YEAR ENDED JUNE 30

	2021	2020
Tax burden %	71.91	72.27
Interest burden %	81.40	74.57
EBIT Margin %	8.90	11.09
Asset Turnover (times)	0.65	0.67
Equity Multiplier (times)	1.90	1.66
ROE through DUO PONT Analysis %	6.44	6.69

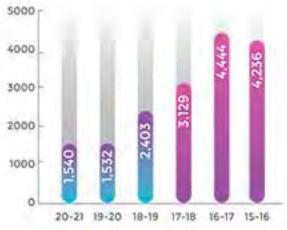


# GRAPHICAL PRESENTATION



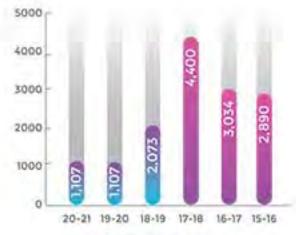


Sales Gross Profit
(Rs. in Million)



Profit Before Tax
(Rs. in Million)

Profit After Tax
(Rs. in Million)









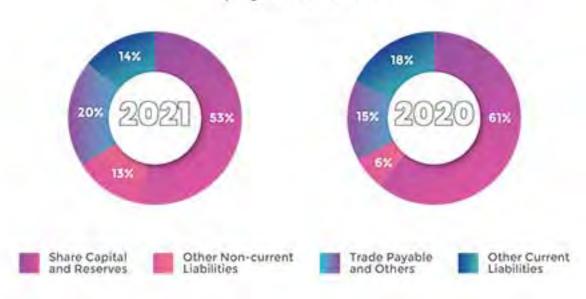


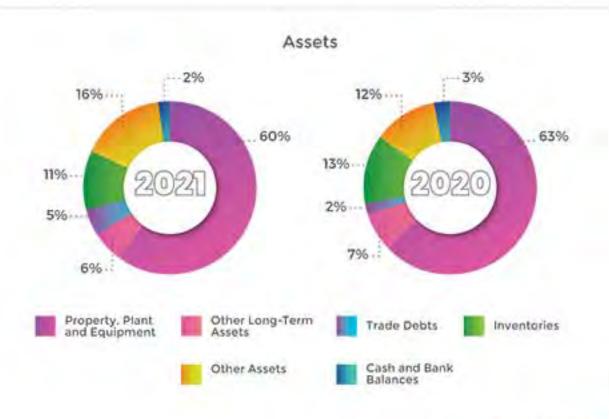




# COMPOSITION OF STATEMENT OF FINANCIAL POSITION

# **Equity and Liabilities**





# NOTICE OF THE FORTY-SECOND (42ND) ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of Attock Cement Pakistan Limited (the Company) will be held on October 21, 2021 at 1100 hours through video link to transact the following:

# **Ordinary Business**

- To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2021 together with the Report of Auditors and the directors thereon.
- To consider and if thought fit, approve the final cash dividend of 40% (Rs. 4.00 per share) as recommended by the Board of Directors for the year ended June 30, 2021.
- To appoint the auditors for the financial year 2021-22 and to fix their remuneration.
- 4 To transact any other business with permission of the Chairman.

By Order of the Board

## IRFAN AMANULLAH

Company Secretary

Karachii September 30, 2021

### COVID-19 RELATED CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING:

In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised the companies to modify their usual planning for general meetings in order to ensure safety and well-being of the shareholders and the public at large and has allowed the Companies to conduct general meeting through video link facility vide its Circular No. 5 of 2020 dated: March 17, 2020, Circular No. 25 of 2020 dated: August 31, 2020, Circular No. 33 of 2020 dated: November 5, 2020, Circular No. 4 of 2021 dated: February 15, 2021 and Circular No. 6 of 2021 dated: March 3, 2021.

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

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on October 19, 2021.

### Required information:

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

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



# Modes of Communication:

The above mentioned information can be provided through following modes:

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

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 19: 2021 by 11:00 a.m.

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

# Notes:

- The Register of members and share transfer books of the Company will remain closed from October 14, 2021 to October 21, 2021 (both days inclusive).
- Only those members whose names appear in the register of members of the Company as on October 13, 2021 are entitled to attend and vote at the meeting.
- Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law.
- Members are requested to notify any change in their addresses immediately.

# For appointing proxies:

- A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with speciment signature shall be submitted junless it has been provided earlier) along with proxy form to the Company.
- v) Proxies attending meeting on behalf of members are also required to provide below information in case they will be attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

# Required information:

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

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

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

- (a) Rate of tax deduction for persons who are appearing in the active taxpayers list @ 15%
- Rate of tax deduction for persons who are not appearing in the active taxpayers list @ 30%. (b)
  - All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and if required take necessary actions for inclusion of their name in ATL. In case a person's name does not appear in the ATL the applicable (ax rate will be increased by hundred percent
  - III In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL
  - iii) Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar, M/s FAMCO Associates (Pvt.) Limited, 8-F. Block-6, PECHS, Nursery, Shahrah-e-Faisal, Near Hotel Faran, Karachi by first day of Book Closure.

# TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD/DVD:

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

### TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787 III/2014 dated: September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website i.e. www.attockcement.com

The Company shall, however, additionally provide hard copies of the annual report to such members. on request, free of cost.

### AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website www.attockcement.com, in addition to annual and quarterly financial statements for the prior years

### PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDERS:

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

## CONSENT FOR VIDEO CONFERENCE FACILITY:

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

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

# UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

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

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

## DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 50, 2017. Further, SECP vide its letter dated March 26, 2021 has advised to comply with section 72 of the Act and encourage the shareholders to convert their physical shares into book entry form.

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

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

FOR THE YEAR ENDED JUNE 30, 2021

The Company has compiled with the requirements of the Regulations in the following manner

1 The total number of directors are seven as per the following

Male 7 Female -

The regulation related to representation of female director on the Board is not yet applicable as the manner and terms and conditions were not specified by the Securities and Exchange Commission of Pakistan at the time of election of Directors of the Company.

Moreover, the Company has filed a constitutional petition before the honorable High Court of Sindh challenging the compliance of clause No. 7 of the Listed Companies (Code of Corporate Governance) Regulations 2017, which is pending adjudication.

2. The composition of the Board is as follows.

Non-Executive Directors	Executive Director	Independent Directors
Mr. Laith G. Pharaon** Mr. Wael G. Pharaon** Mr. Shuaib A. Malik. Mr. Abdus Satzar	Mr. Babar Bashir Nawaz	Mr. Shamim Ahmad Khar Mr. Mohammad Haroon

"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 the requirements Further, existing independent directors play an effective part within the Board and make valuable contribution Therefore, the fraction (2.3) has not been rounded up.

"Alternate Director Mr. Shuaib A. Malik.

"Alternate Director Mr. Irfan Amanuliah

- 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 disserminate it throughout the company along with its supporting policies and procedures:
- 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.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

- 9. All the directors are either exempted or have attended the required training in prior years.
- 10 The board has approved appointments 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 following committees comprising of members given below:

## **Audit Committee**

Mr. Shanim Ahmad Khan (Chairman)
 Mr. Shuaib A. Malik (Member)
 Mr. Abdus Sattar (Member)

### **HR and Remuneration Committee**

Mr. Shamirn Ahmad Khan (Chairman)
 Mr. Shuaib A. Malik (Member)
 Mr. Mohammad Haroon (Member)

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14. The frequency of meetings of the committees were as per following:

Audit Committee : Quarterly
HR & Remuneration Committee : Yearly

- 15 The Board has set up an effective internal audit department which is experienced for the purpose and are fully conversant with the policies & procedures of the Company;
- 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, 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 they and the partners of the firm involved in the audit are not a close relative Boouse, parent, dependent and non-dependent children) of the child executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18 We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 35 and 36 of the Regulations have been complied with and
- Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 (non-mandatory requirements) are below.

S.No.	Requirement	Reg. No.	Explanation
7	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	The responsibilities as prescribed for the nomination committee are being taken care of at Board level on need basis so a separate committee is not considered to be necessary.
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	The Board has not constituted a risk management committee as risk management framework is managed at Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.
3	The company may post on its website key elements of its significant policies including but not limited to the following	35 (1)	Except for the communication and disclosure policy all the other policies have been duly placed on the website of the Company.
	(ii) communication and disclosure policy.  (iii) code of conduct for members of board of directors, server management and other employees:  (iii) risk management policy.  (iv) Internal control policy.  (v) whistle blowing policy.  (vi) corporate social responsibility/sustainability/environmental, social and governance related policy.		
	On behalf of the Board		
	Basal		Lake Phone

BABAR BASHIR NAWAZ Chief Executive

August 11, 2021 Karachi

LAITH G. PHARAON Chairman



# A-F-FERGUSON&CO.

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance). Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Cement Pakistan Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 35 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

A. F. Ferguson & Co. Chartered Accountants Karachi

Date: September 24, 2021

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network

State Life Building No. 1-C, L.L. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan

Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <uww.pwc.com/pk>



# UNCONSOLIDATED FINANCIAL STATEMENTS





# INDEPENDENT AUDITOR'S REPORT

# To the members of Attock Cement Pakistan Limited

# **Report on the Audit of the Unconsolidated Financial Statements**

# **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

# **Basis for Opinion**

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network

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= KARACHI = LAHORE = ISLAMABAD





## A.F.FERGUSON&CO.

## **Key Audit Matters**

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

Following is the Key audit matter:

## S.No. Key Audit Matters

## (i) Inventories

(Refer note 7 to the unconsolidated financial statements)

Inventories include:

- raw materials comprising limestone, clay, gypsum, laterite and bauxite;
- work-in-progress mainly comprising clinker; and
- coal.

The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates.

Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.

## How the matter was addressed in our audit

The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts.

Our audit procedures to assess the existence of inventory included the following:

- assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield;
- attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present;
- checked the background and experience of the surveyor to ensure his competence and capability;
- obtained samples of items to determine the nature / characteristics of the inventory.
   Such samples were then sent to the Company's laboratory to determine the nature of the inventory and other parameters; and
- obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.





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

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

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

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

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

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

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

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



## A-F-FERGUSON&CO.

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

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

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

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



## A-F-FERGUSON&CO.

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

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

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

- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance).

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

Actor

A. F. Ferguson & Co. Chartered Accountants Karachi

Date: September 24, 2021

## UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	<b>2021</b>	2020 es '000)
ASSETS			
Non-current assets  Fixed assets - property, plant and equipment Long-term investments Long-term loans and advances - considered good Long-term deposits	3 4 5 6	19,477,024 1,863,743 67,964 99,940 21,508,671	17,255,963 1,858,089 38,818 99,940 19,252,810
Current assets Inventories Trade receivables - considered good Loans and advances - considered good Short-term deposits and prepayments Other receivables Taxation - payments less provisions Tax refunds due from Government - Sales tax Short term investment Cash and bank balances  Total assets	7 8 9 10 11	3,642,496 1,631,402 143,929 25,355 320,036 2,859,342 19,431 1,914,887 591,414 11,148,292 32,656,963	3,465,940 494,535 162,443 13,248 324,522 2,866,866 56,521 - 785,559 8,169,634 27,422,444
EQUITY AND LIABILITIES			
Share capital and reserves Share capital - issued, subscribed and paid-up Unappropriated profit  LIABILITIES	14	1,374,270 15,826,272 17,200,542	1,374,270 15,178,386 16,552,656
Non-current liabilities  Long-term loans  Deferred Income - Government grant  Long-term lease liabilities  Deferred tax liabilities  Employee benefit obligations  Current liabilities  Trade and other payables	15 16 17 18	2,382,121 335,259 38,279 1,233,815 307,957 4,297,431	236,250 - 46,456 1,081,132 359,643 1,723,481 4,185,436
Unclaimed dividend Accrued mark-up Short-term borrowings Current portion of long-term lease liabilities  Total liabilities	20 21	10,674 71,865 4,393,854 25,453 11,158,990 15,456,421	4,185,436 10,416 33,590 4,902,750 14,115 9,146,307 10,869,788
Contingencies and commitments  Total equity and liabilities	22	32,656,963	27,422,444
.c.a. equity and national		32,030,303	

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

Muhammad Rehan Chief Financial Officer

**Babar Bashir Nawaz**Chief Executive

Abdus Sattar Director



# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	<b>2021</b> (Rupe	2020 es '000)
Revenue from contracts with customers	23	21,244,562	18,500,574
Cost of sales	24	(16,601,998)	(14,251,503)
Gross profit		4,642,564	4,249,071
Distribution costs	25	(2,203,448)	(1,830,945)
Administrative expenses	26	(568,043)	(506,937)
Other expenses	27	(114,129)	(92,274)
Other income	28	134,803	233,547
Profit from operations		1,891,747	2,052,462
Finance cost	29	(357,487)	(525,894)
Share of net income of associate accounted for using the equity method	4	5,654	5,923
Profit before income tax		1,539,914	1,532,491
Income tax expense	30	(432,562)	(425,000)
Profit for the year		1,107,352	1,107,491
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations	18	21,529	(104,586)
Total comprehensive income for the year		1,128,881	1,002,905
Basic and diluted earnings per share	31	Rs. 8.06	Rs. 8.06

The annexed notes  $1\ \text{to}\ 40\ \text{form}$  an integral part of these unconsolidated financial statements.

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

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

		(Rupees '000)	
Balance as at July 01, 2019	1,374,270	14,725,189	16,099,459
Final dividend for the year ended June 30, 2019 @ Rs. 4 per share	-	(549,708)	(549,708)
Total comprehensive income for the year ended June 30, 2020			
Profit for the year ended June 30, 2020	-	1,107,491	1,107,491
Other comprehensive income for the year ended June 30, 2020	-	(104,586)	(104,586)
	-	1,002,905	1,002,905
Balance as at July 01, 2020	1,374,270	15,178,386	16,552,656
Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share		(480,995)	(480,995)
Total comprehensive income for the year ended June 30, 2021			
Profit for the year ended June 30, 2021	-	1,107,352	1,107,352
Other comprehensive income for the year ended June 30, 2021	-	21,529	21,529
	-	1,128,881	1,128,881
Balance as at June 30, 2021	1,374,270	15,826,272	17,200,542

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

Muhammad Rehan Chief Financial Officer Chief Executive

Director

## **UNCONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2021

	Note	<b>2021</b> (Rupee	2020 s '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations Finance cost paid Income tax (paid) / refund (Increase) / decrease in long-term loans and advances Employee benefit obligations paid Net cash generated from operating activities	32	3,887,827 (336,198) (272,355) (29,146) (110,020) 3,140,108	3,763,513 (636,171) 40,223 8,775 (93,795) 3,082,545
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred Investment in subsidiary company Proceeds from disposal of operating assets Purchase of open ended mutual fund units Proceeds from sale of open ended mutual fund units Placement in Term Deposit Receipt (TDR) - net Dividend received Interest received Net cash used in investing activities		(3,086,312) - 4,462 (3,785,105) 1,895,502 (61,000) 3,359 14,866 (5,014,228)	(332,522) (15,625) 5,687 (540,000) 544,809 (29,000) - 17,149 (349,502)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid Proceeds from long term loans - net Repayment of long term loan Lease rentals paid Net cash generated from / (used in) financing activities		(480,737) 2,931,559 (60,802) (20,899) 2,369,121	(549,474) 270,000 (3,437,500) (11,894) (3,728,868)
Net increase / (decrease) in cash and cash equivalents		495,001	(995,825)
Cash and cash equivalents at beginning of the year		(4,112,441)	(3,116,616)
Cash and cash equivalents at end of the year	33	(3,617,440)	(4,112,441)

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

Muhammad Rehan

Chief Financial Officer

Babar Bashir Nawaz Chief Executive

**Abdus Sattar** Director

FOR THE YEAR ENDED JUNE 30, 2021

## 1. THE COMPANY AND ITS OPERATIONS

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

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

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

- The registered office of the Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The Company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Mararr, Dubai, UAE.
- 1.2 The Company has investment in subsidiary Company Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.
- 1.3 During the year, the Board of Directors in their meeting held on August 26, 2020 has approved installation of 20 MW Captive Solar Power Plant at its existing site. The estimated cost of completion of project is expected to be USD 10.5 million which is financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in note 15.5.
- 1.4 Further, during the year, the Board of Directors in their meeting held on January 26, 2021 has approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 15.3 and 15.4 respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## 2.1 Basis of preparation

## 2.1.1 Statement of compliance

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

The accounting and reporting standards applicable in Pakistan comprise of:

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

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

#### 2.1.2 Critical accounting estimates and judgements

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

#### (i) Income tax

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

## (ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.6 and 18 to these unconsolidated financial statements for valuation of present value of defined benefit obligation.

#### (iii) Inventories

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

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

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

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

#### 2.1.3 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting standards that are effective

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 reporting.

## b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

#### 2.2 Overall valuation policy

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

FOR THE YEAR ENDED JUNE 30, 2021

## 2.3 Fixed Assets - property, plant and equipment

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

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

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

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

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

## 2.4 Financial Instruments - Initial recognition and subsequent measurement

## **Initial Recognition**

All financial assets and financial liabilities are initially measured at fair value after adjusting, for items not at fair value through profit or loss, any directly attributable transaction price. These are subsequently measured at fair value, amortised cost or cost as the case may be.

The financial assets and financial liabilities are recognized at trade date i.e. the time when the Company becomes a part to the contractual provision of the instrument.

## Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

#### Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

## Subsequent measurement

### i) Financial assets at FVTOCI

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

#### ii) Financial assets and liabilities at amortised cost

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

## iii) Financial assets and liabilities at FVTPL

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

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

## Impairment of financial asset

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

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

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

The Company considers a financial asset in default when it is more than 180 days past due.

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

FOR THE YEAR ENDED JUNE 30, 2021

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

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

## Derecognition

#### i) Financial assets

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

#### ii) Financial liabilities

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

## 2.5 Off-setting of financial assets and liabilities

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

## 2.6 Staff retirement benefits

## **Defined benefit plans**

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2021 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in statement of profit or loss.

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

## **Defined contribution plan**

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

## 2.7 Long-term investments

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

#### 2.8 Inventories

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

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

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

## 2.9 Trade and other receivables

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

## 2.10 Government grants

Government grants relating to costs are deferred and recognised in the Statement of profit or loss and other comprehensive income 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.

## 2.11 Cash and cash equivalents

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

## 2.12 Lease liability and right-of-use asset

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

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.

FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

## 2.13 Trade and other payables

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

## 2.14 Provisions

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

## 2.15 Income tax

## Current

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

#### Deferred

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

## 2.16 Borrowings and their cost

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

## 2.17 Foreign currencies

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

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

## 2.18 Revenue recognition

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

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

No element of financing is deemed present as the sales are made with a credit term of up to 180 days, which is consistent with the market practice.

## 2.19 Dividend

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

		<b>2021</b> (Rupe	2020 es '000)
3.	FIXED ASSETS - property, plant and equipment		
	Operating assets - note 3.1	15,582,641	16,221,746
	Capital work-in-progress - note 3.2	2,964,263	4,195
	Stores held for capital expenditure - note 3.3	930,120	1,030,022
		19,477,024	17,255,963

## NOTES TO AND FORMING PART OF THE **UNCONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED JUNE 30, 2021

Buildings PI and roads on ma freehold land	Plant and machinery	Quarry transport and	Furniture and fittings	Office equipments	Vehicles owned	Right of use- assets - note 3.4	Total
		equipment					
			(Rupees '000)				
2,129,010 13,	13,892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
1,542	198,839	9,380	977	3,181	17,871	16,558	252,248
	1		1	(069)	(2,208)	1	(2,898)
	(65,426)	,	,	,	,	,	(65,426)
(160,590)	(613,981)	(3,694)	(820)	(7,668)	(19,171)	(17,105)	(823,029)
1,969,962 13,	13,411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
3,270,332 20,	776,802	235,627	29,867	123,662	139,558	113,614	24,727,530
(1,300,370) (7,	365,206)	(205,422)	(27,800)	(112,002)	(84,217)	(49,872)	(9,144,889)
1,969,962 13,	411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
2.285.135 14.5	270.996	21.720	2.242	17.792	63.262	83.132	16.778.447
	341,442	6,763	724	7,279	17,365	. 1	377,895
	1	(124)		,	(2,940)	,	(3,064)
_	110,781)	1	1		1	1	(110,781)
(160,447)	609,493)	(3,840)	(1,056)	(8,234)	(18,838)	(18,843)	(820,751)
2,129,010 13,	892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
3,268,790 20,	577,963	226,247	28,890	121,401	135,713	92,056	24,490,228
(1,139,780) (6,	(882,799)	(201,728)	(26,980)	(104,564)	(76,864)	(32,767)	(8,268,482)
2,129,010 13,	892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
5% 3.3	13% - 5%	10%	20%	25%	20%	20%	
		332 20,776,802 370) (7,365,206) 962 13,411,596 135 14,270,996 322 341,442 - (110,781) 447) (609,493) 510 13,892,164 790 20,577,963 780) (6,685,799) 510 13,892,164 520,577,963 780 (6,685,799) 780 3.33% - 5%	20,776,802 23 (7,365,206) (20 13,411,596 3 14,270,996 2 341,442 (609,493) (609,493) (609,493) (609,493) (609,493) (20,577,963 22 (6,685,799) (20 13,892,164 2 13,892,164 2	20,776,802 235,627 (7,365,206) (205,422) (6,365,206) (205,422) (7,3411,596 30,205 14,270,996 21,720 3.41,442 6,763 - (124) (110,781) - (609,493) (3,840) (13,892,164 24,519 (6,685,799) (201,728) (6,685,799) (201,728) (6,685,799) (201,728) (7,13,892,164 24,519 13,892,164 24,519 (13,892,164 24,519 13,892,164 24,519	20,776,802       235,627       29,867         (7,365,206)       (205,422)       (27,800)         13,411,596       30,205       2,067         14,270,996       21,720       2,242         341,442       6,763       724         -       (124)       -         (609,493)       (3,840)       (1,056)         13,892,164       24,519       1,910         20,577,963       226,247       28,890         (6,685,799)       (201,728)       (26,980)         13,892,164       24,519       1,910         3.33% - 5%       10%       20%	20,776,802       235,627       29,867       123,662         (7,365,206)       (205,422)       (27,800)       (112,002)         13,411,596       30,205       2,067       11,660         14,270,996       21,720       2,242       17,792         341,442       6,763       724       7,279         -       (124)       -       -         (609,493)       (3,840)       (1,056)       (8,234)         13,892,164       24,519       1,910       16,837         20,577,963       226,247       28,890       (104,564)         13,892,164       24,519       1,910       16,837         13,892,164       24,519       1,910       16,837         3.33% - 5%       10%       20%       25%	20,776,802       235,627       29,867       123,662       139,558       13         (7,365,206)       (205,422)       (27,800)       (112,002)       (84,217)         13,411,596       30,205       2,067       11,660       55,341         14,270,996       21,720       2,242       17,792       63,262         341,442       6,763       724       7,279       17,365         -       (110,781)       -       -       (2,940)         (110,781)       -       -       (2,940)         13,892,164       24,519       1,910       16,837       58,849         20,577,963       226,247       28,890       121,401       135,713         (6,685,799)       (201,728)       (26,980)       (104,564)       (76,864)         13,892,164       24,519       1,910       16,837       58,849         13,892,164       24,519       1,910       16,837       58,849

Operating assets

# 3.2 Movement in capital work-in-progress

		2021	11			2020		
	Balance as at July 1, 2020	Additions during the year	Transfers	Balance as at June 30, 2021	Balance as at July 1, 2019	Additions during the year	Transfers	Balance as at June 30, 2020
Captive Solar Power				(Rupees '000)	(000,			
Project - note 1.3								
Civil and electrical works		169,572		169,572	1	1	1	
Plant and machinery		1,318,023		1,318,023	1	ı	1	•
Others - note 3.2.1		31,719		31,719	ı	1	1	,
		1,519,314		1,519,314		1		
Installation of Line 4 - note 1.4								
Civil works		12,568		12,568	1	1	1	,
Advances to suppliers		1,399,792		1,399,792		1	1	
Others - note 3.2.2		9,803		9,803	1	1	1	•
		1,422,163		1,422,163		1		
Others								
Civil works		244		244	27,502	4,322	(31,824)	1
Plant and machinery	4,195	195,127	(176,780)	22,542	176,957	257,893	(430,655)	4,195
	4,195	195,371	(176,780)	22,786	204,459	262,215	(462,479)	4,195
Total	4,195	3,136,848	(176,780)	2,964,263	204,459	262,215	(462,479)	4,195

- This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant as disclosed in note 1.3. Furthermore, the borrowing cost net of deffered grant amounting to Rs. 5.81 million was capitalised at the internal rate of return of 3.25% on specific borrowing obtained for the financing of this project. 3.2.1
- This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site as disclosed in note 1.4. Furthermore, the borrowing cost net of deffered grant amounting to Rs. 3.73 million was capitalised at the internal rate of return of 1.96% per annum on specific borrowing obtained for financing of this project. 3.2.2

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
		(Rupees	3 '000)
3.3	Stores held for capital expenditure		
	Balance at beginning of the year	1,030,022	772,269
	Additions during the year	116,003	501,468
	Less: Transfers made during the year	(215,905)	(243,715)
	Balance at end of the year	930,120	1,030,022

- 3.4 The right-of-use assets comprise leasehold buildings and motor vehicle used by the Company for its operations.
- 3.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

	Location	Usage of immovable property	Total Area	Covered Area
	Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	669	669
4.	LONG-TERM INVESTMENTS Investment in subsidiary company		<b>2021</b> (Rupees	2020 (000)
	Sagr Al-Keetan For Cement Production Compa	ny Limited - at cost - note 4.1	1,823,001	1,823,001
	Investment in associated company accounted Attock Information Technology Services (Privat			
	(2020: 450,000) fully paid ordinary shares of	of Rs. 10 each - notes 4.2 and 4.3	40,742 1,863,743	35,088 1,858,089

4.1 The Company has a Joint Venture agreement with Al Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company is to operate a cement grinding plant having production capacity of approximately 900,000 metric tons per annum.

The limited liability Company was established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL) having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. The expected investment of the Company in foreign subsidiary would be USD 24 million. The Company has made total investment amounting to USD 16.30 million in SAKCPCL.

Equity investment in SAKCPCL, Basra Iraq had been approved by the members in its Extra Ordinary General Meeting held on May 12, 2015, as was required under section 208 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

The commercial production of SAKCPCL's Line 1 cement plant, having production capacity of approximately 450,000 metric tons per annum, started on September 01, 2019 after satisfactory completion of performance test.

4.2 The Company holds 10% (2020: 10%) of the associate's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.3. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

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

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

	2021	2020
	(Rupee	s '000)
Opening balance	35,088	29,165
Share of net income of associate accounted for using the equity method	5,654	5,923
	40,742	35,088

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

		2021	2020
		(Rupe	es '000)
	Revenue	151,297	142,950
	Profit after taxation	56,540	59,223
		<u> </u>	
	Non-current assets	75,656	89,096
	Current assets	359,765	293,870
	Non-current liabilities	(5,885)	(9,283)
	Current liabilities	(22,119)	(22,806)
		(==,===,	(==,000)
	Net assets	407,417	350,877
	1101 400010	107,127	
	Carrying value	40,742	35,088
	ourlying value	70,772	
5.	LONG-TERM LOANS AND ADVANCES – considered good		
	Director- note 5.2 & 5.3	10,079	-
	Employees	146,076	97,142
		156,155	97,142
	Less :Recoverable within one year - note 9	(88,191)	(58,324)
	Long term portion	67,964	38,818

- Amounts receivable from employees represent house rent advances given according to the Company's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of the employees.
- 5.2 During the year, housing advance is given to Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017. The maximum amount due at the end of any month was Rs. 11.52 million.
- **5.3** Reconciliation of the carrying amount of loan to Alternate Director is as follows:

	2021	2020
	(Rupe	ees '000)
Opening Disbursement	- 11,519	-
Repayment Closing	(1,440) 10,079	-

FOR THE YEAR ENDED JUNE 30, 2021

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

## 6. LONG-TERM DEPOSITS

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

		2021	2020
7.	INVENTORIES	(Rupe	es '000)
	Stores, spares and loose tools - note 7.1 Raw materials Packing materials Semi - finished goods - note 7.2 Work-in-process Finished goods	2,519,884 131,206 163,230 622,627 44,662 160,887 3,642,496	2,113,256 139,810 124,172 875,653 38,098 174,951 3,465,940
7.1	Stores, spares and loose tools	3,042,430	
	Coal - note 7.1.1 Stores and spares - note 7.1.2 Bricks Loose tools	1,533,601 916,025 133,822 2,538	1,029,428 929,637 206,215 2,515
	Less: Provision for slow moving and obsolete items	2,585,986 (66,102) 2,519,884	2,167,795 (54,539) 2,113,256

- **7.1.1** This includes coal in transit amounting to Rs. 1,217.63 million (2020: Rs. 145.39 million).
- **7.1.2** This includes stores and spares in transit amounting to Rs. 42 million (2020: Rs. 26.58 million).
- 7.2 This includes clinker held at port for export amounting to Rs. 170.43 million (2020: Rs. 359.98 million).

		2021	2020
8.	TRADE RECEIVABLES – considered good	(Rupe	es '000)
	Secured Unsecured	1,608,921 22,481 1,631,402	337,029 157,506 494,535
8.1	The age analysis of trade receivables is as follows: Not yet due 1 to 30 days 31 to 90 days 91 to 180 days 181 to 365 days Over 365 days	1,443,326 149,590 4 375 2 38,105 1,631,402	300,439 31,004 40,477 36,054 82,426 4,135 494,535

		2021	2020	
		(Rupees '000)		
9.	LOANS AND ADVANCES - considered good			
	Current portion of long-term loans and advances to Employees - note 5	88,191	58,324	
	Other advances - Employees	436	482	
	Advances to suppliers	55,302	103,637	
		143,929	162,443	
10.	SHORT-TERM DEPOSITS AND PREPAYMENTS			
	Deposits - considered good	14,127	7,816	
	Prepayments	11,228	5,432	
		25,355	13,248	
11.	OTHER RECEIVABLES			
	Export rebate receivable	4,256	5,491	
	Receivable from Saqr Al-Keetan - notes 11.1 & 11.2	277,219	287,448	
	Due from related parties - note 11.3	3,114	784	
	Others	35,447	30,799	
		320,036	324,522	

- 11.1 This amount represents various expenses incurred by the Company for its Iraq project that are recoverable from the subsidiary. The receivable amount is past due but not impaired.
- The maximum amount due from Sagr Al Keetan at the end of any month was Rs. 294.9 million (2020: Rs.287.45 million). 11.2
- 11.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 7.05 million (2020: Rs. 7.08 million).

2021 2020 -----(Rupees '000) -----

#### 12. SHORT TERM INVESTMENTS

Investments - Fair value through profit or loss - note 12.1

1,914,887

#### 12.1 Investments - Fair value through profit or loss

2021	2020		2021		2020	
Number o	of units		Cost	Market Value	Cost	Market Value
				(Rupe	es (000) ·	
19,754	-	ABL Cash Fund	200,000	201,118	-	-
19,867	-	ABL Income Fund	200,000	200,488	-	-
2,580	-	AGHP Money Market Fund	250,000	253,454	-	-
509	-	Alfalah Islamic Rozana Amdani Fund	50,000	50,926	-	-
10,085	-	NBP Islamic Daily Dividend Fund	100,000	100,851	-	-
9,529	-	NBP Financial Sector Income Fund	100,000	100,453	-	-
992	-	HBL Money Market Fund	100,000	101,809	-	-
1,992	-	First Habib Income Fund	200,000	200,859	-	-
4,031	-	Meezan Rozana Amdani Fund	200,000	201,547	-	-
1,849	-	MCB-Pakistan Income Fund	100,000	100,379	-	-
2,002	-	First Habib Cash Fund	200,000	201,498	-	-
503	-	MCB Cash Management Optimizer	50,000	50,811	-	-
980	-	Faysal Financial Sector Opp. Fund	100,000	100,226	-	-
5,235	-	NIT Money Market Fund	50,000	50,468	-	-
79,908	-	-	1,900,000	1,914,887	-	-

FOR THE YEAR ENDED JUNE 30, 2021

2021	2020			
(Rupees	'000)			

## 13. CASH AND BANK

## Cash at bank

## Conventional

- On PLS savings accounts

Local currency - notes 13.1 & 13.2 Foreign currency - note 13.3

- On current accounts

Local currency Foreign currency

- Call deposit receipt

- Term deposit receipt - note 13.4

#### Islamic

- On Current accounts

Local currency Foreign currency - note 13.5

- Term deposit receipt - note 13.4

## Cash in hand

263,215	627,324
620	666
263,835	627,990
118,733	47,508
29,737	28,306
148,470	75,814
-	50,000
70,000	29,000
482,305	782,804
·	,
6,743	1,935
81,494	_
88,237	1,935
20,000	-
108,237	1,935
872	820
591,414	785,559

- 13.1 During the year, the mark-up rates on PLS saving accounts was 5.5% (2020: 5.5% to 11.25%) per annum.
- This includes deposits of Rs. 220.02 million (2020: Rs. 212.14 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.
- 13.3 This represents foreign currency account having a balance of AED 0.014 million (2020: AED 0.014 million) placed in United Bank Limited Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.
- This carries mark up at 6.95% to 7% per annum payable at maturity and is due to mature by June 30, 2022. The TDR is held under lien against the guarantee issued by bank on behalf of the Company.
- 13.5 This represents foreign currency account having a balance of USD 0.52 million placed in Meezan Bank Limited PNSC Branch.

2021	2020		
(Rupees	(000)		

## 14. SHARE CAPITAL

## **Authorised share capital**

, ,	inary shares of Rs. ,000 ordinary share	2,000,000	2,000,000	
<b>Issued, subscribed</b> Ordinary shares of	d and paid-up capit Rs. 10 each			
<b>2021</b> No. of	2020 f Shares	-		
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
103,546,486 137,426,961	103,546,486 137,426,961	Shares allotted as bonus shares	1,035,465 1,374,270	1,035,465 1,374,270

As at June 30, 2021, Pharaon Investment Group Limited (Holding) S.A.L., Lebanon and its nominees held 115,526,349 (2020: 115,526,349) ordinary shares of Rs. 10 each.

2021	2020
(Rupees	(000)

## 15. LONG-TERM LOANS

## Long Term Finance - secured

- under Temporary Economic Refinance Facility - note 15.3	691,200	-
- under Long Term Finance Facility - note 15.4	708,592	-
- under Renewable Energy Financing Scheme - note 15.5	1,281,017	-
- under Payroll Refinance Scheme - note 15.6	489,198	270,000
	3,170,007	270,000
Less:		
- Deffered government grant - note 16	(483,636)	-
- Advisory and arrangement fee paid	(29,250)	-
	(512,886)	-
Less: Current portion of long term loan - note 21	(275,000)	(33,750)
	2,382,121	236,250

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

	2021	2020	
	(Rupees '000)		
Balance as at July 1	270,000	3,437,500	
Disbursements during the year	2,960,809	270,000	
Less: Repayment	(60,802)	(3,437,500)	
Balance as at June 30	3,170,007	270,000	

FOR THE YEAR ENDED JUNE 30, 2021

15.2	Facility	Loan Type	Repayment	Mark-up		Effective	Facility	Date of	Last
			terms - Principal	Payable basis	Rate (per annum)	Rate (%) 2021	Amount (Rs. '000)	drawdown	Repayment date
	Temporary Economic Refinance Scheme	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.5%	1.50%	4,700,000	April-21	March-31
	Long Term Finance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.40%	2.40%	5,000,000	June-21	March-31
	Renewable Energy Financing Scheme	Term-loan	20 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.25%	3.25%	1,700,000	February-21	February-28
	Payroll Refinance Scheme	Term-loan	8 Semi-annual (6 months grace period)	Quarterly	SBP rate + 0.50% - 0.75%	0.62%	550,000	April-20	April-23

- 15.2.1 The above facilities are secured against ranking and first pari passu hypothecation / mortgage charges on the Company's present and future fixed assets excluding land and building to cover the facility amount along with a 25% margin.
- **15.2.2** In relation to the above borrowings, the Company needs to observe certain financial and non financial covenants as specified in the agreement with respective lenders which are complied at the reporting date.

2	021	2020
	(Rupe	es '000)
	-	-
6	91,200	-
(2	07,628)	-
(	14 173)	_

469,399

## 15.3 Temporary Economic Refinance Facility

Balance as at July 1
Disbursements during the year
Deferred grant - note 16
Advisory and arrangement fee paid
Balance as at June 30

15.3.1 This represents syndicated finance facility loan obtained under the SBP's Temporary Economic Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.

2021	2020			
(Rupees	'000)			

## 15.4 Long Term Finance Facility

Balance as at July 1 Disbursements during the year Advisory and arrangement fee paid Balance as at June 30

-	_
708,592	-
(15,077)	-
693,515	-

15.4.1 This represents syndicated finance facility loan obtained under the SBP's Long Term Finance Facility for purchase of plant and machinery in respect of export-oriented projects.

2021	2020
(Rupees	'000)

## 15.5 Renewable Energy Financing Scheme

Balance as at July 1 Disbursements during the year Deferred grant - note 16 Balance as at June 30

-	-
1,281,017	-
(212,424)	-
1,068,593	-

15.5.1 This represents loan obtained under the SBP's Renewable Energy Financing Scheme available to the Company for installation of Captive Solar Power Plant at below-market interest rate.

15.6	Payroll Refinance Scheme	(Rupe	2020 ees '000)
	Balance as at July 1 Disbursements during the year Repayment during the year Deferred grant - note 16	236,250 280,000 (60,802) (63,584)	- 270,000 - -

2021

(275,000)

116,864

2021

335,259

2020

(33,750)

236,250

2020

**15.6.1** The Company entered into a long-term loan agreement with Faysal Bank Limited under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the SBP.

DEFERRED INCOME - GOVERNMENT GRANT	(Rupe	es '000)
Deferred grant recorded: - under Temporary Economic Refinance Facility	207,628	-
- under Renewable Energy Financing Scheme	212,424	-
- under Payroll Refinance Scheme	63,584	
	483,636	-
Less:		
- Government grant deducted from borrowing cost - note 3.2.1 and 3.2.2	(14,944)	-
- Government grant recognised in income - note 28	(37,285)	-
	(52,229)	-
Less: Current portion of deferred income - government grant - note 19	(96,148)	-

16.1 This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

## 17. DEFERRED TAX LIABILITIES / (ASSETS)

Current portion of long term loan

Balance as at June 30

16.

	Accelerated tax depreciation	Right of use - assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Tax credit on investment	Total
				(	Rupees (000)				
July 01, 2020 Impact on statement of financial position	1,779,081	12,176 -	(10,329)	(11,472)	(90,296) -	(236,265) 120,923	(361,763)	-	1,081,132 120,923
Charge / (credit) to unconsolidated statement of profit or loss and other									
comprehensive income for the year	(56,247)	(685)	(1,587)	(17)	90,296	-	-	-	31,760
June 30, 2021	1,722,834	11,491	(11,916)	(11,489)	-	(115,342)	(361,763)	-	1,233,815
July 01, 2019	1,727,689	1,950	(9,135)	(2,061)	(217,112)	(215,457)	(409,511)	(525,080)	,
Impact on statement of financial position	-	-	-	-	-	-	90,633	525,080	615,713
Charge / (credit) to unconsolidated statement of profit or loss and other									
comprehensive income for the year	51,392	10,226	(1,194)	(9,411)	126,816	(20,808)	(42,885)	-	114,136
June 30, 2020	1,779,081	12,176	(10,329)	(11,472)	(90,296)	(236,265)	(361,763)	-	1,081,132

- 17.1 Deferred tax liability is restricted to 62.16% (2020: 65.31%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.
- 17.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.
- 17.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate of 29%.

FOR THE YEAR ENDED JUNE 30, 2021

## 18. EMPLOYEE BENEFIT OBLIGATIONS

## 18.1 Staff retirement benefits

- 18.1.1 As stated in note 2.6, the Company operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.
- 18.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

## 18.1.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

**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.

**Asset volatility** - Most assets are invested in risk free investments of 3 months, 3 or 5 years Market Treasury Bills, Term Deposits Receipts, Term Finance Certificates, Pakistan Investment Bonds. However, instrument in Open-ended Mutual Funds is subject to adverse fluctuation as a result of change in market price.

**Discount rate fluctuation -** The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

**Investment risks** - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

**18.1.4** The latest actuarial valuations of the Plans as at June 30, 2021 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

		202	21	2020		
		Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds	
			(Rupee	s '000)		
18.1.5	Balance sheet reconciliation as at June 30					
	Present value of defined benefit obligation	630,131	551,249	621,233	511,669	
	Fair value of plan assets	(412,186)	(461,237)	(354,898)	(418,361)	
	Deficit	217,945	90,012	266,335	93,308	
18.1.6	Movement in the defined benefit obligation					
	Obligation as at July 01	621,233	511,669	479,580	474,803	
	Service cost	21,499	28,349	17,723	27,167	
	Interest expense	53,265	42,980	68,390	66,480	
	Remeasurement on obligation	(26,219)	7,240	110,962	(14,400)	
	Benefits paid	(39,647)	(38,989)	(55,422)	(42,381)	
	Obligation as at June 30	630,131	551,249	621,233	511,669	
18.1.7	Movement in the fair value of plan assets					
	Fair value as at July 01	354,898	418,361	317,858	369,647	
	Interest income	30,865	35,365	45,351	52,435	
	Remeasurement on plan assets	64	2,486	(4,526)	(3,498)	
	Employer contributions	66,006	44,014	51,637	42,158	
	Benefits paid	(39,647)	(38,989)	(55,422)	(42,381)	
	Fair value as at June 30	412,186	461,237	354,898	418,361	

					2021			2020	
					sion nds	Gratuity Funds	Pensi Fund		Gratuity Funds
						·(Rupe	es '000)		
18.1.8	Expense recognised in uncons of profit or loss	solidated sta	atement						
	Service cost			2:	L,499	28,349	17,	723	27,167
	Interest expense - net			22	2,400	7,615		039	14,045
					3,899	35,964	40,	762	41,212
18.1.9	Remeasurement recognised in	n other com	prehensive						
	income			(0)	. 010)	7.040	110	060	(1.4.400)
	Experience (gains) / losses			(26	5,219)	7,240	110,		(14,400)
	Remeasurement of fair value of	of plan asset	:S	(0)	(64)	(2,486)		526	3,498
	Remeasurements			(20	5,283)	4,754	115,	488 ==	(10,902)
19 1 10	Net recognised liability								
16.1.10	Balance as at July 01			260	5,335	93,308	161	722	105,156
	Expense for the year				3,899	35,964		762	41,212
	Employer contributions				5,006)	(44,014)		637)	(42,158)
	Remeasurement recognised in	other		(0)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(44,014)	(51,	0077	(42,130)
	comprehensive (income) / los			(26	5,283)	4,754	115,	488	(10,902)
	Balance as at June 30				7,945	90,012 266,335			93,308
						,			
18.1.11	Composition of plan assets:	202	21	202	20	202	21	20	20
			Pensior	Funds			Gratuity	Funds	
		(Amount	%	(Amount	%	(Amount	%	(Amount	%
		in '000)	70	in '000)	70	in '000)	76	in '000)	76
	Market Treasury Bills	57,728	14.01	86,585	24.40	38,345	8.31	102,449	24.48
	Term Deposit Receipts	-	-	15,915	4.48	-	-	15,922	3.81
	Term Finance Certificates	46,554	11.29	38,663	10.89	36,435	7.90	28,438	6.80
	Pakistan Investment bonds	72,258	17.53	69,484	19.58	71,742	15.55	68,994	16.49
	Open-ended Mutual Funds	234,404	56.87	141,772	39.95	312,946	67.85	201,515	48.17
	Other (including bank balance)	1,242	0.30	2,479	0.70	1,769	0.39	1,043	0.25
		412,186	100.00	354,898	100.00	461,237	100.00	418,361	100.00
18.1.12	Actuarial assumptions		2021				2020		
	•	First	Carand	Thind	Fourth &	First.	0	Think	Fourth &
		First	Second	Third	onwards	First	Second	Third	onwards
					(Ye	ear)			
	Expected rate of increase in salaries - Management staff								
	Senior management	9.00%	9.00%	8.50%	8.25%	7.50%	8.00%	8.50%	6.75%
	_								
	Junior management	9.00%	9.00%	8.50%	8.25%	7.50%	8.00%	8.50%	6.75%
	- Non-management staff	9.50%	9.00%	9.50%	8.25%	9.00%	8.00%	9.00%	6.75%

The discount factor used for pension and gratuity funds is 10% (2020: 8.5%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.92%. This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation throughout the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

FOR THE YEAR ENDED JUNE 30, 2021

- **18.1.13** Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.
- 18.1.14 The Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.
- 18.1.15 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the unconsolidated statement of financial position date.

## 18.1.16 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation						
		Pension	Funds	Gratuity Funds			
	Change in assumption	Increase in assumption			Decrease in assumption		
At June 30, 2021			(Rupees	s '000)			
Discount rate Future salary increases	0.5% 0.5%	(39,008) 14,599	42,733 (13,812)	(22,503) 18,561	24,233 (17,447)		
At June 30, 2020							
Discount rate Future salary increases	0.5% 0.5%	(31,508) 15,084	34,662 (14,251)	(21,118) 17,370	22,758 (16,317)		

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

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

18.1.17 Historical information	2021	2020	2019 -(Rupees '000)-	2018	2017
Pension Funds as at June 30			(114)		
Present value of defined benefit obligation	630,131	621,233	479,580	568,859	641,606
Fair value of plan assets	(412,186)	(354,898)	(317,858)	(293,571)	(283,478)
Deficit	217,945	266,335	161,722	275,288	358,128
Empirement adjustments					
Experience adjustments					
Gain / (loss) on obligation	26,219	(110,962)	107,274	95,671	(40,904)
Gain / (loss) on plan assets	64	(4,526)	(8,852)	(17,488)	(14,197)
	26,283	(115,488)	98,422	78,183	(55,101)
Gratuity Funds as at June 30					
Present value of defined benefit obligation	551,249	511,669	474,803	435,787	421,031
Fair value of plan assets	(461,237)	(418,361)	(369,647)	(323,982)	(289,706)
Deficit	90,012	93,308	105,156	111,805	131,325
Evnevience adjustments					
Experience adjustments					
Gain / (loss) on obligation	(7,240)	14,400	(18,744)	11,111	(42,755)
Gain / (loss) on plan assets	2,486	(3,498)	(9,875)	(18,025)	(3,878)
	(4,754)	10,902	(28,619)	(6,914)	(46,633)

- 18.1.18 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 52.34 million in 2022 (2021: Rs. 49.85 million).
- **18.1.19** The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	(No. of	years)
Management	10.97	8.48
Non-management	17.98	8.41

**18.1.20** Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years(Rupees	Between 5 - 10 years '000)	Over 10 years	Total
As at June 30, 2021						
Pension Funds Gratuity Funds	12,467 48,953	16,260 55,546	95,450 172,372	313,201 363,198	516,618 431,701	953,996 1,071,770
As at June 30, 2020						
Pension Funds Gratuity Funds	10,452 40,650	13,649 47,967	83,940 177,271	286,391 292,877	471,119 371,925	865,551 930,690

**18.1.21** The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

		(Rupe	es '000)
19.	TRADE AND OTHER PAYABLES		
	Creditors - note 19.1	1,102,942	438,828
	Accrued liabilities - note 19.1 & 19.2	3,016,541	1,751,271
	Royalty payable - note 19.3	570,398	491,377
	Electricity charges payable - note 19.4	371,046	360,474
	Excise duty payable on sales	239,056	188,650
	Safety duty payable - note 19.5	104,857	130,839
	Infrastructure Cess - note 19.6	74,252	35,341
	Excise duty payable on extraction - note 19.7	20,277	1,808
	Workers' Welfare Fund - note 19.8	260,461	229,034
	Workers' Profits Participation Fund - note 19.9	82,702	81,274
	Current portion of deferred income - government grant - note 16	96,148	-
	Advances from customers - note 19.10	451,972	221,868
	Security deposits - note 13.2	220,016	212,143
	Retention money	38,476	24,596
	Payable to provident fund - note 19.11	23	27
	Taxes deducted at source and payable to statutory authorities	845	10,669
	Others - note 19.1	7,132	7,237
		6,657,144	4,185,436

- 19.1 Creditors, accrued liabilities and other liabilities include Rs. 22.08 million, Rs. 4.40 million and Rs. Nil (2020: Rs. Nil, Rs. 5.96 and Rs. 5.76 million) respectively in respect of amounts due to related parties.
- 19.2 This includes provision amounting to Rs. 246.47 million (2020: 179.17 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Company is under a industry-wide dispute on the basis of calculation of marking fee.

2021

2020

FOR THE YEAR ENDED JUNE 30, 2021

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

The Company has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the Court, the Company has furnished a bank guarantee of Rs. 236.18 million (2020: Rs 316.37 million) for the additional portion of royalty.

- 19.4 This includes Rs. 179.86 million (2020: Rs 179.86 million) and Rs. 0.65 million (2020: Rs 52.35 million) in respect of industry support package adjustment and fuel charge adjustment respectively.
- This pertains to duty of safety / rescue / training enacted by Government of Balochistan vide Notification No. PAB/LegisII(01)/2020 dated July 15, 2020 enhancing the rate of safety duty from 5 Rupees per ton to 25% of per ton royalty rate on minerals effective from July 01, 2020.

The Company has filed a petition against the Government of Balochistan before the High Court terming this notification as unconstitutional. The matter is currently pending adjudication before the High Court.

Furthermore, during the year, the Company has reversed safety duty amounting to Rs. 130.83 million pertaining to provision for prior year extraction recorded at the rate of 5 Rupees per ton after the decision of the High Court to impose the earlier notifications as ultra vires.

- 19.6 This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Company has challenged the levy before the Sindh High Court of which the litigation is pending adjudication. However, in similar matters the Sindh High Court has dismissed the constitutional petitions.
- 19.7 This includes provision amounting to Rs. 18.18 million in respect of enhanced excise duty of 10% per ton royalty rate on minerals extractions by the Government of Balochistan through Notification A-1/323-2020/1761 dated April 16, 2021 effective from July 01, 2021. The Company is currently paying the excise duty at 5 Rupees per ton of the minerals extracted.

The Company filed constitutional petition before the High Court against the Government of Balochistan terming the above notification as unconstitutional. The matter is pending before the High Court.

19.8 This includes provision of Rs. 31.43 million, Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2021, 2020, 2019, 2017, 2016 and 2015 respectively. The Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

		2021	2020
19.9	Workers' Profits Participation Fund	(Rupe	ees '000)
	At beginning of the year Charge for the year - note 27	81,274 82,702	127,722 81,274
	Interest on funds utilised in Company's business - note 29	163,976 915 164,891	208,996 708 209,704
	Less: Amount paid to the Fund	(82,189) 82,702	(128,430) 81,274

19.10 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.18 is satisfied.

	2021	2020
	(Rupees	s '000)
Opening balance Advance received during the year Revenue recognised during the year Closing balance	221,868 9,111,861 (8,881,757) 451,972	142,817 9,379,485 (9,300,434) 221,868
Closing balance	451,972	221,86

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

## 20. ACCRUED MARK-UP

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

		2021	2020
		(Rupees	s '000)
21.	SHORT-TERM BORROWINGS		
	Short-term running finance - notes 21.1 & 21.2	223,854	-
	Export refinance facility - note 21.1 & 21.3	3,895,000	4,869,000
	Current maturity of long-term loan - note 15	275,000	33,750
		4,393,854	4,902,750

- 21.1 The facilities available from various banks amount to Rs. 6.41 billion (2020: Rs. 7.41 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2021 and 2022.
- The rates of mark-up ranging between one-month KIBOR to one-month KIBOR plus 0.5% (2020: one month KIBOR minus 0.2% and one-month KIBOR plus 0.5%) per annum.
- 21.3 The export refinance facilities available from different banks are secured by way of hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.75% to 1% (2020: 0.75% to 1%).
- The facilities for opening letters of credit and guarantee as at June 30, 2021 amounted to Rs. 6 billion (2020: Rs. 5.5 billion) of which unutilised balance at year end amounted to Rs. 4.30 billion (2020: Rs. 4.41 billion).

## 22. CONTINGENCIES AND COMMITMENTS

22.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the Company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The Company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court (LHC) which directed the CCP not to take any adverse action against the Company under the aforementioned order passed by CCP. During the year, the LHC has given judgement against the Company. The Company has filed petition against the decision of LHC before the Supreme Court of Pakistan which is pending adjudication.

FOR THE YEAR ENDED JUNE 30, 2021

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

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

## 22.2 SALES TAX MATTERS

- 22.2.1 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Company in relation to its filed sales tax returns for the months of July, 2015 through August, 2017 alleging that Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Company. The Company has now filed an appeal at the Appellate Tribunal Inland Revenue against the judgement of the CIRA which is pending adjudication.
- **22.2.2** Further, in 2019, another order was passed by DCIR against the Company in relation to its filed sales tax returns for the months of July, 2013 through June, 2018 in which the Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and of building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Company filed an appeal to the CIRA.
- **22.2.3** Based on the advice of its tax counsel, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these unconsolidated financial statements.
- 22.3 Commitments for capital expenditure outstanding as at June 30, 2021 amounted to Rs. 8.24 million (2020: Rs. 5.83 million).

		2021	2020
		(Rupe	es '000)
23.	REVENUE FROM CONTRACTS WITH CUSTOMERS		
	Local sale of goods	17,615,358	14,898,617
	Sales tax	(2,906,380)	(2,497,293)
	Federal excise duty	(2,223,645)	(2,478,140)
		(5,130,025)	(4,975,433)
	Rebates, discount and commission	(451,004)	(409,655)
	Net local sale of goods	12,034,329	9,513,529
	Export sales - note 23.2	10,135,627	9,722,781
	Freight	(925,394)	(735,736)
		9,210,233	8,987,045
		21,244,562	18,500,574

The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, one (2020: one) of the Company's customer contributed towards 10.42% (2020: 10.63%) of the net revenue during the year amounting to Rs. 2.34 billion (2020: Rs. 1.97 billion).

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

		2021	2020
		(Rupees '000)	
	Africa and Middle East Asia	381,070	1,245,372
	Sri Lanka	5,696,022	5,168,309
	Bangladesh	3,040,614	2,749,956
	Others	1,017,921 10,135,627	559,144 9,722,781
		10,133,627	9,722,761
24.	COST OF SALES		
	Raw materials consumed	1,973,417	1,750,827
	Packing materials consumed	1,035,959	1,151,386
	Cement packaging and loading charges	27,755	29,906
	Salaries, wages and benefits - note 24.1	2,043,680	1,831,822
	Fuel	6,381,855	5,439,072
	Electricity and water	2,772,361	2,267,533
	Stores and spares consumed	790,921	476,512
	Repairs and maintenance	146,405	88,971
	Insurance	52,817 154,839	62,248 142,188
	Vehicle running and maintenance Security expenses	149,132	142,186
	Depreciation	789,318	784,987
	Other expenses - note 24.2	23,013	29,135
		16,341,472	14,196,402
	Add: Opening semi - finished goods and work-in-process	913,751	975,008
	Less: Closing semi - finished goods and work-in-process	(667,289)	(913,751)
	Cost of goods manufactured	16,587,934	14,257,659
	Add: Opening stock of finished goods	174,951	168,795
	Less: Closing stock of finished goods	(160,887)	(174,951)
		16,601,998	14,251,503

- Salaries, wages and benefits include Rs. 61.94 million and Rs. 42.89 million (2020: Rs. 62.2 million and Rs. 41.11 million) in respect of charge for defined benefit plans and contributory provident fund respectively.
- 24.2 This includes provision for slow moving and obsolete items amounting to Rs. 11.56 million (2020: Rs. 6.71 million).

	2021	2020
	(Rupe	es '000)
25. DISTRIBUTION COSTS		
Salaries, wages and benefits - note 25.1	115,575	100,723
Handling and other export related expenses	1,495,257	1,328,451
Commission on export sales	151,483	106,006
Carriage outward on local sales	361,166	267,192
PSI marking fee	67,104	19,482
Advertisement and sales promotion	8,927	4,264
Travelling and entertainment	128	970
Other expenses	3,808	3,857
	2,203,448	1,830,945

Salaries, wages and benefits include Rs. 4.48 million and Rs. 2.75 million (2020: Rs. 4.51 million and Rs. 2.63 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

FOR THE YEAR ENDED JUNE 30, 2021

		<b>2021</b> (Rupees	2020
26.	ADMINISTRATIVE EXPENSES Salaries, wages and benefits - note 26.1 Depreciation	381,044 33,711	350,515 35,764
	Rent, rates and taxes Utilities Insurance	7,855 6,046 2,563	5,154 4,895 946
	Repairs and maintenance Communication and printing Travelling and entertainment	12,887 30,045 2,010	11,414 22,042 9,274
	Legal and professional charges Auditors' remuneration - note 26.2 Donations - note 26.3 Other expenses	40,011 6,037 11,461 34,373	18,989 5,290 6,840 35,814
	Other expenses	568,043	506,937
26.1	Salaries, wages and benefits include Rs. 13.44 million and Rs. 7.04 million (20 million) in respect of charge for defined benefit plans and contributory provident fund	20: Rs. 15.21 mill d respectively.	ion and Rs. 6.78
		2021	2020
		(Rupees	; '000)
26.2	Auditors' remuneration Audit fee (including consolidation) Fee for review of interim financial information and Statement of Compliance	2,800	2,500
	with Code of Corporate Governance Taxation services Other certifications, attestations and other services	1,150 1,269 235	1,150 1,080 235
	Out-of-pocket expenses	583 6,037	325 5,290
26.3	This represents donations given to The Citizens Foundation Rs. 11.46 million (20 directors or their spouses had any interest in the donee.	020: Rs. 6.50 mill	lion). None of the
		2021	2020
		(Rupees	(000)
27.	OTHER EXPENSES Workers' Welfare Fund- note 19.8 Workers' Profits Participation Fund - note 19.9	31,427 82,702 114,129	11,000 81,274 92,274

		2021	2020
		(Rupee	es '000)
28.	OTHER INCOME		
	Income from financial assets		
	Income on PLS savings accounts under interest / markup arrangements	14,866	17,149
	Dividend Income Unrealised gain on investments classified as fair value through profit or loss	3,359 14,887	-
	Gain on disposal of open ended mutual fund units	10,397	4,809
	Exchange gain - net	-	163,498
			,
	Income from non-financial assets	4 = 6.4	0.500
	Gain on disposal of operating assets	1,564	2,623
	Others		
	Export rebate	2,220	-
	Scrap sales	49,759	43,973
	Grant income	37,285	- 1 40F
	Others	466 134,803	1,495 233,547
		134,003	
29.	FINANCE COST		
	Bank charges and commission	63,305	58,534
	Mark-up on: Long term loans	39,956	305,196
	Short term borrowings	123,398	152,832
	Interest on Workers' Profits Participation Fund - note 19.9	915	708
	Finance charges on finance lease	7,502	8,624
	Exchange loss	122,411	-
		357,487	525,894
30.	INCOME TAX EXPENSE		
	Current	400,802	310,864
	Deferred	31,760	114,136
		432,562	425,000
30.1	Relationship between tax expense and accounting profit		
	Profit before income tax	1,539,914	1,532,491
	Tax at the applicable rate of 29% (2020: 29%)	446,575	444,422
	Effect of final tax regime	76,532	(14,962)
	Effect of income taxable at lower rate	(3,814)	673
	Others	(86,731)	(5,133)
		432,562	425,000
	Effective tax rate	28.09%	27.73%
31.	BASIC AND DILUTED EARNINGS PER SHARE		
31.	Profit for the year	1,107,352	1,107,491
		107.407	107 407
	Weighted average number of outstanding shares at the end of year (in thousands)	137,427	137,427
	Basic and diluted earnings per share (in Rs.)	8.06	8.06

FOR THE YEAR ENDED JUNE 30, 2021

32.

33.

31.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2021 and 2020 which would have any effect on the earnings per share if the option to convert is exercised.

	2021	2020
	(Rupe	es '000)
CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,539,914	1,532,491
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	823,029	820,751
Gain on disposal of property, plant and equipment	(1,564)	(2,623)
Dividend Income	(3,359)	-
Unrealised gain on investments classified as fair value through profit or loss	(14,887)	-
Gain on sale of open ended mutual fund units	(10,397)	(4,809)
Provision for stores, spares and loose tools	11,563	6,707
Interest income	(14,866)	(17,149)
Finance cost	357,487	525,894
Employee benefit obligations	79,863	81,974
Government grant recognised in income	(37,285)	- (5.000)
Share of net income of associate accounted for using the equity method	(5,654)	(5,923)
Profit before working capital changes	2,723,844	2,937,313
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets	(100 (00)	(77.105)
Inventories	(122,693)	(77,125)
Trade receivables Loans and advances	(1,136,867) 18,514	300,526 (74,512)
Short term deposits and prepayments	(12,107)	31,964
Tax refunds due from Government - Sales tax	37,090	126,066
Other receivables	4,486	(88,715)
0.1101 100011445100	(1,211,577)	218,204
Increase in current liabilities		,
Trade and other payables	2,375,560	607,996
	1,163,983	826,200
Cash generated from operations	3,887,827	3,763,513
CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 13 (excluding TDR having term of		
more than 3 months)	501,414	756,559
Short-term running finance - note 21	(223,854)	-
Export refinance facility - note 21.1 & 21.3	(3,895,000)	(4,869,000)
	(3,617,440)	(4,112,441)

#### 34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Ex	f Executive Executive		e Director	Exec	utives
	2021	2020	2021	2020	2021	2020
			(Rupe	es '000)		
Managerial remuneration	37,608	36,690	19,366	18,894	175,674	185,227
Housing allowance	10,257	10,006	5,622	5,485	61,692	63,489
Utility allowance	4,559	4,447	1,249	1,219	13,709	14,109
Bonus	18,994	20,384	10,412	12,190	114,244	107,832
Retirement benefits	-	-	4,789	4,672	36,874	36,633
Others	8,138	7,184	4,622	5,248	28,549	39,226
	79,556	78,711	46,060	47,708	430,742	446,516
	1	1	1	1	70	67

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

In addition to the above, fee paid to 4 (2020: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 6.36 million (2020: Rs. 4.4 million).

**2021** 2020 -----(Rupees '000) -----

#### 35. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

Holding company Dividend paid	404,342	462,105
Recovery of expenses	1,750	1,057
Subsidiary company		
Investment	-	15,625
Expenses incurred on behalf of subsidiary company	7,468	100,573
Group companies		
Purchase of goods	497,681	511,026
Reimbursement of expenses	2,107	2,963
Recovery of expenses from related parties	5,578	7,619
Sale of Goods	280	245
Purchase of shares by group company	-	899
Other related parties		
Payments made to retirement benefit funds	127,661	158,414
Key management personnel *		
Loans and advances recovered during the year	1,440	-
Loans and advances disbursed during the year	11,519	-
Sale of Company's vehicle	195	-
Salaries and other short-term employee benefits	120,827	121,747
Post-employment benefits	4,789	4,672
Sale of Goods	3,241	2,829

The related party status of outstanding balances as at June 30, 2021 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

<sup>\*</sup> Key management personnel includes CEO and Executive Director.

FOR THE YEAR ENDED JUNE 30, 2021

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

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Parent / Holding Company	Lebanon	84.06
2.	Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)	Subsidiary Company	Iraq	60.00
3.	Attock Petroleum Limited	Group Company / Common directorship	N/A	N/A
4.	Attock Refinery Limited	Group Company / Common directorship	N/A	N/A
5.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A	N/A
6.	National Refinery Limited	Group Company / Common directorship	N/A	N/A
7.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A	N/A
8.	The Attock Oil Company Limited	Group Company / Common directorship	N/A	N/A
9.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A
			2021	2020

#### 36. NUMBER OF EMPLOYEES

Number of employees at June 30

- Regular
- Contractual

Average number of employees during the year

- Regular
- Contractual

(Num	iber)
945	974
45	31
990	1,005
938	980
31	28
969	1,008

#### 37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 37.1 Financial risk factors

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

#### 37.2 Financial assets and liabilities by category and their respective maturities

		2021			2020	
	Maturity up to one year	Maturity after one year		Maturity up to one year	Maturity after one year	Total
Financial assets			(Кирес	3 000)		
At amortised cost	14,563	167,904	192 467	0 200	120 750	1.47.056
Loans, advances and deposits  Trade receivables	1,631,402	107,904	182,467 1,631,402	8,298 494,535	138,758 -	147,056 494,535
Other receivables	320,036	-	320,036	324,522	-	324,522
Bank balances	590,542	_	590,542	784,739	_	784,739
Cash in hand	872	_	872	820	-	820
At fair value through						
profit or loss						
Short term investment	1,914,887	-	1,914,887	- 1 610 014	-	-
	4,472,302	167,904	4,640,206	1,612,914	138,758	1,751,672
Financial liabilities						
Long term finance	275,000	2,382,121	2,657,121	33,750	236,250	270,000
Trade and other liabilities	5,031,433	-	5,031,433	2,960,756	-	2,960,756
Unclaimed dividend	10,674	-	10,674	10,416	-	10,416
Short term borrowings	4,118,854	-	4,118,854	4,869,000	-	4,869,000
Accrued markup	71,865	-	71,865	33,590	-	33,590
	9,507,826	2,382,121	11,889,947	7,907,512	236,250	8,143,762
On statement of financial						
position date gap	(5.035.524)	(2,214,217)	(7.249.741)	(6,294,598)	(97.492)	(6,392,090)
Lacringia and Sale	(2,000,021)	(-,== :,== / /	(2,=10,711)		(37,132)	
Net financial (liabilities) / asset						
Interest bearing	(4,040,639)	(2,382,121)		(4,230,016)	(236,250)	(4,466,266)
Non-interest bearing	(994,885)	167,904	(826,981)	(2,064,582)	138,758	(1,925,824)
	(5,035,524)	(2,214,217)	(7,249,741)	(6,294,598)	(97,492)	(6,392,090)

#### a) Market Risk

#### i) Interest rate risk

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

At June 30, 2021, the Company has variable interest bearing financial liabilities of Rs. 6.42 billion (2020: Rs. 4.47 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 128.44 million (2020: Rs. 89.64 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

#### ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2021, trade and other payables of Rs. 2,320.40 million (2020: Rs. 164.21 million), trade debts of Rs. 1,498.76 million (2020: Rs. 338.67 million) and bank balance of Rs. 111.85 million (2020: Rs. 28.97 million) are exposed to foreign currency risk.

FOR THE YEAR ENDED JUNE 30, 2021

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.7.81 million (2020: Rs. 4.06 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against CNY with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.03 million (2020: Rs. 4.06 million), as a result of foreign exchange gains / losses on translation of CNY denominated trade and other payables.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.48 million (2020: Rs. 0.54 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.01 million (2020: Rs. 0.01 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

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

#### iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument Company, its issuer, or factors affecting all similar financial instrument traded in the market.

The Company has fair value investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at June 30, 2021, had there been increase / decrease in net asset value by 2%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs 0.04 million (2020: Rs Nil).

#### b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 4,640.21 million (2020: Rs. 1,751.7 million) the financial assets exposed to the credit risk amounts to Rs. 2,724.45 million (2020: Rs. 1,750.85 million). The carrying values of financial assets are as under:

	2021	2020	
	(Rupe		
Trade receivables Deposits, loans, advances and other receivables	1,631,402 502,503	494,535 471,578	
Bank balances	590,542	784,739	
	2,724,447	1,750,852	

Trade receivables of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2021, secured and unsecured trade receivables amounted to Rs. 1,608.92 million and Rs. 22.48 million (2020: Rs. 337.03 million and Rs. 157.51 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2020: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 156.16 million (2020: Rs. 97.62 million) are secured against their retirement benefits.

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

#### c) Liquidity risk

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

#### d) Fair values of the financial instruments

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

As at June 30, 2021, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 1 of fair value hierarchy.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (eg. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2021:

2021							
Level 1	Level 2	Level 3	Total				
	(Rupee	s '000)					
1,914,887	_	_	1,914,887				

#### **Financial assets**

Investments - at fair value through profit or loss

FOR THE YEAR ENDED JUNE 30, 2021

#### 37.3 Capital Risk Management

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

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

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

		<b>2021</b> (Rupe	2020 es '000)
	Total borrowings - note 15 & 21 Cash and bank - note 13 Net debt	6,775,975 (591,414) 6,184,561	5,139,000 (785,559) 4,353,441
	Equity	17,200,542	16,552,656
	Total capital	23,385,103	20,906,097
	Debt to capital ratio	26%	21%
		<b>2021</b> (Metr	2020 ic tons)
38.	CAPACITY AND PRODUCTION Production capacity	(	.5 (5).6,
	- Clinker	2,883,000	2,883,000
	- Cement	3,027,150	3,027,150
	Actual production		
	- Clinker	3,191,164	2,828,898
	- Cement	2,006,269	1,766,734

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

#### 39. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 11, 2021 have proposed cash dividend of Rs. 4 per share (2020: Rs. 3.5 per share) amounting to Rs. 550 million (2020: Rs. 481 million) subject to the approval of the Company in the forthcoming annual general meeting.

#### 40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on August 11, 2021.

Muhammad Rehan Chief Financial Officer Babar Bashir Nawaz Chief Executive

# CONSOLIDATED FINANCIAL STATEMENTS



### A.F.FERGUSON&CO.

#### INDEPENDENT AUDITOR'S REPORT

### To the members of Attock Cement Pakistan Limited

#### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the annexed consolidated financial statements of Attock Cement Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network

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### A.F.FERGUSON&CO.

Following is the Key audit matter:

#### S.No. Key Audit Matter

#### (i) Inventories

(Refer note 7 to the consolidated financial statements)

Inventories include:

- raw materials comprising limestone, clay, gypsum, laterite and bauxite;
- work-in-progress mainly comprising clinker; and
- coal.

The above inventory items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. The Group also involves an external surveyor in the inventory count process.

Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.

### How the matter was addressed in our audit

The Group performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts.

Our audit procedures to assess the existence of inventory included the following:

- assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield;
- attended the physical count of the inventories and observed the said parameters. A representative of the Group and an external surveyor were also present;
- checked the background and experience of the surveyor to ensure his competence and capability;
- obtained samples of items to determine the nature / characteristics of the inventory.
   Such samples were then sent to the Group's laboratory to determine the nature of the inventory and other parameters; and
- obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.



### A-F-FERGUSON&CO.

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

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

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

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

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

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

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

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

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

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



### A.F.FERGUSON&CO.

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A. F. Ferguson & Co. Chartered Accountants Karachi

Actori

Date: September 24, 2021

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	<b>2021</b>	2020
ASSETS		(Карс	23 000)
Non-current assets  Fixed assets - property, plant and equipment Investment in associate Long-term loans and advances - considered good Long-term deposits  Current assets	3 4 5 6	23,716,819 40,742 67,964 99,940 23,925,465	21,847,996 35,088 38,818 99,940 22,021,842
Inventories Trade receivables - considered good Loans and advances - considered good Short-term deposits and prepayments Other receivables Taxation - payments less provisions Tax refunds due from Government - Sales tax Short term investment Cash and bank balances	7 8 9 10 11	4,785,062 1,707,826 338,460 32,742 42,816 2,859,342 19,431 1,914,887 2,767,118 14,467,684	4,785,692 548,068 221,053 43,440 37,074 2,866,866 56,521 - 1,501,063 10,059,777
Total assets		38,393,149	32,081,619
EQUITY AND LIABILITIES			
Share capital and reserves  Share capital - issued, subscribed and paid-up Unappropriated profit Exchange revaluation reserve Attributable to owners of Attock Cement Pakistan Limited - Holding Company Non-controlling interests  LIABILITIES	14	1,374,270 17,465,015 704,135 19,543,420 2,996,826 22,540,246	1,374,270 16,054,152 936,295 18,364,717 2,656,490 21,021,207
Non-current liabilities  Long - term loans  Deferred Income - Government grant  Long-term lease liabilities  Deferred tax liabilities  Employee benefit obligations  Current liabilities  Trade and other payables  Unclaimed dividend  Accrued mark-up	15 16 17 18 19	2,382,121 335,259 38,279 1,233,815 307,957 4,297,431 7,053,626 10,674 71,865	236,250 - 46,456 1,081,132 359,643 1,723,481 4,376,060 10,416 33,590
Short-term borrowings Current portion of long-term lease liabilities  Total liabilities	21	4,393,854 25,453 11,555,472 15,852,903	4,902,750 14,115 9,336,931 11,060,412
Contingencies and commitments	22		
Total equity and liabilities		38,393,149	32,081,619

The annexed notes  $1\ \mathrm{to}\ 41\ \mathrm{form}$  an integral part of these consolidated financial statements.

Muhammad Rehan Chief Financial Officer Babar Bashir Nawaz Chief Executive

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	<b>2021</b> (Rupee	2020 es '000)
Revenue from contracts with customers	23	28,601,617	23,948,118
Cost of sales	24	(22,169,442)	(18,107,543)
Gross profit		6,432,175	5,840,575
Distribution costs	25	(2,235,568)	(1,840,494)
Administrative expenses	26	(690,932)	(542,149)
Other expenses	27	(114,129)	(92,274)
Other income	28	136,871	146,878
Profit from operations		3,528,417	3,512,536
Finance cost	29	(722,911)	(526,358)
Share of net income of associate accounted for using the equity method	4	5,654	5,923
Profit before income tax		2,811,160	2,992,101
Income tax expense	30	(432,562)	(425,000)
Profit for the year		2,378,598	2,567,101
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations		21,529	(104,586)
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		(400,093)	185,474
Total comprehensive income for the year		2,000,034	2,647,989
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		1,659,698	1,959,071
Non-controlling interests		340,336	688,918
		2,000,034	2,647,989
Basic and diluted earnings per share	31	Rs. 13.61	Rs. 14.43

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

Muhammad Rehan Chief Financial Officer Babar Bashir Nawaz Chief Executive

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED JUNE 30, 2021

Attributable to the owners of the Holding Company
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		Revenue	Reserve			
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	Total Equity
			(Rupee	s '000)		
Balance as at July 01, 2019	1,374,270	14,725,189	855,895	15,581,084	1,708,303	18,663,657
Final dividend for the year ended June 30, 2019 @ Rs. 4 per share	-	(549,708)	-	(549,708)	-	(549,708)
Equity contribution by Non-controlling interests	-	-	-	-	259,269	259,269
Total comprehensive income for the year ended June 30, 2020						
Profit for the year ended June 30, 2020	-	1,983,257	-	1,983,257	583,844	2,567,101
Other comprehensive income for the year ended June 30, 2020	-	(104,586)	80,400	(24,186)	105,074	80,888
	-	1,878,671	80,400	1,959,071	688,918	2,647,989
Balance as at July 01, 2020	1,374,270	16,054,152	936,295	16,990,447	2,656,490	21,021,207
Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share	-	(480,995)		(480,995)		(480,995)
Total comprehensive income for the year ended June 30, 2021						
Profit for the year ended June 30, 2021	-	1,870,329	-	1,870,329	508,269	2,378,598
Other comprehensive income for the year ended June 30, 2021	-	21,529 1,891,858	(232,160) (232,160)	(210,631) 1,659,698	(167,933) 340,336	(378,564)
Balance as at June 30, 2021	1,374,270	17,465,015	704,135	18,169,150	2,996,826	22,540,246

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

Muhammad Rehan

Chief Financial Officer

Babar Bashir Nawaz Chief Executive

### **CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2021

	Note	<b>2021</b> (Rupee	2020 es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations Finance cost paid Income tax (paid) / refund (Increase) / decrease in long-term loans and advances Employee benefit obligations paid Net cash generated from operating activities	32	5,892,760 (701,622) (272,355) (29,146) (110,020) 4,779,617	4,038,491 (636,635) 40,223 8,775 (93,795) 3,357,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred Proceeds from disposal of operating assets Purchase of open ended mutual fund units Proceeds from sale of open ended mutual fund units Placement in term deposit receipt (TDR) Dividend received Interest received Net cash used in investing activities		(3,181,360) 4,462 (3,785,105) 1,895,502 (61,000) 3,359 16,934 (5,107,208)	(264,489) 5,687 (540,000) 544,809 (29,000) - 17,149 (265,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid Amount received from non-controlling interests Proceeds from long term loans - net Repayment of long term loan Lease rentals paid Net cash generated / (used) in financing activities		(480,737) - 2,931,559 (60,802) (20,899) 2,369,121	(549,474) 259,269 270,000 (3,437,500) (11,894) (3,469,599)
Net increase / (decrease) in cash and cash equivalents		2,041,530	(378,384)
Cash and cash equivalents at beginning of the year		(3,396,937)	(2,968,940)
Effects of exchange rate changes in cash and cash equivalents		(86,329)	(49,613)
Cash and cash equivalents at end of the year	33	(1,441,736)	(3,396,937)

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

**Muhammad Rehan** Chief Financial Officer Babar Bashir Nawaz Chief Executive

FOR THE YEAR ENDED JUNE 30, 2021

#### THE GROUP AND ITS OPERATIONS

#### 1.1 The Group consists of:

#### **Holding Company - Attock Cement Pakistan Limited**

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

Pharaon Investment Group Limited Holding S.A.L., Lebanon (Ultimate Holding Company) as it holds 84.06% of the total paid-up share capital of the Holding Company.

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

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

During the year, the Board of Directors in their meeting held on August 26, 2020 has approved installation of 20 MW Captive Solar Power Plant at its existing site. The estimated cost of completion of project is expected to be USD 10.5 million which is financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in note 15.5.

Further, during the year, the Board of Directors in their meeting held on January 26, 2021 has approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 15.3 and 15.4 respectively.

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

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

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

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

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

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

#### 2.1.1 Statement of compliance

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

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

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

#### 2.1.2 Critical accounting estimates and judgements

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

#### (i) Income tax

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

#### (ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.7 and 18 to these consolidated financial statements for valuation of present value of defined benefit obligation.

#### (iii) Inventories

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realisable value are disclosed in note 2.9 to these consolidated financial statements.

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

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

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

#### 2.1.3 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting standards that are effective

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

#### b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2021. However, these are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these financial statements.

#### 2.2 Overall valuation policy

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

#### 2.3 Basis of consolidation

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

FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

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

#### 2.4 Fixed Assets - property, plant and equipment

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

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

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

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

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

#### 2.5 Financial Instruments - Initial recognition and subsequent measurement

#### **Initial Recognition**

All financial assets and financial liabilities are initially measured at fair value after adjusting, for items not at fair value through profit or loss, any directly attributable transaction price. These are subsequently measured at fair value, amortised cost or cost as the case may be.

The financial assets and financial liabilities are recognized at trade date i.e. the time when the Group Company becomes a part to the contractual provision of the instrument.

#### **Classification of financial assets**

The Group classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

#### Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

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

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

#### Subsequent measurement

#### i) Financial assets at FVTOCI

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

#### ii) Financial assets and liabilities at amortised cost

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

#### iii) Financial assets and liabilities at FVTPL

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

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

#### Impairment of financial asset

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

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

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

FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

#### Derecognition

#### i) Financial assets

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

#### ii) Financial liabilities

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

#### 2.6 Off-setting of financial assets and liabilities

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

#### 2.7 Staff retirement benefits

#### **Defined benefit plans**

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2021 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

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

#### **Defined contribution plan**

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

#### 2.8 Long-term investment

The Group has investment in associated company. The investment in associated company is accounted for using equity method of accounting. It is initially recognised at cost. The Group's share in its associate's post-acquisition profits or

losses and other comprehensive income are respectively recognised in the consolidated statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

#### 2.9 Inventories

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

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

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

#### 2.10 Trade and other receivables

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

#### 2.11 **Government grants**

Government grants relating to costs are deferred and recognised in the Statement of profit or loss and other comprehensive income 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.

#### Cash and cash equivalents 2.12

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

#### 2.13 Lease liability and right-of-use asset

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

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

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

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

FOR THE YEAR ENDED JUNE 30, 2021

to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

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

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

#### 2.14 Trade and other payables

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

#### 2.15 Provisions

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

#### 2.16 Income tax

#### Current

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

#### **Deferred**

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

#### 2.17 Borrowings and their cost

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

#### 2.18 Foreign currencies

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

- 2.18.2 The results and financial position of subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
  - income and expenses for each consolidated statement of profit or loss account and other comprehensive income are translated at average exchange rates; and
  - all resulting exchange differences are recognised in other comprehensive income.
- 2.18.3 The consolidated financial statements are presented in Pakistan Rupee, which is the Holding company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

#### 2.19 Revenue recognition

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

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

No element of financing is deemed present as the sales are made with a credit term of up to 180 days, which is consistent with the market practice.

#### 2.20 Dividend

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

		<b>2021</b> (Rupe	2020 es '000)
3.	FIXED ASSETS - property, plant and equipment		
	Operating assets - note 3.1	19,757,627	20,757,083
	Capital work-in-progress - note 3.2	3,029,072	60,891
	Stores held for capital expenditure - note 3.3	930,120	1,030,022
		23,716,819	21,847,996

FOR THE YEAR ENDED JUNE 30, 2021

0	Freehold	Buildings and roads on	Plant and machinery	Quarry transport and	Furniture and fittings	Office equipments	Vehicles	Right of use- assets -	Total
		בים		equipment				10te 5.4	
					(Kupees 'UUU)				
Year ended 30 June 2021									
Opening net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
Additions	3,900	2,948	258,416	9,380	1,259	18,372	24,723	16,558	335,556
Disposals	,	1	1	,	1	(069)	(2,208)	,	(2,898)
Transfers to stores	1	1	(65,426)	,	1	,	1	,	(65,426)
Depreciation charge	1	(299,686)	(642,802)	(7,855)	(3,436)	(15,575)	(21,390)	(17,105)	(1,007,849)
Net exchange differences	,	(27,052)	(227,715)	(829)	(368)	(2,422)	(426)	1	(258,839)
Closing net book value	38,068	2,344,648	17,145,976	41,413	4,305	54,927	64,548	63,742	19,757,627
At June 30, 2021									
Cost	38,068	3,802,078	24,640,949	257,797	42,314	215,556	156,892	113,614	29,267,268
Accumulated depreciation	1	(1,457,430)	(7,494,973)	(216,384)	(38,009)	(160,629)	(92,344)	(49,872)	(9,509,641)
Net book value	38,068	2,344,648	17,145,976	41,413	4,305	54,927	64,548	63,742	19,757,627
Year ended June 30, 2020									
Opening net book value	34,168	2,285,135	14,270,996	28,304	7,222	49,923	69,642	83,132	16,828,522
Additions	1	553,885	4,285,086	17,550	2,756	24,159	17,365	ı	4,900,801
Disposals	1	1	1	(124)	1	ı	(2,940)	1	(3,064)
Transfers to stores	1	ı	(110,781)	ı	1	1	ı	1	(110,781)
Depreciation charge	1	(183,344)	(714,816)	(5,379)	(3,034)	(21,032)	(20,500)	(18,843)	(966,948)
Net exchange differences	1	12,762	93,018	366	(67)	2,192	282	,	108,553
Closing net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
At line 30 2020									
Cost	34,168	3,831,671	24,617,518	249,773	41,954	203,160	147,053	92,026	29,222,353
Accumulated depreciation	1	(1,163,233)	(6,794,015)	(209,056)	(35,077)	(147,918)	(83,204)	(32,767)	(8,465,270)
Net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
Rate of depreciation %		2%	3.33% - 5%	10%	20%	25%	20%	20%	

# Movement in capital work-in-progress 3.2

			2021					2020		
	Balance as at July 1, 2020	Balance as at Additions during July 1, 2020 the year	Transfers during the year	Net exchange differences	Balance as at June 30, 2021	Balance as at July 1, 2019	Additions during the year	Allocations	Transfers during the year	Balance as at June 30, 2020
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				(Rupee	(Rupees '000')		1		
Expansion Project Line 4										
Civil works		169,572			169,572	1	,	1	,	,
Plant and machinery		1,318,023	·		1,318,023	1	1	1	1	1
Others - note 3.2.1	÷	31,719			31,719	1	1	ı	1	1
		1,519,314			1,519,314	1	1	ı	1	1
Solar Power Project										
Civil works		12,568			12,568	1	1	ı	1	1
Advances to suppliers	·	1,399,792			1,399,792		1	ı	1	1
Others - note 3.2.2		9,803			9,803	1	ı	1	1	1
		1,422,163			1,422,163	1	1	ı		
Others										
Civil works	56,695	11,980	ı	(3,623)	65,052	1,414,716	666'09	(1,454,815)	35,795	56,695
Plant and machinery	4,196	195,127	(176,780)		22,543	2,561,963	257,893	(2,874,894)	59,234	4,196
Others		i.	·			761,475	1	(780,387)	18,912	1
	60,891	207,107	(176,780)	(3,623)	87,595	4,738,154	318,892	(5,110,096)	113,941	60,891
Total	60,891	3,148,584	(176,780)	(3,623)	3,029,072	4,738,154	318,892	(5,110,096)	113,941	60,891

- This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site as disclosed in note 1.1. Furthermore, the borrowing cost net of deffered grant amounting to Rs. 3.73 million was capitalised at the internal rate of return of 1.96% per anum on specific borrowing obtained for financing of this project. 3.2.1
- This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant as disclosed in note 1.1. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 5.81 million was capitalised at the internal rate of return of 3.25% on specific borrowing obtained for the financing of this project. 3.2.2

### NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
		(Rupee	s '000)
3.3	Stores held for capital expenditure		
	Balance at beginning of the year	1,030,022	772,269
	Additions during the year	116,003	501,468
	Transfers made during the year	(215,905)	(243,715)
	Balance at end of the year	930,120	1,030,022

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

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

	Location	Usage of immovable property	Total Area	Covered Area
	Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	669	669
	Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq	Cement grinding unit	60	60
4.	INVESTMENT IN ASSOCIATE Investment in associated company accounted for using	g equity method	<b>2021</b> (Rupees '	2020 000)
	Attock Information Technology Services (Private) Limit (2020: 450,000) fully paid ordinary shares of Rs. 1	ted - 450,000	40,742	35,088

4.1 The Group holds 10% (2020: 10%) of associates's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

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

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

	2021	2020
	(Rupees	s '000)
Opening balance Share of net income of associate accounted for using the equity method	35,088 5.654	29,165 5.923
	40,742	35,088

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

	2021	2020
	(Rupe	es '000)
Revenue	151,297	142,950
Profit after taxation	56,540	59,223
Non-current assets Current assets Non-current liabilities Current liabilities	75,656 359,765 (5,885) (22,119)	89,096 293,870 (9,283) (22,806)
Net assets	407,417	350,877
Carrying value	40,742	35,088
5. LONG-TERM LOANS AND ADVANCES - considered good Director - notes 5.2 & 5.3 Employees - note 5.1	10,079 146,076 156,155	97,142 97,142
Recoverable within one year - note 9 Long term portion	(88,191) 67,964	(58,324) 38,818

- Amounts receivable from the employees represent house rent advances given according to the Group's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of employees.
- 5.2 During the year, Holding Company paid housing advance to its Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017. The maximum amount due at the end of any month was Rs. 11.52 million.
- **5.3** Reconciliation of the carrying amount of loan to Alternate Director is as follows:

	2021	2020
	(Rupee	s '000)
Opening Disbursement	- 11,519	-
Repayment	(1,440)	-
Closing	10,079 20,158	

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

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

### NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED JUNE 30, 2021

7.	INVENTORIES	<b>2021</b> (Rupe	2020 es '000)
	Stores, spares and loose tools - note 7.1 Raw materials Packing materials Semi - finished goods - note 7.2 Work-in-process Finished goods	2,752,422 920,334 237,239 622,627 44,662 207,778 4,785,062	2,304,036 1,219,231 151,762 875,653 38,098 196,912 4,785,692
7.1	Stores, spares and loose tools Coal - note 7.1.1 Stores and spares - note 7.1.2 Bricks Loose tools Less: Provision for slow moving and obsolete items	1,533,601 1,148,563 133,822 2,538 2,818,524 (66,102) 2,752,422	1,029,428 1,120,417 206,215 2,515 2,358,575 (54,539) 2,304,036

- 7.1.1 This includes coal in transit amounting to Rs. 1,217.63 million (2020: Rs. 145.39 million).
- 7.1.2 This includes stores and spares in transit amounting to Rs. 42 million (2020: Rs. 89.55 million).
- 7.2 This includes clinker held at port for export amounting to Rs. 170.43 million (2020: Rs. 359.98 million).

	2021	2020
	2021	2020
8. TRADE RECEIVABLES – considered good	(Rupe	es '000)
8. TRADE RECEIVABLES – considered good		
Secured	1,608,921	337,029
Unsecured	98,905	211,039
	1,707,826	548,068
8.1 The age analysis of trade receivables is as follows:		
Not yet due	1,519,750	353,972
1 to 30 days	149,590	31,004
31 to 90 days	4	40,477
91 to 180 days	375	36,054
181 to 365 days	2	82,426
Over 365 days	38,105	4,135
	1,707,826	548,068
9. LOANS AND ADVANCES - considered good Current portion of long-term loans and advances - note 5		
Employees	88,191	58,324
Other advances - employees	436	482
Advances to suppliers	249,833	162,247
	338,460	221,053
10. SHORT-TERM DEPOSITS AND PREPAYMENTS		
Deposits - considered good	14,127	7,816
Prepayments	18,615	35,624
	32,742	43,440

		2021	2020
		(Rupees	'000)
11.	OTHER RECEIVABLES	4,256	5,491
	Export rebate receivable	3,114	784
	Due from related parties - note 11.1	35,446	30,799
	Others	42,816	37,074

11.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 7.05 million (2020: Rs. 7.08 million).

> 2021 2020 -----(Rupees '000) ------

#### 12. **SHORT TERM INVESTMENTS**

Investments - Fair value through profit or loss - note 12.1

1,914,887

#### 12.1 Investments - Fair value through profit or loss

2021	2020		2021		20	020
Numbe	r of units		Cost	Market Value	Cost	Market Value
				(Rupe	es '000) ·	
19,754	-	ABL Cash Fund	200,000	201,118	-	-
19,867	-	ABL Income Fund	200,000	200,488	-	-
2,580	-	AGHP Money Market Fund	250,000	253,454	-	-
509	-	Alfalah Islamic Rozana Amdani Fund	50,000	50,926	-	-
10,085	-	NBP Islamic Daily Dividend Fund	100,000	100,851	-	-
9,529	-	NBP Financial Sector Income Fund	100,000	100,453	-	-
992	-	HBL Money Market Fund	100,000	101,809	-	-
1,992	-	First Habib Income Fund	200,000	200,859	-	-
4,031	-	Meezan Rozana Amdani Fund	200,000	201,547	-	-
1,849	-	MCB-Pakistan Income Fund	100,000	100,379	-	-
2,002	-	First Habib Cash Fund	200,000	201,498	-	-
503	-	MCB Cash Management Optimizer	50,000	50,811	-	-
980	-	Faysal Financial Sector Opp. Fund	100,000	100,226	-	-
5,235	-	NIT Money Market Fund	50,000	50,468	-	-
79,908			1,900,000	1,914,887		

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
		(Rupees	s '000)
13.	CASH AND BANK BALANCES		
	Cash at bank		
	Conventional		
	- On PLS savings accounts		
	Local currency - notes 13.1 & 13.2	263,215	627,323
	Foreign currency - note 13.3	642	690
		263,857	628,013
	- On current accounts		
	Local currency	118,733	47,507
	Foreign currency	2,190,035	703,039
		2,308,768	750,546
	- Call deposit receipt	-	50,000
	- Term deposit receipt - note 13.4	70,000	29,000
		2,642,625	1,457,559
	Islamic		
	- On Current accounts		
	Local currency	6,743	1,935
	Foreign currency - note 13.5	81,494	-
		88,237	1,935
	- Term deposit receipt - note 13.4	20,000	
		108.237	1,935

- 13.1 During the year, the mark-up rates on PLS saving accounts was 5.5% (2020: 5.5% to 11.25%) per annum.
- This includes deposits of Rs. 220.02 million (2020: Rs. 212.14 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

41,569

- 13.3 This represents foreign currency account having a balance of AED 0.014 million (2020: AED 0.014 million) placed in United Bank Limited Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.
- This carries mark up at 6.95% to 7% (2020: 13.04%) per annum payable at maturity and is due to mature by June 30, 2022. The TDR is held under lien against the guarantee issued by bank on behalf of the Company.
- 13.5 This represents foreign currency account having a balance of USD 0.52 million placed in Meezan Bank Limited PNSC Branch.

Cash in hand

2021	2020
(Rupees	s '000)

#### 14. SHARE CAPITAL

#### **Authorised share capital**

, ,	ordinary shares of Rs. 20,000 ordinary share		2,000,000	2,000,000
,	bed and paid-up capid of Rs. 10 each	tal .		
2021	2020			
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	1,035,465	1,035,465

As at June 30, 2021, Pharaon Investment Group Limited (Holding) S.A.L., Lebanon and its nominees held 115,526,349 (2020: 115,526,349) ordinary shares of Rs. 10 each.

	2021	2020		
_	(Rupees	(000)		

1,374,270

#### 15. LONG-TERM LOANS

137,426,961

137,426,961

Long Term Finance - secured		
- under Temporary Economic Refinance Scheme - note 15.3	691,200	-
- under Long Term Finance Facility - note 15.4	708,592	-
- under Renewable Energy Financing Scheme - note 15.5	1,281,017	-
- under Payroll Refinance Scheme - note 15.6	489,198	270,000
	3,170,007	270,000
Less:		
- Deffered government grant - note 16	(483,636)	-
- Advisory and arrangement fee paid	(29,250)	-
	(512,886)	-
Less: Current portion of long term loan - note 21	(275,000)	(33,750)
	2,382,121	236,250

Following are the changes in the principal amount of long-term finance (i.e. for which cash flows have been classified as financing activities in the statement of cashflows):

	2021	2020	
	(Rupees '000)		
Balance as at July 1 Disbursements during the year Less: Repayment Balance as at June 30	270,000 2,960,809 (60,802) 3,170,007	3,437,500 270,000 (3,437,500) 270,000	

FOR THE YEAR ENDED JUNE 30, 2021

15.2	Facility	Loan Type	Repayment	M	ark-up	Effective	Facility	Date of	Last
			terms - Principal	Payable basis	Rate (per annum)	Rate (%) 2021	Amount (Rs. In 000)	drawdown	Repayment date
	Temporary Economic Refinance Scheme	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.5%	1.50%	4,700,000	April-21	March-31
	Long Term Finance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.40%	2.40%	5,000,000	June-21	March-31
	Renewable Energy Financing Scheme	Term-loan	20 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.25%	3.25%	1,700,000	February-21	February-28
	Payroll Refinance Scheme	Term-loan	8 Semi-annual (6 month grace period)	Quarterly	SBP rate + 0.50% - 0.75%	0.50%	550,000	April-20	April-23
15.2.1	The above facilities are secure present and future fixed asset								Company's
15.2.2	In relation to the above borro	wings, the	Holding Company	y needs to	o observe cert	ain financ	cial and non		ovenants as
	specified in the agreement wi	th respectiv	e lenders which a	re compli	ed at the repor	rting date.	2021	,	2020
							·(Rup		
15.3	Temporary Economic Refina	nce Facilit	у						
	Balance as at July 1						-		-
	Disbursements during the ye						691,200		-
	Less: Deferred grant - note 1	.6					(207,628)		-
	Less: Arrangement fee paid Balance as at June 30						(14,173) 469,399		
15.3.1	This represents syndicated fi to the Holding Company at b						its.		
							2021		2020
							(Rup	ees '000)	
15.4	Long Term Finance Facility								
	Balance as at July 1						-		-
	Disbursements during the years: Arrangement fee paid	ar					708,592 (15,077)		-
	Less: Allaligement lee paid						693,515		-
15.4.1	This represents syndicated fi and machinery in respect of			under th	e SBP's Long	Term Fin	ance Facility	for purcha	ase of plant
		·	, ,				2021	,	2020
								ees '000)	
15.5	Renewable Energy Financin	g Scheme							
	Delenge of this 1								
	Balance as at July 1 Disbursements during the ye	ar					- 1,281,017		-
	Less: Deferred grant - note 1						(212,424)		-
	Balance as at June 30						1,068,593		-

15.5.1 This represents loan obtained under the SBP's Renewable Energy Financing Scheme available to the Holding Company for installation of Captive Solar Power Plant at below-market interest rate.

2021	2020
(Rupe	es '000)

#### 15.6 Payroll Refinance Scheme

Balance as at July 1 Disbursements during the year	236,250 280,000	- 270,000
Less: Repayment during the year	(60,802)	-
Less: Deferred grant - note 16	(63,584)	-
Less: Current portion of long term loan	(275,000)	(33,750)
Balance as at June 30	116,864	236,250

15.6.1 The Holding Company entered into a long-term loan agreement with Faysal Bank Limited under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the SBP.

2021	2020					
(Rupe	es '000)					

#### 16. DEFERRED INCOME - GOVERNMENT GRANT

Deferred grant recorded:

- under Temporary Economic Refinance Scheme
- under Renewable Energy Financing Scheme
- under Payroll Refinance Scheme

#### Less:

- Government grant deducted from borrowing cost note 3.2.1 and 3.2.2  $\,$
- Government grant recognised in income note 28

Less: Current portion of deferred income - government grant - note 19

207,628	-
212,424	-
63,584	-
483,636	-
(14,944)	-
(37,285)	-
(52,229)	-
(96,148)	
335,259	-

This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

#### 17. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use - assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Tax credit on investment	Total
				(	Rupees (000)				
July 01, 2020 Impact on statement of	1,779,081	12,176	(10,329)	(11,472)	(90,296)	(236,265)	(361,763)	-	1,081,132
financial position	-	-	-	-	-	120,923	-	-	120,923
Charge / (credit) to consolidated									
statement of profit or loss and other comprehensive income for the year	(56,247)	(685)	(1,587)	(17)	90,296	_	_	_	31,760
June 30, 2021	1,722,834	11,491	(11,916)	(11,489)	-	(115,342)	(361,763)	-	1,233,815
July 01, 2019 Impact on statement of	1,727,689	1,950	(9,135)	(2,061)	(217,112)	(215,457)	(409,511)	(525,080)	351,283
financial position Charge / (credit) to consolidated	-	-	-	-	-	-	90,633	525,080	615,713
statement of profit or loss and other				(0.444)		(00.000)			
comprehensive income for the year	51,392	10,226	(1,194)	(9,411)	126,816	(20,808)	(42,885)	-	114,136
June 30, 2020	1,779,081	12,176	(10,329)	(11,472)	(90,296)	(236,265)	(361,763)	-	1,081,132

FOR THE YEAR ENDED JUNE 30, 2021

- 17.1 Deferred tax liability is restricted to 62.16% (2020: 65.31%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.
- 17.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.
- 17.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate of 29%.

#### 18. EMPLOYEE BENEFIT OBLIGATIONS

#### 18.1 Staff retirement benefits

- 18.1.1 As stated in note 2.7, the Group operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.
- 18.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Group appoints the trustees and all trustees are employees of the Group.

#### 18.1.3 Risks on account of defined benefit plan

The Holding Company faces the following risks on account of defined benefit plan:

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

Asset volatility - Most assets are invested in risk free investments of 3 months, 3 or 5 years Market Treasury Bills, Term Deposits Receipts, Term Finance Certificates, Pakistan Investment Bonds. However, instrument in Open-ended Mutual Funds is subject to adverse fluctuation as a result of change in market price.

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

**Investment risks** - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

18.1.4 The latest actuarial valuations of the Plans as at June 30, 2021 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

		202	2021		2020	
		Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds	
			(Rupee	es '000)		
18.1.5	Statement of financial position reconciliation as at June 30					
	Present value of defined benefit obligation	630,131	551,249	621,233	511,669	
	Fair value of plan assets	(412,186)	(461,237)	(354,898)	(418,361)	
	Deficit	217,945	90,012	266,335	93,308	
18.1.6	Movement in the defined benefit obligation					
	Obligation as at July 01	621,233	511,669	479,580	474,803	
	Service cost	21,499	28,349	17,723	27,167	
	Interest expense	53,265	42,980	68,390	66,480	
	Remeasurement on obligation	(26,219)	7,240	110,962	(14,400)	
	Benefits paid	(39,647)	(38,989)	(55,422)	(42,381)	
	Obligation as at June 30	630,131	551,249	621,233	511,669	
18.1.7	Movement in the fair value of plan assets					
101117	Fair value as at July 01	354,898	418,361	317,858	369,647	
	Interest income	30,865	35,365	45,351	52,435	
	Remeasurement on plan assets	64	2,486	(4,526)	(3,498)	
	Employer contributions	66,006	44,014	51,637	42,158	
	Benefits paid	(39,647)	(38,989)	(55,422)	(42,381)	
	Fair value as at June 30	412,186	461,237	354,898	418,361	
18.1.8	Expense recognised in consolidated					
	statement of profit or loss					
	Service cost	21,499	28,349	17,723	27,167	
	Interest expense - net	22,400	7,615	23,039	14,045	
	•	43,899	35,964	40,762	41,212	
18.1.9	Remeasurement recognised in other comprehensive income					
	Experience (gains) / losses	(26,219)	7,240	110,962	(14,400)	
	Remeasurement of fair value of plan assets	(64)	(2,486)	4,526	3,498	
	Remeasurements	(26,283)	4,754	115,488	(10,902)	
18,1,10	Net recognised liability					
	Balance as at July 01	266,335	93,308	161,722	105,156	
	Expense for the year	43.899	35,964	40,762	41,212	
	Employer contributions	(66,006)	(44,014)	(51,637)	(42,158)	
	Remeasurement recognised in other	(==,===)	(11,021)	2,00.,	, = - = /	
	comprehensive (income) / loss	(26,283)	4,754	115,488	(10,902)	
	Balance as at June 30	217,945	90,012	266,335	93,308	
		· · · · · · · · · · · · · · · · · · ·				

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

		202	21	20	20	202	21	202	20
			Pension Funds			Gratuity Funds			
		(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
18.1.11	Composition of plan assets:								
	Defense Savings Certificate	57,728	14.01	-	-	-	-	-	-
	Market Treasury Bills	-	-	86,585	24.40	38,345	8.31	102,449	24.48
	Term Deposit Receipts	-	-	15,915	4.48	-	-	15,922	3.81
	Term Finance Certificates	46,554	11.29	38,663	10.89	36,435	7.90	28,438	6.80
	Pakistan Investment Bonds	72,258	17.53	69,484	19.58	71,742	15.55	68,994	16.49
	Open Ended Mutual Funds	234,404	56.87	141,772	39.95	312,946	67.85	201,515	48.17
	Others (including bank balances)	1,242	0.30	2,479	0.70	1,769	0.39	1,043	0.25
		412,186	100.00	354,898	100.00	461,237	100.00	418,361	100.00
		2021				20	20		
		First	Second	Third	Fourth & onwards	First	Second	Third	Fourth & onwards
					(Ye	ar)			

#### 18.1.12 Actuarial assumptions

Expected rate of increase in salaries

Management staff
 Senior management

 Junior management
 Non-management staff

9.00%	9.00%	8.50%	8.25%	7.50%	8.00%	8.50%	6.75%
9.00%	9.00%	8.50%	8.25%	7.50%	8.00%	8.50%	6.75%
9.50%	9.00%	9.50%	8.25%	9.00%	8.00%	9.00%	6.75%

The discount factor used for pension and gratuity funds is 10% (2020: 8.5%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.92%. This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

- **18.1.13** Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.
- 18.1.14 The Group ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.
- 18.1.15 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the consolidated statement of financial position date.

### 18.1.16 Sensitivity analysis for actuarial assumptions

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

Im	nact	on d	lefi	ned	bene	fit o	hlie	ation

		Pension Funds			Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	
At June 30, 2021			· (Rupees	s '000)		
Discount rate	0.5%	(39,008)	42,733	(22,503)	24,233	
Future salary increases	0.5%	14,599	(13,812)	18,561	(17,447)	
At June 30, 2020						
Discount rate	0.5%	(31,508)	34,662	(21,118)	22,758	
Future salary increases	0.5%	15,084	(14,251)	17,370	(16,317)	

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

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

	2021	2020	2019 -(Rupees '000) -	2018	2017
18.1.17 Historical information					
Pension Funds as at June 30  Present value of defined benefit					
obligation	630,131	621,233	479,580	568,859	641,606
Fair value of plan assets	(412,186)	(354,898)	(317,858)	(293,571)	(283,478)
Deficit	217,945	266,335	161,722	275,288	358,128
Experience adjustments					
Gain / (loss) on obligation	26,219	(110,962)	107,274	95,671	(40,904)
Loss on plan assets	64	(4,526)	(8,852)	(17,488)	(14,197)
	26,283	(115,488)	98,422	78,183	(55,101)
Gratuity Funds as at June 30					
Present value of defined benefit					
obligation	551,249	511,669	474,803	435,787	421,031
Fair value of plan assets	(461,237)	(418,361)	(369,647)	(323,982)	(289,706)
Deficit	90,012	93,308	105,156	111,805	131,325
Experience adjustments					
Gain / (loss) on obligation	(7,240)	14,400	(18,744)	11,111	(42,755)
Loss on plan assets	2,486	(3,498)	(9,875)	(18,025)	(3,878)
	(4,754)	10,902	(28,619)	(6,914)	(46,633)

- 18.1.18 As per actuarial advice, the Holding Company is expected to recognise a service cost of Rs. 52.34 million in 2022 (2021: Rs. 49.85 million).
- **18.1.19** The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	(No. of	years)
Management	10.97	8.48
Non-management	17.98	8.41

**18.1.20** Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years(Rupees	Between 5 - 10 years	Over 10 years	Total
At l 20 2021			(Парссо	, , ,		
As at June 30, 2021						
Pension Funds	12,467	16,260	95,450	313,201	516,618	953,996
Gratuity Funds	48,953	55,546	172,372	363,198	431,701	1,071,770
•						
As at June 30, 2020						
Pension Funds	10,452	13,649	83,940	286,391	471,119	865,551
Gratuity Funds	40,650	47,967	177,271	292,877	371,925	930,690

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	(Rupees	s '000)
TRADE AND OTHER PAYABLES		
Creditors - note 19.1	1,102,942	438,828
Accrued liabilities - note 19.1 & 19.2	3,407,492	1,817,342
Royalty payable - note 19.3	570,398	491,377
Electricity charges payable - note 19.4	371,046	360,474
Excise duty payable on sales	239,056	188,650
Safety duty payable - note 19.5	104,857	130,839
Infrastructure Cess - note 19.6	74,252	35,341
Excise duty payable on extraction - note 19.7	20,277	1,808
Workers' Welfare Fund - note 19.8	260,461	229,034
Workers' Profits Participation Fund - note 19.9	82,702	81,274
Current portion of deferred income - government grant - note 16	96,148	-
Advances from customers - note 19.10	451,972	263,452
Security deposits - note 13.2	220,016	212,143
Retention money	43,145	72,309
Payable to provident fund - note 19.11	23	27
Taxes deducted at source and payable to statutory authorities	845	45,925
Others - note 19.1	7,994	7,237
	7,053,626	4,376,060
	Creditors - note 19.1 Accrued liabilities - note 19.1 & 19.2 Royalty payable - note 19.3 Electricity charges payable - note 19.4 Excise duty payable on sales Safety duty payable - note 19.5 Infrastructure Cess - note 19.6 Excise duty payable on extraction - note 19.7 Workers' Welfare Fund - note 19.8 Workers' Profits Participation Fund - note 19.9 Current portion of deferred income - government grant - note 16 Advances from customers - note 19.10 Security deposits - note 13.2 Retention money Payable to provident fund - note 19.11 Taxes deducted at source and payable to statutory authorities	TRADE AND OTHER PAYABLES  Creditors - note 19.1  Accrued liabilities - note 19.1 & 19.2  Royalty payable - note 19.3  Electricity charges payable - note 19.4  Excise duty payable on sales  Safety duty payable - note 19.5  Infrastructure Cess - note 19.6  Excise duty payable on extraction - note 19.7  Workers' Welfare Fund - note 19.8  Workers' Profits Participation Fund - note 19.9  Current portion of deferred income - government grant - note 16  Advances from customers - note 19.10  Security deposits - note 13.2  Retention money  Payable to provident fund - note 19.11  Taxes deducted at source and payable to statutory authorities  Others - note 19.1

2021

2020

- 19.1 Creditors, accrued liabilities and other liabilities include Rs. 22.08 million, Rs. 4.40 million and Rs. Nil (2020: Rs. Nil, Rs. 5.96 and Rs. 5.76 million) respectively in respect of amounts due to related parties.
- This includes provision amounting to Rs. 246.47 million (2020: 179.17 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Holding Company is under a industry-wide dispute on the basis of calculation of marking fee.
- 19.3 The Government of Balochistan vide Notification No. SOT(MMD)4-1/2017/748-68 dated September 6, 2017 enhanced the royalty rates of shale and limestone by Rs. 30 / ton and Rs.40 / ton respectively.
  - The Group has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the court, the Company has furnished a bank guarantee of Rs. 236.18 million (2020: Rs 316.37 million) for the additional portion of royalty.
- This includes Rs. 179.86 million (2020: Rs 179.86 million) and Rs. 0.65 million (2020: Rs 52.35 million) in respect of industry support package adjustment and fuel charge adjustment respectively.
- This pertains to duty of safety / rescue / training enacted by Government of Balochistan vide Notification No. PAB/LegisII(01)/2020 dated July 15, 2020 enhancing the rate of safety duty from 5 Rupees per ton to 25% of per ton royalty rate on minerals effective from July 01, 2020.
  - The Group has filed a petition against the Government of Balochistan before the High Court terming this notification as unconstitutional. The matter is currently pending adjudication before the High Court.
  - Furthermore, during the year, the Group has reversed safety duty amounting to Rs. 130.83 million pertaining to provision for prior year extraction recorded at the rate of 5 Rupees per ton after the decision of the High Court to impose the earlier notifications as ultra vires.
- This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Group has challenged the levy before the Sindh High Court of which the litigation is pending adjudication. However, in similar matters the Sindh High Court has dismissed the constitutional petitions.
- 19.7 This includes provision amounting to Rs. 18.18 million in respect of enhanced excise duty of 10% per ton royalty rate on minerals extractions by the Government of Balochistan through Notification A-1/323-2020/1761 dated April 16, 2021 effective from July 01, 2021. The Company is currently paying the excise duty at 5 Rupees per ton of the minerals extracted.
  - The Group filed constitutional petition before the High Court against the Government of Balochistan terming the above notification as unconstitutional. The matter is pending before the High Court.
- This includes provision of Rs. 31.43 million, Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the years 2021, 2020, 2019, 2017, 2016 and 2015 respectively. The Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

		2021	2020
		(Rupe	es '000)
19.9	Workers' Profits Participation Fund		
	At beginning of the year	81,274	127,722
	Charge for the year - note 27	82,702	81,274
		163,976	208,996
	Interest on funds utilised in holding company's business - note 29	915	708
		164,891	209,704
	Less: Amount paid to the Fund	(82,189)	(128,430)
		82,702	81,274

19.10 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note - 2.19 is satisfied.

		2020
	(Rupee	es '000)
Opening balance Advance received during the year Revenue recognised during the year Closing balance	263,452 9,111,861 (8,923,341) 451,972	142,817 9,421,069 (9,300,434) 263,452

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

#### 20. **ACCRUED MARK-UP**

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

		2021	2020
		(Rupe	es '000)
21.	SHORT-TERM BORROWINGS		
	Short-term running finance - notes 21.1 & 21.2	223,854	-
	Export refinance facility - note 21.1 & 21.3	3,895,000	4,869,000
	Current maturity of long-term loan - note 15	275,000	33,750
		4,393,854	4,902,750

- The facilities available from various banks amount to Rs. 6.41 billion (2020: Rs. 7.41 billion). The arrangements are 21.1 secured by way of pari-passu charge against hypothecation of Group's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2021 and 2022.
- 21.2 The rates of mark-up ranging between one-month KIBOR to one-month KIBOR plus 0.5% (2020: one month KIBOR minus 0.2% and one-month KIBOR plus 0.5%) per annum.
- 21.3 The export refinance facilities available from different banks are secured by way of hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.75% to 1% (2020: 0.75% to 1%).
- 21.4 The facilities for opening letters of credit and guarantee as at June 30, 2021 amounted to Rs. 6 billion (2020: Rs. 5.5 billion) of which unutilised balance at year end amounted to Rs. 4.30 billion (2020: Rs. 4.41 billion).

2021

2020

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

#### 22. CONTINGENCIES AND COMMITMENTS

22.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the Holding Company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The Holding Company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the Holding Company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court. During the year, the LHC has given judgement against the Holding Company. The Holding Company has filed petition against the decision of LHC before the Supreme Court of Pakistan which is pending adjudication.

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

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

#### 22.2 SALES TAX MATTERS

- 22.2.1 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Holding Company in relation to its filed sales tax returns for the months of July, 2015 through August, 2017 alleging that Holding Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million alongwith a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Holding Company. The Holding Company has now filed an appeal at the Appellate Tribunal Inland Revenue against the judgement of the CIRA which is pending adjudication.
- 22.2.2 Further, in 2019, another order was passed by DCIR against the Holding Company in relation to its filed sales tax returns for the months of July, 2013 through June, 2018 in which the Holding Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and of building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Holding Company filed an appeal to the CIRA.
- 22.2.3 Based on the advice of Holding Company's tax counsels, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these consolidated financial statements.
- 22.3 Commitments for capital expenditure outstanding as at June 30, 2021 amounted to Rs. 8.24 million (2020: Rs. 5.83 million).

		<b>2021</b> (Rupees	2020
23.	REVENUE FROM CONTRACTS WITH CUSTOMERS	(Паросо	
	Local sale of goods Sales tax	25,028,264	20,346,161
	Federal excise duty	(2,906,380) (2,223,645)	(2,497,293) (2,478,140)
		(5,130,025)	(4,975,433)
	Rebates, discount and commission  Net local sale of goods	(506,855) 19,391,384	(409,655) 14,961,073
		10 125 627	0.700.701
	Export sales - note 23.2 Freight	10,135,627 (925,394)	9,722,781 (735,736)
		9,210,233	8,987,045
		28,601,617	23,948,118
23.1	The Group's customer base is diverse with no single customer accounting for more t	nan 10% of net reve	enue.
		2021	2020
		(Rupees	'000)
23.2	Export sales comprise of sales made in the following regions:		
	Africa and Middle East Asia	381,070	1,245,372
	Sri Lanka	5,696,022	5,168,309
	Bangladesh Others	3,040,614	2,749,956 559,144
	Officis	1,017,921 10,135,627	9,722,781
24.	COST OF SALES	6 501 145	4.051.705
	Raw materials consumed	6,531,145	4,851,735
	Packing materials consumed Cement packaging and loading charges	1,360,637 64,042	1,375,628 54,968
	Salaries, wages and benefits - note 24.1	2,223,112	1,984,139
	Fuel	6,381,855	5,439,072
	Electricity and water	2,847,148	2,319,185
	Stores and spares consumed	846,729	515,057
	Repairs and maintenance	210,949	133,549
	Insurance	52,817	62,248
	Vehicle running and maintenance	160,997	146,441
	Security expenses	184,325	166,121
	Depreciation	974,138	931,184
	Others - note 24.2	95,952	95,076
	Add Opening sensi finished goods and well in presses	21,933,846	18,074,403
	Add: Opening semi - finished goods and work-in-process	913,751	975,008
	Less: Closing semi - finished goods and work-in-process Cost of goods manufactured	(667,289) 22,180,308	<u>(913,751)</u> 18,135,660
	Add: Opening stock of finished goods	196,912	168,795
	Less: Closing stock of finished goods	(207,778)	(196,912)
	2555. 5.550 56567 57 111101104 50540	22,169,442	18,107,543
		, ,	

### NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 24.1 Salaries, wages and benefits include Rs. 61.94 million and Rs. 42.89 million (2020: Rs. 62.2 million and Rs. 41.11 million) in respect of charge for defined benefit plans and contributory provident fund respectively.
- 24.2 This includes provision / (reversal) for slow moving and obsolete items amounting to Rs. 11.56 million (2020: Rs. 6.7 million).

		2021	2020
		(Rupe	es '000)
25.	DISTRIBUTION COSTS		
	Salaries, wages and benefits - note 25.1	125,543	108,750
	Handling and other export related expenses	1,495,257	1,328,451
	Commission on export sales	151,483	106,006
	Carriage outward on local sales	361,166	267,192
	PSI marking fee	67,104	19,482
	Advertisement and sales promotion	8,927	4,264
	Travelling and entertainment	21,166	1,983
	Others	4,922	4,366
		2,235,568	1,840,494

25.1 Salaries, wages and benefits include Rs. 4.48 million and Rs. 2.75 million (2020: Rs. 4.51 million and Rs. 2.63 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		<b>2021</b>	2020 es '000)
26.	ADMINISTRATIVE EXPENSES	(Карс	cs 000)
20.	Salaries, wages and benefits - note 26.1 Depreciation	391,012 33,711	358,542 35,764
	Rent, rates and taxes	27,433	21,557
	Utilities Insurance	7,424 2,563	4,895 946
	Repairs and maintenance Communication and printing	34,676 55,133	13,943 22,334
	Travelling and entertainment Legal and professional charges	23,048 48,789	10,287 21,978
	Auditors' remuneration - note 26.2 Donations - note 26.3	6,037 11,461	5,290 6.840
	Others	49,645 690,932	39,773
			=======================================

26.1 Salaries, wages and benefits include Rs. 13.44 million and Rs. 7.04 million (2020: Rs. 15.21 million and Rs. 6.78 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2021	2020	
		(Rupees '000)		
26.2 Audito	ors' remuneration			
Audit	fee (including consolidation)	2,800	2,500	
Fee fo	r review of interim financial information and Statement of Compliance			
with	Code of Corporate Governance	1,150	1,150	
Taxati	on services	1,269	1,080	
Other	certifications, attestations and other services	235	235	
Out-of	-pocket expenses	583	325	
		6,037	5,290	

This represents donation given to The Citizens Foundation. None of the directors or their spouses had any interest in the donee. 26.3

		2021	2020
		(Rupe	es '000)
27.	OTHER EXPENSES		
	Workers' Profits Participation Fund - note 19.9 Workers' Welfare Fund	82,702 31,427	81,274 11,000
	Workers Wellare Falla	114,129	92,274
28.	OTHER INCOME		
	Income from financial assets		
	Income on PLS savings accounts under interest / markup arrangements Dividend Income	16,934 3,359	17,149
	Unrealised gain on investments classified as fair value through profit or loss	14,887	-
	Gain on sale of open ended mutual fund units	10,397	4,809
	Exchange gain - net	-	76,829
	Income from non-financial assets		
	Gain on disposal of operating assets	1,564	2,623
	Others		
	Export rebate	2,220	-
	Scrap sales Grant income	49,759 37,285	43,973
	Others	466	1,495
		136,871	146,878
29.	FINANCE COST		
	Bank charges and commission Mark-up on:	114,331	58,998
	Long term loans	39,956	305,196
	Short term borrowings	123,398	152,832
	Interest on Workers' Profits Participation Fund - note 19.9 Finance charges on finance lease	915 7,502	708 8,624
	Exchange loss	436,809	-
		722,911	526,358
30.	INCOME TAX EXPENSE		
	Current	400,802	310,864
	- for the year Deferred	31,760 432,562	<u>114,136</u> 425,000
		102,002	
30.1	Relationship between tax expense and accounting profit Profit before income tax	2,811,160	2,992,101
	Tax at the applicable rate of 29% (2020: 29%) Effect of final tax regime	815,236 76,532	867,709 (14,962)
	Effect of exempt income	(368,912)	(423,287)
	Effect of income taxable at lower rate	(3,814)	673
	Others	(86,480) 432,562	(5,133) 425,000
	Effective tax rate	15.39%	14.20%

## NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
		(Rupee	es '000)
31.	BASIC AND DILUTED EARNINGS PER SHARE Profit attributable to owners of the Holding Company	1,870,329	1,983,257
	Weighted average number of outstanding shares at the end of year (in thousands)	137,427	137,427
	Basic and diluted earnings per share	Rs. 13.61	Rs. 14.43
31.1	Diluted earnings per share has not been presented as the Group did not have any cond 30, 2021 and 2020 which would have any effect on the earnings per share if the o		
		2021	2020
32.	CASH GENERATED FROM OPERATIONS	(Rupee	es '000)
	Profit before income tax	2,811,160	2,992,101
	Add / (Less): Adjustments for non-cash charges and other items  Depreciation of fixed assets Depreciation of right-of-use asset Dividend Income Unrealised gain on investments classified as fair value through profit or loss Gain on disposal of property, plant and equipment Gain on sale of open ended mutual fund units Provision for stores, spares and loose tools Interest income Finance cost Interest on lease liability Employee benefit obligations Government grant recognised in income Share of net income of associate accounted for using the equity method  Profit before working capital changes  Effect on cash flow due to working capital changes (Increase) / decrease in current assets	990,744 17,105 (3,359) (14,887) (1,564) (10,397) 11,563 (16,934) 715,409 7,502 79,863 (37,285) (5,654)	948,105 18,843 - (2,623) (4,809) 6,707 (17,149) 526,358 - 81,974 - (5,923) - 4,543,584
	Inventories Trade receivables Loans and advances Short term deposits and prepayments Tax refunds due from Government - Sales tax Other receivables  Increase in current liabilities Trade and other payables	(18,613) (1,163,645) (125,704) 10,245 37,090 (5,742) (1,266,369) 2,615,863 1,349,494	(1,352,812) 248,260 (133,122) 12,601 126,066 11,858 (1,087,149) 582,056 (505,093)
	Cash generated from operations	5,892,760	4,038,491
33.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances - note 13 (excluding TDR having term of more than 3 months)  Short-term running finance - note 21  Export refinance facility - note 21.1 & 21.3	2,677,118 (223,854) (3,895,000) (1,441,736)	1,472,063 - (4,869,000) (3,396,937)

#### 34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		<b>Executive Director</b>		Executives	
	2021	2020	2021	2020	2021	2020
			(Rupee	es '000)		
Managerial remuneration	37,608	36,690	19,366	18,894	200,240	209,793
Housing allowance	10,257	10,006	5,622	5,485	61,692	63,489
Utility allowance	4,559	4,447	1,249	1,219	13,709	14,109
Bonus	18,994	20,384	10,412	12,190	114,244	107,832
Retirement benefits	-	-	4,789	4,672	36,874	36,633
Others	8,138	7,184	4,622	5,248	28,549	39,226
	79,556	78,711	46,060	47,708	455,308	471,082
	1	1	1	1	74	71

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

In addition to the above, fee paid to 4 (2020: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 6.36 million (2020: Rs. 4.4 million).

2020 2021 -----(Rupees '000) ------

#### 35. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

Holding company Dividend paid Recovery of expenses	404,342 1,750	462,105 1,057
Group companies		
Purchase of goods	497,681	511,026
Reimbursement of expenses	2,107	2,963
Recovery of expenses from related parties	5,578	7,619
Sale of Goods	280	245
Purchase of shares by group company	-	899
Other related parties		
Payments made to retirement benefit funds	127,661	158,414
Key management personnel *		
Loans and advances recovered during the year	1,440	_
Loans and advances disbursed during the year	11,519	_
Sale of Company's vehicle	195	_
Salaries and other short-term employee benefits	120,827	121,747
Post-employment benefits	4,789	4,672
Sale of Goods	3,241	2,829

The related party status of outstanding balances as at June 30, 2021 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

<sup>\*</sup> Key management personnel includes CEO and Executive Directors.

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Ultimate Holding Company	Lebanon	84.06%
2.	Attock Petroleum Limited	Group Company / Common directorship	N/A	N/A
3.	Attock Refinery Limited	Group Company / Common directorship	N/A	N/A
4.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A	N/A
5.	National Refinery Limited	Group Company / Common directorship	N/A	N/A
6.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A	N/A
7.	The Attock Oil Company Limited	Group Company / Common directorship	N/A	N/A
8.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A

36.	6. NUMBER OF EMPLOYEES		3.11.201,
	Number of employees at June 30		
	- Regular	974	974
	- Contractual	130	116
		1,104	1,090

Average number of employees during the year

- Regular
- Contractual

074
974
116
1,090
952
99
1,051

----- (Number) -----

2020

2021

### 37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 37.1 Financial risk factors

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

#### 37.2 Financial assets and liabilities by category and their respective maturities

		2021			2020	
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	one year	Total
			(Rupee	S 000)		
Financial assets						
At amortised cost						
Loans, advances and deposits	102,754	167,904	270,658	66,622	138,758	205,380
Trade receivables	1,707,826	107,904	1,707,826	548,068	130,730	548,068
Other receivables	42,816	_	42,816	37,074	-	37,074
Bank balances	2,750,862	-	2,750,862	1,459,494	-	1,459,494
Cash in hand		-	the state of the s	, ,	-	, ,
Casii iii iialiu	16,256	-	16,256	41,569	-	41,569
At fair value through						
profit or loss						
Short term investment	1,914,887		1,914,887			
Short term investment	6,535,401	167,904	6,703,305	2,152,827	138,758	2,291,585
	6,555,401	167,904	0,703,303	2,132,027	130,730	2,291,363
Financial liabilities						
Long term finance	275,000	2,382,121	2,657,121	33,750	236,250	270,000
Trade and other liabilities	5,427,915	2,302,121	5,427,915	3,074,540	230,230	3,074,540
Unclaimed dividend	10,674		10,674	10,416	_	10,416
Short term borrowings	4,118,854	_	4,118,854	4,869,000	-	4,869,000
Accrued markup	71,865	-	71,865	33,590	-	33,590
Accided markup	9,904,308	2,382,121	12,286,429	8,021,296	236,250	8,257,546
	3,304,300	2,302,121	12,200,429	0,021,290	230,230	0,237,340
On statement of financial						
position date gap	(3,368,907)	(2,214,217)	(5,583,124)	(5,868,469)	(97,492)	(5,965,961)
position date gap	(3,300,307)	(2,214,217)	(3,363,124)	(3,808,409)	(37,432)	(3,903,901)
Net financial liabilities						
Interest bearing	(4,040,639)	(2,382,121)	(6,422,760)	(4,229,327)	(236,250)	(4,446,577)
Non-interest bearing	671,732	167,904	839,636	(1,639,142)	138,758	(1,500,384)
Hon interest bearing	(3,368,907)	(2,214,217)	(5,583,124)	(5,868,469)	(97,492)	(5,965,961)
	(3,300,307)	(=,=17,=1/)	(3,303,124)	(3,000,403)	(37,732)	(3,303,301)

### a) Market Risk

#### Interest rate risk i)

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

At June 30, 2021, the Group has variable interest bearing financial liabilities of Rs. 6.42 billion (2020: Rs. 4.72 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 128.44 million (2020: Rs. 94.40 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

#### Foreign exchange risk ii)

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2021, trade and other payables of Rs. 2,709.36 million (2020: Rs. 184.52 million), trade debts of Rs. 1,574.61 million (2020: Rs. 536.72 million) and bank balances of Rs. 2,256.19 million (2020: Rs. 703.73 million) are exposed to foreign currency risk.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 22.93 million (2020: Rs. 18.75 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 0.48 million (2020: Rs. 0.54 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables, and trade debts.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 0.01 million (2020: Rs. 0.01 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

As at June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 2% against CNY with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 0.03 million (2020: Rs. 4.06 million), mainly as a result of foreign exchange losses / gains on translation of CNY denominated trade and other payables.

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

### iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument company, its issuer, or factors affecting all similar financial instrument traded in the market. The Group has no investment at June 30, 2021 which is subject to change in market price.

### b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 4,788.15 million (2020: Rs. 2,291.6 million) the financial assets exposed to the credit risk amounts to Rs. 4,771.9 million (2020: Rs. 2,250 million). The carrying values of financial assets are as under:

	2021	2020
	(Rupe	es '000)
Trade receivables Deposits, loans, advances and other receivables Bank balances	1,707,826 313,474 2,750,862 4,772,162	548,068 242,454 1,459,494 2,250,016

Trade receivables of the Group are not exposed to significant credit risk as the Group trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2021, secured and unsecured trade receivables amounted to Rs. 1608.92 million and Rs. 98.91 million (2020: Rs. 337.03 million and Rs. 211.04 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade receivables relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2020: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 156.59 million (2020: Rs. 97.62 million) are secured against their retirement benefits.

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

### c) Liquidity risk

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

#### d) Fair value of the financial instruments

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

As at June 30, 2021, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 1 of fair value hierarchy.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (eg. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (eg inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at June 30, 2021:

2021			
Level 1	Level 2	Level 3	Total
	(Rupee	s '000)	
1,914,887	-	_	1.914.887

### **Financial assets**

Investments - at fair value through profit or loss

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 37.3 Capital Risk Management

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

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

The debt to capital ratio at June 30, 2021 was as follows:

		<b>2021</b> (Rupe	2020 es '000)
	Total borrowings Cash and bank - note 13 Net debt	6,775,975 (2,767,118) 4,008,857	5,139,000 (1,501,063) 3,637,937
	Equity Total capital	19,543,420 23,552,277	18,364,717 22,002,654
	Debt to capital ratio	17%	17%
		<b>2021</b> (Met	2020 ric tons)
38.	CAPACITY AND PRODUCTION		
	Production capacity - Clinker	2,883,000	2,883,000
	- Cement	3,027,150	3,027,150
	Actual production - Clinker	3,191,164	2,828,898
	- Cement	2,758,297	1,766,734
38.1	The production capacity is based on standard 300 days basis. Actual production is	based on actual p	roduction days.
		<b>2021</b> (Met	2020 ric tons)
38.2	Saqr Al Keetan for Cement Production Company Limited	•	•
	Production capacity - Cement	540,000	456,000
	Actual production		

752,028

559,624

- Cement

### 39. DETAILS OF SUBSIDIARY COMPANY

Name of Subsidiary	Financial year end	i
Saqr Al-Keetan for Cement Production Company Limited	June 30	
Set out below is summarised financial information of subsidiary that has NCI:	<b>2021</b> (Perc	2020 centage)
Percentage Holding	40.00%	40.00%
	(Rupe	es '000)
Total Assets Total Liabilities Total Comprehensive Income Allocated to NCI Accumulated NCI Cash and Cash Equivalent	7,836,404 673,816 1,270,672 508,269 2,996,826 2,175,704	6,769,626 113,784 1,459,610 583,844 2,656,490 715,506
Cash (utilised in) / generated from - operating activities	1,642,562	203,534

### 40. SUBSEQUENT EVENTS

investing activitiesfinancing activities

The Board of Directors in their meeting held on August 11, 2021 has proposed cash dividend of Rs. 4 per share (2020: Rs. 3.5 per share) amounting to Rs. 550 million (2020: Rs. 481 million) subject to the approval of the Holding Company in the forthcoming annual general meeting.

### 41. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors on August 11, 2021.

**Muhammad Rehan** Chief Financial Officer Babar Bashir Nawaz Chief Executive Abdus Sattar Director 68,035

275,680





## 41st ANNUAL **GENERAL MEETING**



Held on October 22, 2020 via vedio link

# ANNUAL SALES CONVENTION







## LONG SERVICE **AWARD**









## **EMPLOYEES ENGAGEMENT ACTIVITIES**







- بورة كوكتون ك يويف أير يفك أفيسر، ويف فناهل أفيسر، كمين سكرية كاور بيذا ف اعزال ألت كاحتاب، جائي مرقى معاوضون (بشول رينا لامت كافوائد)
- اہم اتھای مبدول پرتقرریوں کے لئے جو براوراست چیف ایگر کیلؤ آفیسر یا چیف آپر ٹینگ آفیسر کو جوابدہ ہوں چیف ایگر کیلؤ آفیسر کا جوابدان کی منظوري دينا؛ اور
- اگریجوس ریبورس اور ریموزیش کنسلنٹس کا تقرر کیا گیا ہوتو ان کے وائف کا تمینی کوملم ہوتا اوران کی جانب ہے ایک بیان دیا جاتا گیآیا انسلنٹس کا تمینی کے ساتھ کوئی اور تعلق بھی ہے۔

## متنقبل كى توقعات

گزشتہ 12ماہ کے دوران حکومت پاکستان نے معیشت کی بمالی کے لئے متعدوشت اقدامات کئے جیں اور سال 22-2021 کے لئے اعلان کروو حالیہ بجٹ اس بات کی نشاندی کرتا ہے کہ بیٹمام شیت اقدامات جاری رہیں گے۔ان اقدامات کے تتیجے میں اندرونی اور بیرونی عوال کے حوالے ہے بڑے خدشات کے بغیر معیشت یں بھالی کے آثار نظر آرہے ہیں۔ سال 22-2021 کے لئے جھوئی تر تیاتی پیداوار (GDP) کا ہوف 4.80 فیصد مقرر کیا گیا ہے اور قبیراتی شعبہ برخصوصی توجہ دی گئی ہے، جو متعلق قریب میں مقامی طلب میں اضافہ کا یا حث بن علق ہے۔ نیا پاکستان یا دستگ اسکیم کے لیے مختل کروہ فنڈ ز ، منظ آئی و خابز کی تعبیراورم وجود و آئی و خابز کو بہتر بنا نے کاعمل ، پیلک سینٹر کے ترقیاتی کاموں کے لئے بری رقم کی تحصیص اور توانائی ہے متعلقہ انظر استر پکرے لئے بھاری سرمایے کاری کے رفحان سے واقع ہوتا ہے ك ينت كي كليت اورطاب كايدرتيان الكل 2 س 3 سال تك جاري د ب كاجو جموق طور يرسنت ك شعب ك في حوصله افرا بوگا-

تا ہم، عالمی سطح پراشیا ہے تھارت ( تیل اکوئلہ اسٹیل اسٹریپ اورخورد وٹوش ہے متعلقہ اشیاء ) کی بوسخی ہوئی قیتوں سے پاکستانی معیشت پرافراط زر کا دیا ہ جاری رہنے گی تو تع ہے۔ کمپنی برسخی ہوئی لاگت کے اثر اے کو ہمہ وقت صارفین کوشنل نیس کریا ہے گی جس ہے کمپنی کا منافع محدود بنے کا امکان ہے۔

آپ کی انتظامیہ تیزی ہے جہ لئے ہوئے ریکی لیٹری امور اور مارکیٹ مے محرکات سے قبل ہم آ بٹک ہاور مقامی اور برآ مدی مارکیٹس ووٹوں میں اپنی تینوں پیدا وارتی السنوں ے کلتھر اور بیشت کی پیدادار ،مقامی اورطاہ قائی سطح پر دستیاب تمام مارکیش تک رسائی حاصل کرے 100 فیصد فروقت کے حصول کے لئے برمکن کوشش کررہی ہے۔ حاصل شدولا گؤں کو برمکن صد تک کم کرنے اور مغید قیت بیلز مکس بنانے کی کوشش کی جارہی ہے تا کدمنا فع میں زیاد و سے زیاد وا ضافہ کیا جا سکے۔

## اظهارتشكر

کمپنی و فاقی اورصویائی حکومتوں ، ریکع کیٹری اداروں ، اپنے صارفین ، پینکرز اورسپارٹرز کے تعاون کے لئے ان کا تبدول مے شکر بیادا کرتی ہے۔ کمپنی اپنے انتظامی اور غیر انظامی عملے کی کاوشوں اور سود سے بازی کا ایجت (CBA) کی جانب سے بھیشہ مختروا لے تعاون کا مجی احتراف کرتی ہے۔

Busylow بايربشرتواز

چيدا کريکو نيسر

11 ألت 2021

14- استاف اوران تقامیے کے لئے ایسے انتقامات کا جائزہ لیٹا جن میں مالیاتی اورو تگر معاملات میں کسی خرافی کی صورت میں آؤٹ کیٹنی کو تمل رازواری کے ساتھ رپورٹ کرسکیل اوراس کے انسداداور تخفیف کے لئے اقدامات ہروئے کا رازانا؛

15- بورة آف دائر يكثرونى جاب تفويض كرده كى يحى سئل يامعا في كوري فوراناناداور

16- ايمثرال آؤيزز

• الكشرال أفيرز كقررك لف تجاويز دينا

• الكشرال أليززك استعفول اورسبدوثي كاموركا جائز وليا؟

• آلفيس كاتين!

• ایک شرال آفیزر کی جانب کے تینی کو برقتم کی خدمات بشمول مالیاتی حساب کا آفات کی فراجی کویٹین بناناداور

ایکسٹرش آؤیٹرز کو برشتم کا تعاون فراہم کرنا اور میوری اور شتی محاہ کے بعد سائے آئے والے اہم مشاہدات یادیگرامور جن کی آؤیٹرز نشائد ہی کرنا چاہیں،
 ان برگفت وشفید کرنا۔

## بيومن ريسورس اينذر يموزيش كميني

بورة آف دائر يكثرز في الدكينيز (كود آف كار بوريك كورش) ريكي ليشنز، 2019 كانون كتحت ايك بيؤى ريبورى ايندريموزيش كين كالكليل دى بي حس كه اركان مندرجة يل جين:

فيركاني مجدد	فبرغم
بناب هيم احد غان چيز مين ايان ايكز يكينو الذيبينات دَائر يكثر	1
جناب شعيب ا الله المربكة و الربكة و الربكة و الربكة و الربكة و المربكة و الم	2
جناب محد بإرون نان الكيز يكثيرُ الله عبيد نت و الريكشر	3

### اغراض ومقاصد (Terms of Reference)

بورۋىي اس كينى كافراض ومقاصد دري ول بين:

- قائز یکٹرز (ایگزیکٹیواور تان) گیزیکٹیو)اور بینٹر ٹیٹجٹٹ کے ممبران کے مشاہرے کے تھین کے لئے ایک پالیسی قریم ورک بورؤ کے قور وخوش اور منظوری کے لئے ججو برنا کرنا سینٹر ٹیٹجٹٹ لیول کی وضاحت بورؤ کی جانب مے متعین کی جائے گی جوموی طور پر چیف ایگزیکٹو آفیسر کی سطح کے بعد پیجٹٹ کی پہلی پرت پر مشتمل ہوتی ہے!
- بحثیت مجموی بورة اوراس کی تمییوں کی کارکردگی کے سالانہ جائزے کی کارروائی منعقد کرنا، چاہے براوراست ہویا بیروٹی آزاد کشائنٹ کی تقرری کے ذریعے ، اور اگرایسی تقرری کی جائے تو اس مقصد کے لئے ڈائز کیٹرز رپورٹ میں ایک بیان شاش کیا جائے جس میں کنسائنٹ کا کام ، الجیت اورتقرری کی اہم شرائط بیان کی گئی ہوں ؛
  - يورد كويوش ديمورس يفجشك ياليسيول كي تجاوير وينا؛

# ڈائر یکٹرزر پورٹ

## اغراض ومقاصد (Terms of Reference)

يورؤكي اس كميشي كافراض ومقاصد درج ويل إن

- 1- كينى كا اول ك حفاظت ك لئي مناب اقدامات كاقيين كرنا-
- 2- عَمَا يُحَ كَا يَمُوا فَيَ اللهُ مَا تَا تَكَا مِيرُو فِي اللهَا خُاورا شَاعِت فِي مِا مُزُولِينًا \_
- 3- اورة آف دائر يكثرز كي منظوري تي ساماي ،ششاي اورسالات مالياتي ريورش كاجائز ولينا، جس شن دريّة بل نكات برخصوصي اتوجه مركوز كرنا:
  - فيعلم كارى اورجائي في متعلق امور:
  - آؤٹ کے نتیج میں ایم آوائن (Adjustments) :
    - معمول كالأرزاري كالنيم
    - الكاؤهنك باليسيون اورمعمولات شريكي هم كي تبديلي:
      - قالى اطلاق اكاد يمك معيادات كى يودى:
  - درع شده قوانين اورديگرة انوني ضوايد كي ضروريات كي قيل، اور
    - المم متعلقة يار في كين وين \_
- 4- ایکسٹر آؤٹ کی معاونت کرنا اور مجودی اور حتی آؤٹس سے سائے آئے والے اہم مشاہدات پر آؤیٹرز سے جادلہ خیال کرنا یا کوئی بھی ویکر معاملات جن کی آؤیٹرز نشاندی کرنا جا ہے ہوں (جہاں شروری ہو، انتظامیہ کی عدم موجود کی ہیں بھی ایسا کیا جا سکتا ہے۔ )؛
  - 5- ايكسران وانقاميك وفيل عاب عارى كردون جنشك اينزكاجا زواوداس يراتقاميك وقل كاجائز وايناه
    - 6- انتراه المكثران وغرز كدرميان الم أجكى اور والباكويين الانا
  - 7- انتراق أف كدارُ وكاراور حدودكا جائز وليتاوراس بات كويتين بناناكدا نتراق أف كومناب وسائل دستياب إن اورات ورست اندازش مقرركيا كياب:
    - 8- اندروني تنتيش ك بعد وتوكروي وبد متواني اورافتيارات ك فلداستعال تيسي مركز ميون ك كيمز كوزير فوراه عاوران يرا نتظام ير كرون كاجاز ولينا؛
- 9- ان بات کوشتی بنانا که دافلی منبط کانتهام (Internal Control System) مالیاتی اورکارگز اری شعبول میں قائم ہے؛ خرید وفروشت، وصولیوں اورادائیکیوں، اٹا شدجات اور داجبات کے دیکارڈ مرتب کرنے کے لئے اکاؤنٹنگ کانقام فعال ہے اور رپورٹگ کا ڈھائی بھی موزوں اورمؤٹر ہے؛
  - 10- والحى منبط كالقام يريان كايورة أف دائر يكثرة كي المدين على جائز ولينا؛
- 11- چیف انگیز مکٹوے مشاورت کے ماتھ ہورؤ آف ڈائز بکٹرز کی جانب ہے وضع کردوخصوصی منصوب دوپ کی قدر کے مطالبے اورد نگرامور کا آغاز اوران پراقد امات کرنا اورا لیے کمی معالبے کوا بکشرال آڈیٹرز یا کمی دومرے میرونی اوار کے پشطل کرنے پرفورکرنا؛
  - 12- خرورى قانونى تقاضول كى يحيل كرة ا
  - 13- ان آوا عن رقل ورآ د كاجائز ولينااوراس كي تمايال خلاف ورزيول كي تفاعدي كرنا:

- k) وَالرِّيَكُمْرِزِ المَّرِيَكِيْوِز وان كارواج اورنا بالغ يجول كى جانب سال 21-2020 كروران كى جانے والى تصلى كين وين كى تفييلات من في 47 يروى B 70 ! 100
  - گزشتہ 06 سال کے بنیادی آپریٹنگ اور مالیاتی احداد و شارکی تنسیدا سے سنجہ 55 یرموجوو ہیں۔

### ڈائر یکٹرز کےمشاہرہ کی پالیسی

کینی کے بورو آف وائز یکٹرز نے بورومیفنگز میں شرکت کے لئے وائز یکٹرز کے امرازیہ امشاہرہ کی پالیسی کی منظوری دی ہے۔ بورومیفنگز میں شرکت کے لئے میلنگ فیس مقرر کی گئی ہے جبکہ پورؤمیٹنگز میں شرکت کے لئے ہوئے والے اخراجات کی اوالیکن (Reimbursement) کے لئے بھی پالیسی وضع کی گئی ہے۔ ایگزیکٹو، نان ا يَّزِيكُواورا عَدِينِوْن وَارْ يَكْفُرز كَ الْتُرْمِثَامِروكَ بِالْسِي يَكِسال بـ-

### وللاعك تميني

میسرز فراؤن انویسندن گروپ لهینند ولڈنگ، S.A.L ، لینان (PIGL) ، لینان ش قائم شدوایک کپنی ہے جس کارجنز ڈوفتر پیروت ش واقع ہے۔ PIGL الک ينت ياكتان ليندك 84.06 فيدهم كامالك ي

## صص اللي كافاك

30 جون، 2021 تك كميني كاصص إقلى كا فا كەسلى 47 يرديا كيا ہے۔

### 洗打

42 ویں سالانہ اجلاس عام کے افتتام پر کمپنی کے ریٹائز ہونے والے آؤیٹر زمیسرز اے ایف فرگون اینڈ کو، جارٹرؤ اکاؤنکٹس نے خود کو دوبارہ تقرری کے لئے قیش كياب، آؤك كينى فان كادوبار وتقررى كالجويزوى ب-

### آؤٹ کیش

اورة آف والزيكرز في المعلكية (كول آف كاريوريت كونس) رقع ليشو، 2019 كم مطابق ايك آفت كميني تفكيل دى بي س كاركان مندرج ويل ين:

14	ميركانام	A.
چيزين/نان ايكزيكوالدينيةن والريكش	جناب هيم احدفان	1
رك / نان الكِرْ يكود الرَّيْر	جناب شعيب السامك	2
ركن / نان الكِزيكِنُودُ الرَيكِيرُ	جناب عبدالستار	3

# وائر يكشرزر بورك

## ا) زمیجائز وسال میں کمپنی کے پورڈ آف ڈائر بکٹرز کی 05 میٹنگز منعقد ہوئیں۔ ڈائز بکٹرز اور چیف ایگز بکٹوکی حاضری کی تفصیلات درج ذیل ہیں:

ماضريون كى تعداد	est.	والايكزاجيف للزيكزكان	R.P.
5	چيز بين/نان ايكر يكنود از يكثر	جناب ليث شيث قراؤن	1
.5	نان اللِّز بَكِنُودُ الرِّيكُرُ	جناب واكل غيث فراؤن	2
5	نان الخزيكة والريكش	جناب شعيب اے ملک	3
5	نان الكِّز يكثودُ الرَّيكثر	جناب عبدالستار	4
3	نان الكِرْ يَكْنُوا لله مِنْ يَتَتُ وْ الرَّ يَكُمْرُ	جناب شيم احد خان	5
3	نان اليَّزيكوا فرين شد دَارُ يكثر	جناب محمد بارون	6
5	الكريكوة الزيكر أورجيف الكريكو	جناب إير بشيرتواز	7
2	نان الكِّرْ يَكُوْا عُنْ يَعِيدُ نْتُ وْالرِّيكِيرُ	جناب آ عاشيرشاه	8
2	१७। देर स्थार स्था	جناب ساجد نواز	9

ووران سال ووڈ ائز یکٹرز جتاب آغاشیرشاه اور جتاب ساجدنواز نے اپنے عبد ہے کی مت بوری کی اور بٹائز ہو گئے۔ موری 22 اکتوبر، 2020 ہے وو سنے ڈائز یکٹرز، جناب شيم الدخان اورجناب مخد بارون ريثائر ،ونے والے ڈائز يكثرز كى جگه بورة يش مختب ،و عد بورڈ ريٹائر ،ونے والے ڈائز يكثرز كى خدمات كوشراج تحسين تيش كرتا

## الريبائزوسال ثين آؤك كينى كى 04 ميتنگر منعقد يوئين ، دُائز يكثر ذكى خاضرى كى تفعيلات درج د مل بين ...

حاشر يول كي تعداد	14	ميركانام	فبرغا
2	چيزين نان اير يكواند ميندف واز يكثر	جناب شيم الهرخان	1
4	نان الكريكنوة الزيكتر	جناب فعيب السامك	2
4	نان الكِر كِينُودُ الرِّيكِيرُ	جناب عيدالستار	3
2	نان الجزيكوة الزيكثر	آ قاشر شاه	4

ووران سال جناب آغاشيرشاون اسية عبد يكي مدت كمل كي اوررينائر بوسكة جبّه جناب شيم احد خان كوآؤث كميني كاجيئر ثن نتنب كيا كيار

## بيداوارى لائن ١٧ پروجيك

جیے کہ پہلے آگا وکیا گیا تھا، کمپنی اپنی فیکٹری کی حدوو میں 250, 4 میٹرکٹن یومیسینٹ کی پیداوار کی ایک ٹی اٹن کی تھیب کررہی ہے۔ لیٹرز آف کریڈٹ جاری ہو بچے ہیں اور بنیاوی فیمیراتی کام کا آغاز کیا جا چکاہے۔ تو قع ہے کہ پانٹ کی (Eraction) کا کام 2023 کی پہلی سہائی میں کمس ہوجائے گی۔

## للا كمينز (كودا آفكار يوريث كورنس) ريكوليشنز، 2019 كالتيل

فالزيكم زيدرايد بداتفديق كرتيين

- a) منتک مالی حسایات کمپنی کے حالات و آپر چینز کے نتائج وقتدی کے بہاؤاورا یکویٹی جس تبدیلی کا راست جائز و ظاہر کرتے جیں:
  - b) كَيْنَ فَي كَمَالُون كَاكْثِين إِلَا عِن مرتب كى ين ا
- o) مالياتي حسابات مرتب كرتے وقت مناسب اكاؤ منك باليسيون كابا كاعدواطلاق كيا كيا جاوركمالؤل كي خيندجات كي معقول اوركمالو باغي كي كي ب:
  - d) مالياتي صابات يمن الاقوامي مالياتي ريورتك كمعيارات (IFRS) ، جو پاكستان مين قابل اطلاق بين، كمطابق مرتب ك محك بين!
    - e) والحلى منبط (Internal control) كالكام متحكم باوراس كى مؤثر انداز عظرافي اوراطاق يتيني بنايا جاتاب:
      - ا) كمينى كى معمول كانداز كاركز ارديث كى صاحب يركونى شكوك وشبهات فين بين ا
      - 9) كاروبارى انتظام كى يجاآورى كرحوال يدرج شدوضوابلا كرمطابق كوئى خصوصى اخراج نيس ب
      - h) میعادی پنیفت اعلیمول میں سرماید کاریوں کی قدران کے متعلقہ حالیہ کھاتوں کے مطابق درج ویل ہے:

التتأى مال	رو پیلین میں	
2021 (0230	781	يردويذن فنذ (فيرآ ۋت شده)
2021 نا 30	441	الريموج في قنذ ز ( فيرآ ذت شده )
2021 (0.830	395	پنشن فنذ ز ( غيرآ ؤث شده )

# ڈائز یکٹرزر بورٹ

## صحت، تحفظ اور ماحول (بهلته سيفني اورانوا رُمنك)

اس وقت 20 میگا واٹ سولر میں لا ہا ور پر وجیکٹ کی تنصیب کا کام جاری ہے، جواس بات کوچھٹی بنائے گا کہ اٹک سیسٹ پاکستان کمیٹنڈ کار بن میں نمایاں حد تک کی لائے گی اورا کیے صاف اور شفاف طریقے سے بکٹی کی پیدا وار کوچھٹی بنائے گی۔

کمپنی نے OHSAS 1800 14001 ISO 14001 اور OHSAS 18001 کے قاضوں پڑل کرتے ہوئے معیاری ماحول بھت اور تحفظ کا ایک مکمل جنجنت سسٹم نافذ کیا ہے۔ بیک ہاکاس دویست بیٹ ریکوری سسٹم (WHRS) اور دیگر ماحول دوست منصوبول کے ذریعے کا رین کے اخراج پرمناسب انداز میں قابو پایا گیا ہے۔

افک بینٹ پاکشان لمینڈ اپنی فیکٹری کی حدود میں تجرکاری کی مختف مہمات میں سرگرم رہتی ہے تا کد گرین باؤس طریقہ کارش اپنے تعاون میں حزیدا نشافہ کرسکے۔ افک بینٹ پاکشان کمینڈ نے فیکٹری کی حدود (حب، بلوچشان ) میں گزشتہ ایک سال کے دوران آخریبا 4,000 سے زائد بودے لگائے ہیں تا کہ کردونواح کے ملاقے ين تجركاري شي اضافه كياجاتك\_

فیکٹری میں کام کے زیادہ سے زیادہ محفوظ وقت کویٹینی بنانے کے لئے حفاظتی مشتیں بھی کروائی جاتی ہیں۔اس کے ساتھ ساتھ ملاز میں کوکام کے محفوظ ماحول کے حوالے سے یا قاعدگی کے ساتھ آگائی فراہم کی جاتی ہے۔ تحفظ کے معیاد کومزید مجتزینانے کے لئے بہت سارے منصوب زیر فوریں۔

## ذيلى تميني مقرالكيتان بين سرماييكاري

العرور عراق بين قائم كي كن وسلى منتي Sagr Al Keetan for Cement Production Company Limited (SAKCPCL) عن منتي كل سرمانیکاری 60 قیصد ہے۔ کپٹی نے کم تعبر 2019 میں کرشل پیدادار کا آغاز کیا ہے۔ زیر جائز دسال کے دوران سیمٹ کی فروفت 749,004 میٹرک ش (20-2019-201) 544,325 منزك أن ريكارة كي تئي- 30 جون ،2021 كونتم جون واليسال ك لنظر وهت كي خالص آمد في 1. 45 ملين امريكي ذالر (2019-201) 33:2 لين امريكي والر) ري اور بعدازتيس منافع 7.8 ملين امريكي والر(20-2019: 8.9 ملين امريكي والر) ريكاروكيا كيا-

جہاں تک فروخت کاتعلق ہے، مجموقی طور پر ہارکیٹ کی صورتھال حوصلہ افزاہے، تا ہم اشیائے تھارت کی قینؤں میں اضافہ اورامریکی ڈالر کے مقابلہ میں عراقی دینار کی قدر عن تما يال كى كے باعث متافع ميں كى حد تك كى واقع بوتى ہے۔

## منصوبول يرييش رفت

## سشى توانائى كايلانث

جیرا کہ پہلے آگاہ کیا گیا تھا، بورڈ نے فیکٹری کی عدود میں 20میگادات کے کیٹھ (Captive) سوریاد ریانت کی تنصیب کی منظوری دی ہے۔منصوب برکام زوروشور ے جاری ہانت سے بھی کی مال سال 22-2021 کی دوسری سمائی میں چانت سے بھی کی پیداوار کا آغاز ہوجائے گا۔

كمينى اينه ملازيين كرساتهة زاواندروابله پريفين ركھتى ہاورائين اپنى رائ اور خيالات كاظهار كة زاداندمواقع فراہم كرتى ہے، كدان كى صلاحيتوں كوبہترانداز ض ما مقالا يا عقد

بین الاواره جاتی روابلا کے فروغ کے لئے ٹیم بلڈیک سرگرمیوں اور و مگرتر قیاتی پرگراموں کا تسلسل ہے انعقاد کیا جاتا ہے جوملاز مین کی استعداد میں اضافہ کا باعث بنتی ہیں۔ اس کے ملاو د ملاز مین متعلق پالیسیوں بھینی میں یائے جانے والے جھوٹی ماحول کو چیک کر نے اور ملاز مین کومتر ید سیولتوں کی فراہمی کے لئے مزید فیصلے کرنے کے حوالے سے ملاز مین کے سروے اور فیڈ بیک سیشنز کالسلس کے ساتھ انعقاد کیاجاتا ہے۔ عموی تحفظ بھت اور پیشدورانہ صلاحیتوں کے کھیاراور ملاز مین کی استعداد کارکومزید وسعت دیئے کے لئے شاسل سے آگا ہی نشستوں کا امتمام کیا جاتا ہے۔

لماز من کی صلاحیتوں کی مزید نشونما کے لئے کچنی کے اندر سے تربیت و بینے کی صلاحیت رکھے والے افراد کی نشائد تک کی جاتی ہے، تا کے عمومی تربیت کوفروغ و یاجائے اور ای کے مطابق یروگرام زیب ویے جاملیں۔

## كار يوريث ساجى ذمددارى

کمپٹی ایک کاروباری فردکی حیثیت سے اپنی عالی فر مددار یون کا بخو نی ادراک ریکھتی ہے ادرا ہے کار پوریٹ ساتی فرمد داری کے بروگرام پر جیرگی ہے مل درآ مدکرتی ہے۔ مقامی توجوانوں کوروزگارے مواقع کی فراہی کے ساتھ ساتھ کہنی اپنے کام کی جگہ اورا طراف کے ملاقے کے تنام اسٹیک جولڈرز کے کے تعجب اور ماحول کے شعبہ جات میں فعال انداز میں کا م کرتی ہے۔ کمپنی اپنے فیکٹری امریا اوراطرف کے متعدد و بہات کو پینے کا ساف پائی فراہم کرتی ہے۔ اس مرکزی کے فحت تقریباً 000، 10 ے ذائد اور اور براسال یا قاعد کی سے پیٹے کا صاف یافی میرا کیا گیا۔

اس وقت جاوید مری گوتھ اور حدالت روڈ ،حب میں بالترتیب 11 ویں اور 12 ویں وا زفلتر یشن بالٹ کی تصیب کے لئے کام جاری ہے۔

کمپٹی اپنے زیرانتظام دواسکولوں فیلکن پلک اسکول اور TCF کی زیربر برتی ڈاکٹر شیف رشادفراؤں کیمپس میں تقریبا 1,000 سے زیاد و طالب ملموں کو مفت تعلیم فراہم کردہی ہے۔ ووٹوں اسکولوں میں جیسے اور جہاں شرورت ہوتی ہے مستقل بنیادوں پر گلاس دومزاور تعارت کی توسیع کا کام کروایا جاتا ہے۔ اس کے ملاوہ کہنی نے ساکران اور حب کے علاقوں میں واقع سرکاری اسکولوں کوکیپیوٹرز بھی فراہم سے ہیں۔

ور جائز وسال کے دوران کمنی نے رفشانی کو تھاور حاتی ہی بیش کو تھوش یانی کی بورنگ کا کام مکمل کیا اور سوارسٹم کی تصیب کے کام کا بھی آناز کیا ہے۔ مزید برآں، کمپنی اطراف كے ملاقے من كھيلوں كي مركزميوں كى بھى حوصلدافز الى كرتى ہاور مقاى كركت اورفث بال نيوں كومتعاقة بحث فراہم كرنے كے ساتھ ساتھ تسلسل سے كھيلوں كافرريامنس كامرياى بحارتي بحارتي

کپٹی اپنی فیکٹری کی حدود میں 6 بستروں پر مطلقتل میڈیکل سینٹر اساکران میں واقع ایک فلاقی ڈیٹسری اور پورا سال شلسل کے ساتھ منے میڈیکل کیمپس کے انعقاد كة ديع ياكميني كى فلاتى و كانسرى ك وريع ملت اوويات كي تشيم ويسا قدامات كرما تعطي سوليات كشعبد يس مجر يورا تدازي الي خدمات ويش كررى ب-

# ڈائر یکٹرزر بورٹ

کپنی نے اپنے بہترین معیاراور بہتر براغدائیج کے باعث کراچی کی مرکزی مارکیٹ میں شرح جم اور قیت وونوں کے التبارے اپناا تبیازی مقام برقرار رکھا۔ بہر حال آ ہستہ آ ہستہ شالی برانڈ زکی جنوبی مارکیٹ میں آمداور جنوبی مارکیٹ میں نئی استعداد کی دستیالی کے باعث مینی کوزیریں ہنجاب، بالائی سندھ کی مارکیٹوں میں اور بلوچستان کے پچھھوں میں مارکیٹ شیئر برقرارر کے میں خت مسابقت کا سامنار ہا۔ گزشتا ایک سال ہے مہنی نے کوئٹر کی مارکیٹ میں اپنی جگہ متحکم کی اورمیکلن (Falcon) اب ان مارکیت کا جانا پھانانام ہے۔

سمینی کی حکت ملی ہے کہ دوا بنی مقامی فروخت کوزیاد و سے زیاد وبڑھائے اور کلنگریا سے شدونوں کی اضافی مقدار برآید کی جائے ۔ کمپنی نے مقامی اور برآیدی مارکیٹوں ين 2,010,531 مينزك أن يمنت فروعت كيا، جوكز شد سال كرمقابلدين 14 فيعدا ضاف كوظا بركرة بداس ين س 1,490,250 مينزك أن يمنت (20-2019) 244,358: 244,358 يمترك أن) مقامى ماركيث يش فروف كيا كياج كزشته سال كي الله عند كم مقابله يش 20 فيصدا ضاف كو ظاهر كرتا ب

مَنِينَ فِي مِن لِكَاادر يَزَارُ بِحُ البِندِ كَيَارِ كِيلُونِ مِن 522,084 مِنْزِكَ ثِن يَعِنْ (20-2019: 522,084 مِنْزِكَ فِي المِنْ المِنْهِ اللهِ

كمينى في بنكدديش اسرى دكا اور قطرى علاقائى ماركيشون مي اعلى معيار كالكرك وآمد كاسلسلة جارى دكها اور 1,355,276 ميترك أن كلكر (20-2019 : 1,157,292 مرك أن ) يرآ مركيا وكر شيرسال كمقابل عن 17 فيعدا شاف كوظام ركرة ب-

كَيْنَى كَ كَلْتَكُر اور بينت كَى جُمُوقَى قروف 3,365,807 مِيفرك بن ريكارة كَي كَلَى جَوَّز شيرسال كرمقابل شي 442,073 ميفرك بن (15 فيعيد )اضاف كوفلا بر -235

### افرادى توت

ا تک بینٹ یا کتان لمینڈا پی افرادی قوت کارفنا می اہمیت کا ادراک رکھتی ہے تبذا آئیس کام کے لئے ایک سازگار ماحول کی فراہمی بیٹینی بناتی ہے جو مجموعی ادار د جاتی کار كردك بين اضافه كالمعث بمآب

ئىلنىڭ الكويزىش بروگرامز (Talent acquisition programs) كى قىت برسال ترقى كى دىنى ترمنسويون كى ساتھ برى تعدادىي ئىڭ كەنتىجونىڭ بىر ت جاتے ہیں۔ اس متم کے پروگرام کوفی کے لئے باصلاحیت توجوانوں کی خدمات حاصل کرتے اور انین متعقبل میں قائدات کرواراوا کرنے کے لئے تیار کرتے میں

کارکروگی کی جانج کے لئے ایک با قاعد دیرفارمنس ڈو دلیمنٹ پروگرام (PDP) مرتب کیا گیا ہے تا کہ ہرملازم کے دیریا خدمات کے حصول اور وسیج مواقع کی فراہمی کے ذریعے مستقبل میں قائدانہ کردار کے لئے تیار کیا جانتھے۔ کمپنی میں ملازمین کی سخوا و اور دیگر مراعات مارکیٹ کے مسابقتی معیار کے مطابق ہیں اوران کی انفرادی کارکرد کی کے درست جائزے کے مطابق ہوتی جیں۔ اس ملط میں معیار کی پیائش اوراہم عہدوں کی ترقی کے لئے تسلسل کے ساتھ مارکیٹ سروے تھے جاتے ہیں۔ لہذا ٹینی کوفٹر ہے کہ دواپنے ملاز ٹین کومھاد ہے کی اوا کیلی اور کیریئز کی ترقی ، ودنوں انتبارے بہترین مواقع فراہم کرتی ہے۔

- زیر جائز دسال پی کلنگر اور پیشٹ دونوں کی مجموئی برآ ہدات کی مقدار میں اضافہ کی وجد ہے تشیم کی ااگت میں گزشتہ سال کے مقابلہ میں 373 ملین روپے (20)
  - · برآ مدى رى تنانس كو وركاك كيوهل كى شروريات كے لئے استعمال كرئے كے باعث تنائس كى لاگت ميں 168 ملين رو ب (32 فيصد) كى جوئى .

### (iii) اختصاص

رَبِيهِا مُزومِال كِمالِياتِي مِنا فَحُورِيَّ وَيل مِن:

2019-20	2020-21	0,0,0,000
1,107,491	1,107,352	بعدادتيس منافع
(104,586)	21,529	الكار يكر كول الدن
1,002,905	1,128,881	سال کال مجمول آ مد تی
14,725,189	15,178,386	فيرتخصيص شدومنافع 10/1
15,728,094	16,307,267	وستیاب منافع برائے انتشاص انتشاص: 20-2019 کے لئے اداکردہ حمی نشد زید پڑھ
(549,708)	(480,995)	3.5 روي في صعر نقد و يوند ( 19-2018 : 4.0 د چ في صعر )
15,178,386	15,826,272	فيرخضيص شده منافع الن

11 أكت، 2021 كومنعقد واجلاس يلى يورؤ في 30 جون ، 2021 كوئتم بون وال سال ك لئ 4.00 روي في صص (40 فيصد) كالتبار - 550 لمين روية حتى افتدؤيويد على جويزوى ب\_

## قوى خزائے يس ادا يكى

زیر جائزہ سال کے دوران کھنی نے سکڑنیکس ،اٹھ ٹیکس ،اٹیکس ،اٹیکس ٹر یوٹی اور دیکر تا ٹوٹی کیویز کی مدیس تقریبا 5,727 کین روپے تو می فزانے ہیں بھٹ کرائے۔اس کے ملاوہ کھٹی نے اپنے صصص یافت گان ملاز بین واسٹری دوفرز رہیلائز زاور کشریک کی شرائے کا میکن کی مدیس کوئی کر کے تقریباً 513 کیسن روپے بھی تو می فزانے میں جمع كروائ منزيد برآن زيرجائز وسال كدوران آپ كي ميني في برآ هات ك زرياي قريبا 57 ملين امريكن والرز كاليتن زرمباول جي كمايا ب-

### ماركتنتك

سال 21-2020 کے دوران جنوب کی مقامی مارکیٹ ٹیں، جہاں آپ کی کمپنی واقع ہے، تقبیرات کے شعبہ میں حکومت کی جانب ہے مراماتی پینچے اور کم شرح سود کی ویہ ت تعیراتی سرگرمیوں میں 34 فیصد کاز بروست اضافیاد کیھنے میں آیا۔ مزید برآن، مقامی مارکیٹون میں تلکر کی بڑے پہانے میر برآمدات کے باعث برآمدات میں 15 فيصد كا شافده يمين من آياه رجيد جنوب كى ماركيث من جموى طور ير 24 فيصد اشاف ريكارة كيا كيا-

# ڈائر یکٹرزر بورٹ

زیر جائزہ سال کے دوران کیفی نے بنگدہ لیش مری نظا در قطر کی علاقاتی مارکیٹوں ٹی اپنے اعلی معیار کے گلتگر کی برآمد جاری رکھی اور 1,355,276 میٹرک ٹن گلتگر (1,157,292:2019-20) بیٹرک ٹن ) برآمد کیا جوگز شتہ سال کے مقابلہ میں 17 فیصدا شافد کو ظاہر کرتا ہے ۔

مجموق طور پر کہتی کی گلکر اور سینٹ کی فروفت 3,365,807 میٹرکٹن ریکارڈ کی گئی جو گزشتہ سال کے مقابلے میں 442,073 میٹرکٹن (15 فیصد) اضافے كوظا بركرتى ب- يوكونى ك قيام ك بعد عفر وفت كاب عد زياد وجم ب-

## مالياتي كاركردكي

آپ كى كىنى كى 302 جون 2021 كوئىم بونے والے مالى سال كى اہم مالياتى نتائج ، گزشته سال كى اى مت كے نتائج كے تفائل كے ساتھ ورئ ويل يوں:

(اشاف) پو	(اشاف)	2019-20	2020-21	
15	2.744	18,501	21,245	غالص فروعت
9	394	4,249	4,643	خام منافع
1	8	1,532	1,540	منافع قبل ازتكس
÷	*	1,107	1,107	منافع بعداز فيكس
-	-	8.06	8.06	آيدني في صفي (روييس)

## (i) فروخت کی کارکردگی

مینی کی خالص مجموی فروکت ہے حاصل ہونے والی خالص آیہ فی میں گزشتہ سال کے مقابلے میں 2,744 ملین روپے (15 فیصد ) اضافہ ہوا ہے۔اس کی بڑی وجہ گزشته سال کے مقالبے میں 442,073 میٹرک ٹن اشافی سنٹ اور کلنگر کی فروفت تھی۔ اشافی مقدار کی دستیابی اور جنوب کی مارکیٹ میں ٹائی برا مارز کی سلسل آمد کی وجہ ہے مقامی مارکیٹوں میں قیمت فروخت میں بخت مقابلے کا رتبان رہا۔ جبکہ برآ مدی مارکیٹوں میں میشیں 5 فیصد (-ا+) کے مارجن کے ساتھ کم ومیش کزشتہ سال کی قیتوں کے برابرر ہیں۔قیتوں ٹیل معمولی اصافے اور بہتر سکڑا مار کیٹ میس کے باعث قروخت کردو فی میٹرک ٹن سینٹ پراوسط خالص متاقع میں 138 روپے فی میٹرک ئن(2%) کااشاف ہوا۔ تاہم بلکر کی برآ مدات ے حاصل شدہ آمدنی پاکستان ہے برآ مدے کئے دستیاب فلکر کی وافر مقدار میں موجود کی کی ویدے 6.65 امریکی ڈالر في ميٽرڪ ٿن م جواني۔

### (ii) فائدہ مندی

کھنی نے مالی سال 21-2020 میں 1.107 ملین روپ بعد از تیکس خااص منافع حاصل کیا جوگز شند سال کے حاصل کردہ منافع کے تقریباً مساوی ہے۔ سمینی کاموجود و خام (Gross) مارجن اورقبل کار (Operating) مارجن کم بوکر بالترتیب 22 فیصداور 9 فیصدر باجوگزشته سال بالترتیب 23 فیصداور 11 فیصد تھا۔ ز ریا زوسال میں لاگت کے بنیاوی پیاٹوں میں اہم تغیرات ،جن کے نتیج میں منافعے کی شرح میں کی واقع ہوئی ،جو درج ذیل میں ا

 بین الاقوای مادکیت بین کو کے گی قیست بین اضافہ کے باعث فی میٹرکٹن کوئلے کی پیداداری لاگت کی بنیاد پر فیول کی لاگت بین 77 روپ فی میٹرکٹن کا اضافہ عواركو يح كى اوسط قيت فريد ش آخر بيا 10 فيصدا شاف موار



آپ كى كىپنى ك ۋائر يكثر زمرت كى ساتھ 30 جون، 2021 كوختم ہونے والے سال كے لئے كمپنى كى سالاندر پورث مع آ ڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

### يبدا وارا ورفر وخت

سال 21-2020 کے دوران کمپنی نے کلفری جموی بیداواری استعداد کا 110 فیصد حاصل کیااور تمام پیداواری ائنیں پوراسال کارگز ارد ہیں۔ پيداواراورفروفت كاعدادوشاركي تفيدات درج ذيل جارث ين واضح كي كي ين:

2019-20 ماري	2020-21	
2,828,898	3,191,164	كالقركى عطاوار
1,766,734	2,006,269	سينسف كى يداوار
		سينسك كافروفست
1,244,358	1,490,250	مقامی
522,084	520,281	يآمات
1,766,442	2,010,531	3
1,157,292	1,355,276	おみんしんのたか かろん
2,923,734	3,365,807	تحل فرواست

سمینی نے مقامی اور برآ مدی مارکیوں میں 2,010,531 میٹرکٹن سینٹ فروخت کیا جوگزشتہ سال کے مقابلے میں 14 فیصدا ضافہ کو ظاہر کرتا ہے، جس على = 1,490,250 ميزك أن يبنت (20-2019: 1,244,358 ميزك أن) مقاى ماركيت يص فروضت كيا، جوكز شدسال كمقابله ي 20 فيعداشا في كوظا بركرتاب-

کینی نے سری لٹکا اور جزائر بحرالبند کی مارکیٹوں میں 520,281 میٹرک ٹن سینٹ (20-2019: 522,084 میٹرک ٹن ) برآمد کیا۔



## Form of Proxy

the Company.

42<sup>rd</sup> Annual General Meeting of Altack Cement Pakistan Limited

1000	ė		
tit.		T. 10 . 10 . 10	
De	ng a member(s) of Attack Cement Pakista	n Limited holding _	
CHO	inary shares as per share register tolo No.	V 1	or CBC participant ID Na. and
IND	raccount No	hereby ap	ointo
of,			
	e for me / us and on my / our behalf at the October 21, 3021 and at any acjournment	42nd Annual Genera	In my / our absence to attend and Meeting at the Company to be new
Signed this		day of	2021
			Signature  parameter could base with the year many  signature regalized with the Company)
Wit	fiesk)		
j,	Name Address:		
2	Name:		
lmp	portant Notes:		
1	This Proxy Form, duly completed and sig Company, 0-70 Block-4, Kehkashan-5, Cit of holding the meeting and must be duly	ttan, Karachi-75600.	ived at the Registered Office at the not less from 4d nours before the time
2	A Proxy need not be a member of the Co	empany.	
3.	If a member appoints more than one pro by a member with the Company, all such	xy and more than a Instruments of prox	one instrument of proxy are deposited y shall be rendered involid.
for	CDC Account Holders / Corporate Enfities:		
1.	The proxy form shall be witnessed by two be mentioned on the form.	persons whose nam	es, addresses and CNIC numbers sha
à	Attested caples at CNIC or the possport with the proxy form	of the beneficial ov	mers and the praxy shall be furnished
2	The provided involved by / has officed (	TAUT I Rescond of the	os tinos of the meating

in case of Government of Pakhtan, State Bank of Pakhtan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with praxy form to



# ثما كندگى فارم انك يمنث پاكتان لميندكا 42 وال سالانداجلاس عام

يعت إلى المولدان	البيت مجرد مجهان الأنك	-	1.6	
1.500	. يا کا ای او پیزا کا و ت قبرای ای می پادئیمید آگیا و گابر		- Alexan	
	عرق صوري السياسية	3,6-6	كاذات فبر	
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المال على تركت أرية	ال لين ع الأوليد عن المعام أو المعام أو المعام المعالية المعام والسراعة في شوه	الرتية وبالهاتك يعند والمنا	intelligent distribution	
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-5-	164. 4-Ja. 10-707-15-16- JE 48 Fore 167C			
	صَد يَنْ الدواوة والإنام الم	ويوسل البياة يوجه المادة	غنزي / بيل -5600 <u>-</u>	
		في الميريون شرور في شير بيد	ELL Williams	
routered?	ل كى بوائب سنالما كى كالكيك سنة العاشر والند كلي كون كروات بالتي ي	المراوات والمراجع والمرافئة	نه آراول ميرايك ساالها	
			النروخلس فيرمؤ وترمي	
		- Macdallin	والمشتى الحاق الا المدمولة	
	بالدافران والمراجع والمركبين الزافري كالمرافي كالمرافر والماني والمراجع	تنضدين شدواونام يناورون	المراجد في الرجود كالوال	
	والزاة في عائق الاروليس إي جودت كي أقال وظل عدفي بالنبي			
		रहे कर महाराज्य के अपन		
ENLGENIE	الدواورة كالصورت المراقعة كالأراع المراوا بالدا أفسادا ويكون كالمراداة			

LUNZING BASENAL PASICA



### ATTOCK CEMENT PAKISTAN LIMITED

### CORPORATE OFFICE:

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

