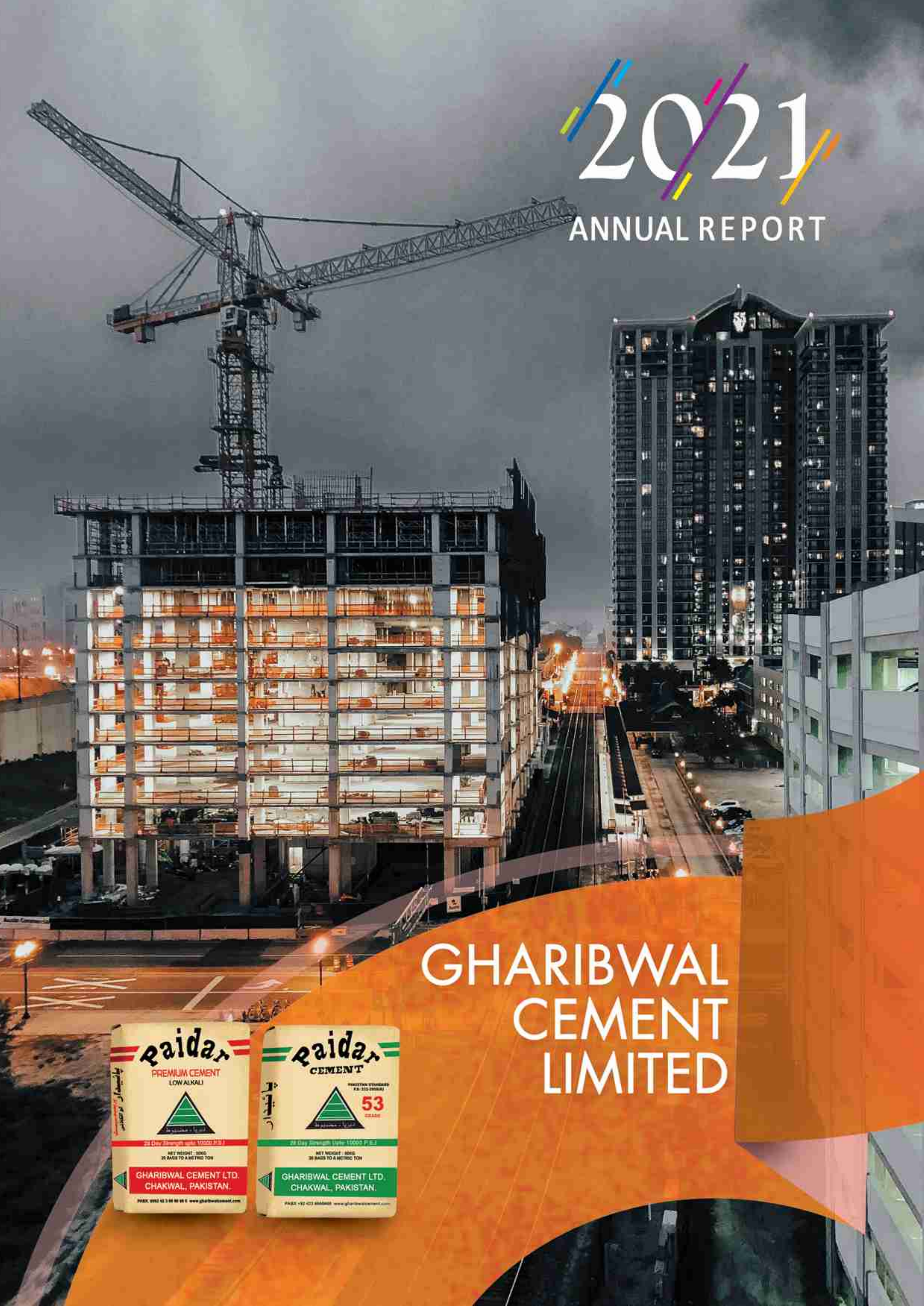
2021
ANNUAL REPORT

GHARIBWAL CEMENT LIMITED



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 61st Annual General Meeting of Gharibwal Cement Limited will be held on Wednesday, October 27, 2021 at 12:00 p.m at OBAN Hotel, 81-C-II, Off MM Alam Road, Gulberg III, Lahore to transact the following businesses:

Ordinary Business

1. To confirm minutes of last Annual General Meeting (AGM) held on October 27, 2020.

2. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2021 together with Auditor's and Director's report thereon.

4. To appoint Auditors' of the Company for the year ending June 30, 2022 and to fix their remuneration. Present auditors "Kreston Hyder Bhimji & Co, Chartered Accountants", retire and being eligible, have offered themselves for reappointment.

Special Business

4. INCREASED IN AUTHORIZED CAPITAL

It is proposed to increase the authorized capital of the company from Rs. 4,700 million to Rs. 8,000 million and to amend Memorandum & Articles of Association of the Company accordingly by passing following resolutions, with or without modification, as special resolutions:

"RESOLVED THAT

I. To increase the Authorized share capital of the company from Rs. 4,700,000,000 divided into 470,000,000 ordinary shares of Rs. 10/- each to Rs. 8,000,000,000 divided into 800,000,000 ordinary shares of Rs. 10/- each by addition of 330,000,000 ordinary shares of Rs. 10/- each.

II. Clause V of the Memorandum of Association of the company be altered by substituting the figures and words Rs. 4,700,000,000 (Rupees Four thousand seven hundred million) and 470,000,000 with the figures and words Rs. 8,000,000,000 (Rupees Eight Thousand million) and 800,000,000, respectively.

III. Clause 5 of Articles of Association of the company be altered by substituting the figures and words Rs. 4,700,000,000 (Rupees Four thousand seven hundred million) and 470,000,000 with the figures and words Rs. 8,000,000,000 (Rupees Eight Thousand million) and 800,000,000, respectively.

IV. The company secretary and CEO of the company be and is hereby authorized to complete all legal and corporate formalities in connection with the above.

DIRECTOR'S REMUNERATION

5. It is proposed to amend clause 65 of Articles of Association of Company regarding director meeting fee.

Resolved that clause 65 Articles of Association of Company be amended with below new clause:

Remuneration paid for attending meeting of the Board of Directors others then the regularly paid Chief Executive and full - time working Directors shall not exceed as decided by Board of Directors. The remuneration of all Director for performing extra services, including the holding of the Office of Chairman, shall be determined by the directors. The Directors shall, however, be entitled to be paid all travelling and other expenses incurred by them in or about the performance of their duties as Directors.

TRANSMISSION OF ANNUAL REPORTS UNDER SECTION 223(6) OF THE COMPANIES ACT, 2017

6. To approve transmission of annual reports including annual audited financial statements, auditor's report, Chairman's review, Directors report and notice of annual general meeting to the Company's shareholders electronically through Email/CD/DVD/USB at their registered emails or mailing addresses instead of transmitting the annual reports including annual audited accounts in printed form as allowed under Section 223(6) of the Companies Act, 2017.

RESOLVED THAT company be and is hereby allowed to transmit its annual reports including annual audited financial statements, auditor's report, Chairman's review, Directors report and notice of annual general meeting to the Company's shareholders electronically through Email/CD/DVD/USB at their registered emails or mailing addresses, as allowed under section 223(6) of the companies Act, 2017 instead of transmitting the annual reports including annual audited accounts in printed form.

Transactions with Related Parties:

7. To consider and approve the following resolution as Special Resolution:

"Resolved that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in note 9b, 40, 41 of the Financial Statements during the year ended June 30, 2021, be and are hereby ratified and approved. Furthermore, Board of Directors of the Company be and is hereby authorized to approve all transactions to be carried out in the normal course of business with related parties and associated companies during the year ending June 30, 2022 and onwards."

INVESTMENTS IN ASSOCIATES U/S 199 OF COMPANIES ACT, 2017

8. To approve short term loan/advance up to Rs. 600 million to Balochistan Glass Limited *(Associated Company)* for a period of one year, by passing the following resolutions, either with or without modification, as required under section 199 of Companies Act, 2017:

"**Resolved that** Consent and approval of members of the company be and is hereby accorded under section 199 of Companies Act, 2017 for short term loan/advance facility up to of Rs. 600 million for a period of one year from the date of passing of this resolution i.e. Till October 27, 2022 at a markup rate of minimum 1% p.a. above the average borrowing rate of company. Company in last AGM had extended this facility for a period of one year from its expiry and now proposed to extend/renew this facility for another period of one year.

Further resolved that CEO and/or Company Secretary be and are hereby authorized, singly, to complete all financial, legal and corporate formalities in connection with the above resolution.

Other Business:

9. To transact any other business with the permission of chair

By Order of the Board

Abbas Rashid Siddiqi
Company Secretary

Date: October 03, 2021
Place: Lahore

NOTES:

1. **Participation in the AGM proceeding via the video conference facility:** Due to current COVID-19 situation, the AGM proceedings can also be attended via video conference facility. Shareholders interested to participate in the meeting are requested to email their Name, Folio Number, Cell Number, CNIC Number, and Number of shares held in their name with subject "Registration for Gharibwal Cement Limited AGM" along with valid copy of both sides of Computerized National Identity Card (CNIC) at agm@gharibwalcement.com. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email.

2. The share transfer books of the company will remain close from October 20 to October 27, 2021 both days inclusive. Transfer received by the Share Registrar of the Company, M/s Corplink (Private) Ltd, 1-K Commercial, Model Town Lahore up to October 19, 2021 will be considered in time for the purpose of attendance at AGM and dividend entitlement.

3. A member who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and account /sub account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

4. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/ her proxy to attend, speak and vote instead of him/her.

5. Forms of proxy to be valid must be properly filled in/executed and received at the Company's head office situated at First Floor, PACE Tower, 27-H, College Road, Gulberg-II, Lahore not later than 48- hours before the time of meeting.

6. Members are requested to notify the Shares Registrar of the Company promptly of any change in their addresses and also provide Copy of their CNIC for updating record.

7. Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update their records. In case of non-submission, dividend payments will be withheld.

8. Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

UNCLAIMED DIVIDENDS & BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

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.gharibwalcement.com in addition to annual and quarterly financial statements for the prior years.

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.

The statement Under Sub Section 3 of Section 134 of The Companies Act, 2017, Pertaining to the Special Business is annexed with this notice to the Members.

INCREASE IN AUTHORIZED CAPITAL

The present authorized capital of the company is Rs. 4,700 million and it is proposed to increase the authorized capital of the company to Rs. 8,000 million in order to facilitate any increase in paid up capital as and when required by company.

DIRECTOR'S REMUNERATION

As per clause 65 of Articles of Association, company can pay only Rs. 2,000/- as meeting fee, therefore, it is decided to change this clause and now and BOD is authorized to decide and increase fee from time to time as they deem fit.

TRANSMISSION OF ANNUAL REPORTS

To proceed towards paperless environment and to fulfill the responsibility towards environment, Company had already passed resolution with the consent of its shareholder in Annual General Meeting held on September 28, 2016 and had already granted approval to transmit annual reports in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy as per the Securities and Exchange Commission of Pakistan's SRO No.470(I)/2016 dated May 31, 2016. Whereas, in addition to the above approval, the Section 223 (6) of the Companies Act, 2017 allows every listed company to send its audited financial statements together with the auditors' report, chairman review and directors' report to every member of the company and every person who is entitled to receive notice of general meeting, either by post or electronically at least twenty-one days before the date of meeting at which it is to be laid before the members of the company, and shall keep a copy at the registered office of the company for the inspection of the members. Now Company sought approval of shareholders to issue & dispatch its annual reports including annual audited financial statements, Auditor's report, Chairman's review, Directors report and notice of annual general meeting through Email/CD/DVD/USB at their registered emails or mailing addresses instead of transmitting the annual reports including annual audited accounts in printed form as allowed under Section 223(6) of the Companies Act, 2017. However, an option of hard copy of the same information is offered to any interested shareholder.

TRANSACTIONS WITH RELATED PARTIES

It is proposed that transactions carried out in the normal course of business with related parties and associated companies as disclosed in note ---- of the Financial Statements during the year ended June 30, 2021, be and are hereby ratified and approved. Furthermore, Board of Directors of the Company be and is hereby authorized to approve all transactions to be carried out in the normal course of business with related parties and associated companies during the year ending June 30, 2022 and onwards.

SHORT TERM LOAN TO BALOCHISTAN GLASS LTD

This statement sets out the material facts pertaining to special business proposed to be transacted under section 199 of Companies Act, 2017 at AGM.

Balochistan Glass Limited (BGL) was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Act, 2017). Its shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and sale of glass containers, Tableware glass products and plastic shells for beverage companies. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is presently situated at 12-KM, Kot Abdul Malik, Lahore (Previously First Floor PACE Tower, 27-H, College Road, Gulberg-II, Lahore). Balochistan Glass has three glass plants one is located in Hub-Balochistan whereas other two plants are located at Lahore Sheikhpura road. BGL is selling its tableware products under the brand name of "Marimax". Board of Directors of GCL in their meeting held on October 02, 2021 has approved facility of Rs. 600 million as short term loan / advance for a period of one year i.e. till October 27, 2022. Company in last AGM had extend this facility up to Rs. 600 for a period of one year from its expiry i.e. till October 27, 2021 and now proposed to extend/renew this facility further for one year.

GCL shall extend/allow the facility of loan / advance from time to time for working capital requirements to BGL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 and as required under section 199 of Companies Act, 2017. Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in BGL and it has been kept at Registered Office of the Company for inspection of the members along with audited/unaudited accounts of BGL as required under the Regulations

Sr.#	Requirement	Information
1	Name of Company	Balochistan Glass Limited (BGL) - an Associated Company of GCL
2	Amount of loan/advance	Up to Rs. 600 million (Rupees Five hundred million)
3	Purpose of loan/advance etc. & benefits	**Purpose:** To earn income on the loan/advance to be provided to BGL from time to time for working capital requirements of BGL. **Benefits:** The Company will receive mark up at the rate of one percent above of its average borrowing cost **Period:** For a period of one year i.e. till October 27, 2022

Sr.#	Requirement	Information
4	Outstanding Loan Amount as at June 30, 2021 In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 587.36 million approx. Company has already extended this facility up to Rs. 600 million to BGL by passing special resolution in last AGM for a period of one year
5	Rate of Markup & Average Borrowing cost of GCL	**Mark up rate:** Minimum 1% above the rate charged to GCL by banks & financial institutions. Mark up will be paid by BGL on quarterly Basis.
6	Financial Position of BGL	Based on the latest unaudited quarterly financial statements (Third Quarter FY2021) for the period ended March 30, 2021,brief financial position of BGL is as under: **Rs. Million (Approx.)** Paid up Capital- Current 2,616 Accumulated Losses 5,695 Revaluation Surplus 607 Subordinated Loan 3,635 Loan from Directors etc. 313 Long term Loans from Banks 7.7 Deferred Liabilities 58.77 Short term borrowings 688 Current Liabilities 1,448 Current Assets 534 Current Ratio 0.37 Fixed Assets 2,001 Long term investment 126 Profit after tax 72.3 EPS - (Rs.) 0.28
7	Sources of funds from where loans or advances will be given	- From internal cash availability of GCL (These are not from borrowed funds)
8	Personal Interest of Directors of GCL	i. Mr. Muhammad Tousif Paracha, ii. Mr. Faisal Aftab Nabi; and iii. Mian Nazir Ahmed Peracha are common Directors in both Companies. Shareholding of Common directors is as under: **Name** **BGL** **GCL** M Tousif Peracha 67.25% 56.3% Mian Nazir Peracha 0.00% 0.00% M Niaz Peracha 0.00% 0.00% Mr. Faisal Aftab Nabi 0.00% 0.00% **Spouse of Mr. Muhammad Tousif Paracha:** Tabassum Tousif Peracha 0.78% 0.05% - Mian Nazir Peracha is CEO of BGL - Pattern of shareholdings are also available on both companies website as well as in annual reports.
9	Repayment Schedule	Repayable within one year. However, company can call full or partial repayment of outstanding loan at any time during the period of one year.
10	Salient features of agreements entered Or to be entered with BGL	Terms of agreement will be in accordance with The terms approved by members in AGM
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	No collateral is considered.

Sr.#	Requirement	Information
12	Loan conversion option	No such option is extended to BGL
13	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	**Amount of Loan** Up to Rs. 600 million- Short term Advance **Nature:** Short term loan for working capital offered to BGL for its use for operations **Purpose:** To earn income on the facilities to be provided to BGL from time to time for working capital requirements of BGL. **Benefits:** The Company will receive mark up at the rate of one percent above of its average borrowing cost, so, company will earn profit on surplus funds. **Period:** For a period of one year i.e. Till October 27, 2022. **Mark up rate:** Min. 1% p.a. above average borrowing rate of GCL. **Principal Repayment:** Principal to repay on or before October 27, 2022 or within 45-days on demand by GCL **Mark up repayment:** Mark up to be paid on quarterly basis

اطلاع برائے سالانہ اجلاس عام

اس نوٹس کے ذریعے اطلاع دی جاتی ہے کہ غریب وال سیمنٹ لمیٹڈ کا 61 واں سالانہ اجلاس عام (AGM) بدھ 27 اکتوبر 2021 کو OBAN ہوٹل، 81-C-ii، ایم ایم عالم روڈ، گلبرگ iii، لاہور میں دن 12 بجے منعقد ہوگا۔ جس میں درج ذیل معاملات زیرِ بحث آئیں گے۔

عمومی امور

ا۔ پچھلی AGM (جو کہ 27 اکتوبر 2020 کو منعقد ہوئی تھی) کے طے شدہ امور کی تصدیق کرنا۔

۲۔ کمپنی کے ختم ہونے والے سال 30 جون 2021 سے متعلق آڈیٹرز کے آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز کی رپورٹ کو وصول کرنا اور اس پر غور کرنا۔

۳۔ کمپنی کے 30 جون 2022 کو ختم ہونے والے سال کے لیے آڈیٹر مقرر کرنا اور ان کے معاوضے کی منظوری دینا، کمپنی کی موجود آڈٹ فرم " کرسٹن حیدر بھیم جی اینڈ کو چارٹرڈ اکاؤنٹنٹس " نے (دوبارہ تقرری کی اہل ہونے کے ناطے) اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔

خصوصی امور

مجاز شیئر کیپٹل میں اضافہ:

کمپنی کے مجاز شیئر کیپٹل کو 4,700 ملین روپے سے بڑھا کر 8,000 ملین روپے کرنے کی تجویز ہے جس کے لیے کمپنی کے میمورنڈم اور آرٹیکل میں مندرجہ ذیل قرارداد کے ذریعے تبدیلی کرنا مقصود ہے

طے پایا کہ

ا۔ کمپنی کے مجاز کیپٹل کو 330,000,000 شیئرز کے اضافے کے ساتھ 470,000,000 شیئرز سے بڑھا کر 800,000,000 شیئرز کیا جاتا ہے (ہر شیئر کی قیمت 10 روپے ہوگی)

۲۔ میمورنڈم آف ایسوسی ایشن کی دفعہ V میں مندرجہ ذیل تبدیلی کرنا Rs.4,700,000,000 (چار ہزار سات سو ملین روپے) اور 470,000,000 کے ہندسوں اور لفظوں کو Rs.8,000,000,000 (آٹھ ہزار ملین روپے) اور 800,000,000 سے تبدیل کیا جاتا ہے۔

۳۔ آرٹیکل آف ایسوسی ایشن کی دفعہ IV میں مندرجہ ذیل تبدیلی کرنا Rs.4,700,000,000 (چار ہزار سات سو ملین روپے) اور 470,000,000 کے ہندسوں اور لفظوں کو Rs.8,000,000,000 (آٹھ ہزار ملین روپے) اور 800,000,000 سے تبدیل کیا جاتا ہے۔

۴۔ کمپنی سیکرٹری اور CEO کو مجاز کیا جاتا ہے کہ وہ اس قرارداد سے متعلق تمام قانونی کاروائی عمل میں لاسکتے ہیں۔

۵۔ ڈائریکٹرز کی تنخواہ۔

تجویز ہے کہ آرٹیکل آف ایسوسی ایشن کی دفعہ 65 جو کہ ڈائریکٹرز کی میٹنگ سے متعلق ہے مندرجہ ذیل تبدیلی کرنا۔

طے پیا کہ آرٹیکل آف ایسوسی ایشن کی دفعہ 65 میں مندرجہ ذیل نئے الفاظ شامل کیے جائیں۔

بورڈ آف ڈائریکٹرز کی میٹنگ میں شمولیت پر فیس کی ادائیگی ڈائریکٹرز کی طرف سے مقرر کی گئی حد سے تجاوز نہیں کرنی چاہیے اور وہ ڈائریکٹرز جو اپنی عمومی ذمہ داریوں کے علاوہ ذمہ داریاں ادا کرتے ہیں ان کی تنخواہ کی مقدار کرنے کا اختیار بورڈ آف ڈائریکٹرز کو دیا جاتا ہے۔

اس کے علاوہ اگر ڈائریکٹرز اپنے ذمہ داریوں کی ادائیگی کے لیے سفر کرتے ہیں تو اس کے تمام اخراجات بھی کمپنی ادا کرے گی۔

۶ کمپنیز ایکٹ 2017 کی دفعہ (6)223 کے تحت سالانہ اکاؤنٹس کی ترسیل:

کمپنی کے سالانہ اکاؤنٹس بشمول آڈیٹر رپورٹ، ڈائریکٹر رپورٹ، چیئرمین کی جائزہ رپورٹ اور سالانہ اجلاس عام کی اطلاع کو الیکٹرانک طریقے (E-mail/CD/DVD/USB) سے شیئر ہولڈرز کے دیئے گئے پتوں پر بھجوانے کی اجازت دینا جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ (6)223 میں اجازت دی گئی ہے۔

اس قرارداد کا متن مندرجہ ذیل ہوگا

" طے پایا کہ کمپنی کے سالانہ اکاؤنٹس بشمول آڈیٹر رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ اور سالانہ اجلاس عام کی اطلاع، شیئر ہولڈرز کو کاغذی شکل کی بجائے الیکٹرانک طریقے سے ان کے دیئے گئے پتوں پر (جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ (6)223 میں دیا گیا ہے) بھجوائے جاسکتے ہیں۔"

۷۔ متعلقہ فریقین کے ساتھ لین دین۔

مندرجہ ذیل قرارداد پر بطور خصوصی قرارداد غور کرنا اور منظور کرنا۔

" منظور کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ کاروباری معاملات (جیسا کہ کمپنی کے 30 جون 2021 کو ختم ہونے والے مالی سال کے اکاؤنٹس کے نوٹ نمبر 40,9b اور 41 میں درج کیا گیا) کی توثیق کی جاتی ہے اور بورڈ آف ڈائریکٹرز کو مجاز کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ (آئندہ ختم ہونے والے سال 30 جون 2022 تک) عمومی کاروباری معاملات کو طے کر سکتے ہیں۔"

۸۔ کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ایسوسی ایٹڈ کمپنی میں سرمایہ کاری:

کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ایسوسی ایٹڈ کمپنی "بلوچستان گلاس لمیٹڈ" کو ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری کے لیے مندرج ذیل قرارداد کو اسی حالت میں یا تبدیلی کے

ساتھ منظور کرنا۔

طے پایا کہ "کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت 600 ملین روپے قرض (ایک سال یعنی 27 اکتوبر 2022 تک کے لیے) کی منظوری دی جاتی ہے۔ اس قرض پر شرح سود کمپنی کی سالانہ اوسط شرح سود سے 1 فیصد زیادہ ہوگی۔ کمپنی نے اپنی پچھلی AGM میں یہ رقم ایک سال کے لیے منظور کی تھی اور اب اس سہولت کو مزید ایک سال کے لیے بڑھایا جاتا ہے۔"

مزید کمپنی کے CEO اور کمپنی سیکریٹری کو مجاز کیا جاتا ہے کہ ان میں سے کوئی بھی، اوپر دی گئی قرارداد سے متعلق قانونی معاملات کو طے کر سکتا ہے۔

۹۔ باقی امور

چیئرمین کی اجازت سے کسی اور معاملے پر بحث کرنا۔

بحکم بورڈ آف ڈائریکٹرز

Abbas Rashid S.

عباس رشید صدیقی

کمپنی سیکریٹری

03 اکتوبر 2021

لاہور

نوٹس:

i۔ ویڈیو کانفرنسنگ سہولت کے ذریعے سالانہ اجلاس عام میں شرکت: COVID-19 کی موجودہ صورتحال کی وجہ سے AGM کی کاروائی میں ویڈیو کانفرنس کے ذریعے بھی شامل ہو سکتے ہیں۔ جو حصص داران ویڈیو کانفرنس کے ذریعے شمولیت کرنا چاہتے ہیں وہ اپنا نام، فولیو نمبر، موبائل نمبر، شناختی کارڈ نمبر، حصص کی تعداد اور کمپیوٹرائزڈ شناختی کارڈ کی دونوں اطراف کی کاپی کے ہمراہ "رجسٹریشن آف غریب وال سیمنٹ لمیٹڈ AGM" کے عنوان سے اس ای میل ایڈریس پر بھیج دیں email:agm@gharibwalcement.com ویڈیو لنک اور Login Credentials صرف ان ممبران کے ساتھ شیئر کیے جائیں گے جن کی e-mail تمام کوائف کے ہمراہ AGM سے 48 (اڑتالیس) گھنٹے پہلے وصول ہوں گے حصص داران AGM کے Agenda Items سے متعلق اپنے سوالات اور تبصرے e-mail بھی کر سکتے ہیں۔

ii۔ کمپنی کی شیئرز منتقلی کی کتابیں 20 اکتوبر سے 27 اکتوبر 2021 (بشمول دونوں دن) تک بند رہیں گی۔ شیئرز منتقلی کی درخواستیں جو کہ 19 اکتوبر 2021 تک کمپنی کے شیئرز رجسٹرار میسرز کارپلنک پرائیویٹ لمیٹڈ واقع 1-k کمرشل مارکیٹ ماڈل ٹاؤن لاہور کو موصول ہوں گی وہی AGM میں حاضری اور منافع کی ادائیگی کے لیے اہل ہوں گی۔

iii۔ تمام ممبرز جنہوں نے اپنے شیئرز سنٹرل ڈیپازٹری کمپنی (CDC) میں جمع کیے ہیں وہ میٹنگ میں شمولیت کے لیے اپنا شناختی کارڈ یا پاسپورٹ اور CDC میں اپنا شناختی نمبر اپنا اکاونٹ نمبر یا ذیلی اکاونٹ نمبر ساتھ لائیں۔

iv۔ کوئی بھی ممبر جو کہ میٹنگ میں شمولیت کا حقدار ہو وہ اپنی جگہ کسی دوسرے ممبر کو اپنی جگہ میٹنگ میں شامل ہونے اور ووٹ ڈالنے کے لیے نامزد کر سکتا ہے۔

v۔ نامزدگی کی درخواستیں کمپنی کے ہیڈ آفس واقع پہلی منزل پیس ٹاور، 27-H، کالج روڈ گلبرگ II لاہور میں میٹنگ شروع ہونے کے 48 گھنٹے پہلے تک موصول ہو جانی چاہیں

vi۔ تمام ممبرز کو درخواست کی جاتی ہے کہ اپنے ایڈریس میں کسی بھی قسم کی تبدیلی (اگر ہو) کے لیے جلد از جلد کمپنی کے شیئر رجسٹرار کو ہمراہ شناختی کارڈ کاپی کے ریکارڈ کی درستی کے لیے اطلاع کریں۔

vii۔ تمام ممبرز کو درخواست کی جاتی ہے کہ اپنے بنک اکاؤنٹ نمبر شناختی کارڈ کی کاپی کے ہمراہ فراہم کریں دوسری صورت میں منافع کی ادائیگی روک دی جائے گی۔

viii۔ تمام ممبرز کو درخواست کی جاتی ہے کہ زکواۃ کی ادائیگی سے متعلق چھوٹ (اگر ہے) کا حلف نامہ اور پتہ میں کسی بھی قسم کی تبدیلی (اگر ہے) کے متعلق آگاہ کریں۔

غیر کلیم شدہ ڈیویڈنڈ اور بونس شیئرز

وہ شیئر ہولڈرز جو کسی نہ کسی وجہ سے اپنے ڈیویڈنڈ اور بونس شیئرز کا کلیم نہ کر سکے یا اپنے فزیکل شیئرز وصول نہ کر سکے، ان سے گذارش ہے کہ وہ غیر کلیم شدہ ڈیویڈنڈ یا التواشدہ شیئرز، اگر کوئی ہیں، حاصل کرنے /ان کی معلومات کے لیے ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ سے رابطہ کریں۔

برائے مہربانی نوٹ فرمالیں کہ کمپنیز ایکٹ 2017 کی دفعہ 244 کے مطابق تمام کاروائیاں مکمل کرنے کے بعد تمام ڈیویڈنڈز جن کی ادائیگی کی تاریخ سے تین سال کی مدت تک کوئی کلیم نہ کیا گیا ہو، وفاقی حکومت کے کھاتے میں جمع کروا دیے جائیں گے اور شیئرز کی صورت میں سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کو پہنچا دیے جائیں گے۔

کمپنی کے آڈٹ شدہ سالانہ اکاؤنٹس کا کمپنی کی ویب سائیٹ پر مہیا کرنا۔

کمپنی کے آڈٹ شدہ سالانہ اکاؤنٹس بشمول پچھلے سالوں کے سالانہ اور سہ ماہی اکاؤنٹس کمپنی کی ویب سائیٹ www.gharibwalcement.com پر مہیا کر دیے گئے ہیں۔

CD/DVD کے ذریعے سالانہ اکاؤنٹس کی ترسیل۔

کمپنی نے اپنی سالانہ اکاؤنٹس CD کی شکل میں اپنے ممبران کے رجسٹرڈ ایڈریس پر بھجوا دیئے ہیں تاہم اکاؤنٹس کتابی شکل میں ممبران کی درخواست پر مہیا کیئے جاسکتے ہیں۔
خصوصی معاملات سے متعلق کمپنیز ایکٹ 2017 کی شق 134 اور ذیلی شق (3) کے تحت بیان جو کہ ممبران کو اس نوٹس سے منسلک کیا گیا ہے۔

کمپنی کے مجاز شیئر کیپٹل میں اضافہ

کمپنی مجاز شیئر کیپٹل کو 4,700 ملین روپے سے بڑھا کر 8,000 ملین روپے کرنے کی تجویز ہے تا کہ بوقت ضرورت کمپنی کے اداشدہ سرمائے کو بڑھایا جاسکے۔

ڈائریکٹرز کی میٹنگ فیس۔

آرٹیکل آف ایسوسی ایشن کی دفعہ 65 کے تحت ڈائریکٹرز کو میٹنگ کی فیس میں مد میں 2,000 روپے سے زیادہ ادا نہیں کیے جاسکتے۔ اب بورڈ آف ڈائریکٹرز کو اختیار دیا جاتا ہے کہ وہ وقتاً فوقتاً اس فیس کو بڑھا سکتے ہیں۔

سالانہ اکاؤنٹس کر ترسیل

ماحول کی بہتری اور کاغذ کی بچت کے پیش نظر، تجویز ہے کہ کمپنی کے سالانہ اکاؤنٹس آڈیٹر رپورٹ، چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز رپورٹ اور سالانہ اجلاس عام کا نوٹس تمام ممبران کو بذریعہ e-mail بھیجے جاسکتے ہیں جیسا کہ کمپنیز ایکٹ 2017 کی دفع 223(6) میں اجازت دی گئی ہے۔ ممبران سالانہ اجلاس عام جو کہ 28 ستمبر 2016 میں منعقد ہوا تھا میں سالانہ اکاؤنٹس آڈیٹر رپورٹ، چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز رپورٹ اور سالانہ اجلاس عام کا نوٹس کی ترسیل بذریعہ cd/dvd/usb کی اجازت دے چکے ہیں۔ اب کمپنی کو سالانہ اکاؤنٹس آڈیٹر رپورٹ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز رپورٹ، سالانہ اجلاس عام کا نوٹس کر ترسیل بذریعہ usb/dvd/cd/e-mail کے لیے ممبران کی اجازت مقصود ہے۔ کمپنز ایکٹ 2017 کی دفعہ 223(6) کے تحت کتابی شکل میں سالانہ اکاؤنٹس، آڈیٹر رپورٹ چیئرمین رپورٹ، ڈائریکٹرز رپورٹ، سالانہ اجلاس عام کا نوٹس موجود ہونگے جو کہ کسی بھی ممبر کو اس کی درخواست پر مہیا کی جاسکے گی۔

متعلقہ فریقین کے ساتھ لین دین۔

منظور کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ کاروباری معاملات (جیسا کہ کمپنی کے 30 جون 2021 کو ختم ہونے والے مالی سال کے اکاؤنٹس کے نوٹ نمبر 40,9b اور 41 میں درج کیا گیا) کی توثیق کی جاتی ہے اور بورڈ آف ڈائریکٹرز کو مجاز کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ (آئندہ ختم ہونے والے سال 30 جون 2022 تک) عمومی کاروباری معاملات کو طے کر سکتے ہیں۔

بلوچستان گلاس لمیٹڈ کو قلیل مدتی قرض کی فراہمی۔

بلوچستان گلاس لمیٹڈ (BGL) کمپنیز ایکٹ 1913 (جو کہ اب کمپنیز ایکٹ 2017 ہے) کے تحت پاکستان میں بطور عوامی کمپنی رجسٹر ہوئی اسکے شیئرز پاکستان سٹاک ایکسچینج میں درج ہیں۔ یہ کمپنی شیشے کے برتن ،مشروبات کی کمپنیز کے لیے بوتلیں اور پلاسٹک کے ڈھکن بناتی ہے۔ BGL کا ہیڈ آفس 12-km کوٹ عبدالمالک، لاہور پر واقع ہے۔ (پچھلے سال ہیڈ آفس فرسٹ فلور پیس ٹاور، کالج روڈ، گلبرگ ii، لاہور پر واقع تھا) BGL کے تین پلانٹ ہیں جن میں سے ایک حب بلوچستان اور باقی دو لاہور شیخوپورہ روڈ پر واقع ہیں۔ BGL اپنے برتن "Mari Max" کے نام سے بیچتی ہے۔
غریب وال سیمنٹ لمیٹڈ (GCL) کے بورڈ آف ڈائریکٹرز نے اپنی 02 اکتوبر 2021 کو ہونے والی میٹنگ میں ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری دی ہے جو کہ 27 اکتوبر 2022 تک قابلِ واپسی ہوگا۔
GCL نے اپنی پچھلی سالانہ AGM میں قرض کی رقم کو 600 ملین روپے تک بڑھایا تھا (27 اکتوبر 2021) اور اب یہ تجویز ہے کہ اُس قرض کی واپسی مزید ایک سال تک موخر کردی جائے قرض کی یہ رقم وقتاً فوقتاً کام کرنے والے سرمائے کی ضرورت کو پورا کرنے کے لیے فراہم کی جائے گی جو کہ تحریری معاہدہ اور تمام متعلقہ شرائط وضوابط، جو کہ کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنگ) ریگولیشنز 2013 اور کمپنیز ایکٹ 2017 کی دفعہ 199، کے مطابق ہوگی۔
کمپنی کے ڈائریکٹرز نے واضع کیا ہے کہ انہوں نے BGL میں سرمایا کاری سے متعلق تمام امور پر رپورٹ تیار کی ہے جس پر ان کے دستخط موجود ہیں اور وہ ممبرز کی جانچ پڑتال کے لیے رجسٹرڈ آفس میں موجود ہے جس کے ساتھ BGL کے آڈٹ شدہ اور غیر آڈٹ شدہ اکاؤنٹس بھی موجود ہیں۔

اس رپورٹ کا متن مندرجہ ذیل ہے۔

سیریل نمبر	مطلوب	تفصیل
۱۔	کمپنی کا نام	بلوچستان گلاس لمیٹڈ۔ ایسوسی ایٹڈ کمپنی آف GCL
۲۔	قرض کی رقم	600 ملین روپے تک
۳۔	قرض کا مقصد اور فوائد	مقصد: BGL کو وقتاً فوقتاً اپنی ضروریات کو پورا کرنے کے لیے دی گئی رقم پر منافع کمانا

فائدہ: GCL اپنے قرض کے مجموعی اوسط شرح سود سے 1% زیادہ منافع حاصل کرے گی۔
دورانیہ: اس قرض کی مدت ایک سال (27 اکتوبر 2022 تک) ہے۔

۴۔ 30 جون 2021 تک واجب الادا قرض کی رقم
587.36 ملین روپے
اگر یہ قرض ممبران کی اجازت سے دیا گیا ہے تو اس کی تفصیل
کمپنی اپنی پچھلی AGM میں یہ سہولت ایک سال کی مدت کے لیے 600 ملین روپے تک بڑھا چکی ہے۔

۵۔ شرح سود اور GCL کی اوسط شرح سود
شرح سود GCL کی سالانہ اوسط شرح سود سے 1% زیادہ ہوگی BGL سود کی ادائیگی سہ ماہی اقساط میں کرے گی۔

۶۔ BGL کی مالیاتی تفصیلات۔
تازہ ترین غیر آڈٹ شدہ اکاؤنٹس (تیسری سہ ماہی مورخہ 31 مارچ 2021 کے اختتام پر) کے مطابق مالی حیثیت مندرجہ ذیل ہے۔

	ملین روپے
اداشدہ سرمایہ	2,616
مجموعی خسارہ	5,695
ریویلوایشن سرپلس	607
سب آرڈینیٹڈ لون	3,635
ڈائریکٹرز کی طرف سے لون	313
بینکوں کے طویل مدتی لون	7.7
ڈیفرڈ لائیبلیٹیز	58.77
قلیل مدتی قرضے	688
کرنٹ لائیبلیٹیز	1,448
کرنٹ ایسٹس	534
حالیہ تناسب	0.37
فکسڈ ایسٹس	2,001
طویل مدتی سرمایہ کاری	126
بعد از ٹیکس منافع	72.3
فی شیئر منافع	0.28 روپے

۷۔ وہ ذرائع جن سے قرض کی رقم فراہم کی جائے گی
GCL کے اپنے اندرونی ذرائع سے حاصل شدہ کیش میں سے

۸۔ ڈائریکٹرز کے ذاتی مفادات
محمد توصیف پراچہ، فیصل آفتاب نبی اور میاں نذیر احمد پراچہ دونوں کمپنیوں میں ڈائریکٹرز ہیں اور شیئرز کا تناسب یہ ہے۔

نام	شیئرز BGL	شیئرز GCL
محمد توصیف پراچہ	67.25%	56.3%
میاں نذیر احمد پراچہ	0.0%	0.0%
فیصل آفتاب نبی	0.0%	0.0%
محمد توصیف پراچہ کی شریک حیات:		
تبسم توصیف پراچہ	0.78%	0.05%

-میاں نذیر پراچہ BGL کے CEO ہیں۔

شیئر ہولڈنگ کی تفصیلات دونوں کمپنیز کی ویب سائٹس اور سالانہ اکاؤنٹس میں موجود ہیں۔

۹۔ قرض کی ادائیگی کا شیڈول

ایک سال کی مدت میں قابل واپسی
تاہم ایک سال کے دوران کسی بھی وقت کمپنی جزوی یا کلی طور پر رقم کی واپسی کا تقاضہ کرسکتی ہے۔

۱۰۔ معاہدہ (ہونے والا یا ہوچکا) کی نمایاں خصوصیات

معاہدے کی شرائط AGM میں ممبران کی طرف سے منظور شدہ شرائط کے مطابق ہوں گی۔

۱۱۔ قرض کی مد میں رکھی گئی سیکیورٹی کی تفصیلات

کوئی سیکیورٹی نہیں رکھی گئی۔

۱۲۔ قرض کے تبادلے کا اختیار

ایسا کوئی اختیار BGL کو نہیں دیا گیا۔

۱۳۔ اس سرمایہ کاری سے متعلق کیئے گئے یا ہونے والے معاہدے کی نمایاں خصوصیات

قرض کی رقم	600 ملین روپے
قرض کی قسم	روزمرّہ کے آپریشنز کی ضروریات پوری کرنے کے لیے
قرض کا مقصد	قرض کی رقم پر منافع کا حصول
فوائد	کمپنی اس قرض پر اضافی منافع حاصل کرے گی۔
درانیہ	ایک سال 27 اکتوبر 2022 تک
شرح سود	GCL کی سالانہ اوسط شرح سود سے 1% زیادہ
اصل رقم کی واپسی۔	اصل رقم 27 اکتوبر 2022 تک یا اس سے پہلے GCL کے تقاضہ کے 45 دن کے اندر
سود کی ادائیگی۔	سود کی ادائیگی سہ ماہی اقساط میں کی جائے گی۔

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سرمایہ کاری سمجھداری کے ساتھ

سرمایہ کاری کی آگاہی کے لیے انقلابی اقدام

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جہاں رہیئے، آگاہ رہیئے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپکو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میوچل فنڈز، پنشن فنڈز، اسلامک فنانسنگ، کیپٹل مارکٹ، لیزنگ کمپنیز اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپکے سوالات کے جوابات فراہم کرتا ہے اور ساتھ ہی آن لائن ٹولز کے ذریعے ہی کھیل ہی کھیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپکو رہنمائی بھی فراہم کرتا ہے۔

کھیل ہی کھیل میں سیکھیں سرمایہ کاری کا ہنر

مفت آن لائن ٹولز:

سکیم میٹر | ماک ٹریڈنگ | رسک پروفائلر

نالج سینٹر | کیلکولیٹر | نیوز لیٹر سبسکرپشن

SECP

Jama Punji is an Investor Education Intiative of Securities and Exchange Commission of Pakistan


GOVERNANCE

COMPANY INFORMATION

BOARD OF DIRECTORS

Khalid Siddiq Tirmizey	(Chairman)
Muhammad Tousif Peracha	(Executive Director)
Abdur Rafique Khan	(Executive Director)
Mustafa Tousif Ahmed Peracha	(Executive Director)
Ali Rashid Khan	(Non-Executive Director)
Amna Khan	(Non-Executive Director)
Mian Nazir Ahmed Peracha	(Non-Executive Director)
Faisal Aftab Ahmad	(Independent Director)
Daniyal Jawaid Peracha	(Independent Director)

AUDIT COMMITTEE

Faisal Aftab Ahmad	(Chairman)
Khalid Siddiq Tirmizey	(Member)
Mian Nazir Ahmed Peracha	(Member)

HRR COMMITTEE

Khalid Siddiq Tirmizey	(Chairman)
Muhammad Tousif Peracha	(Member)
Ali Rashid Khan	(Member)

EXTERNAL AUDITORS

- Kreston Hyder Bhimji & Co
  Chartered Accountants
  Amin Building, The Mall, Lahore

LEGAL ADVISORS

- Raja Muhammad Akram
  Legal Advisors
  Main Gulberg, Lahore.

KEY MANAGEMENT PERSONNEL

Muhammad Tausif Peracha	(Chief Executive Officer)
Abdul Shoeb Piracha	(Director Commercial)
Syed Firasat Abbas	(General Manager Plant)
Muhammad Shamail Javed FCA	(Chief Financial Officer)
Abbas Rashid Siddiqi	(Company Secretary)
Rana Muhammad Ijaz	(General Manager Sale)
Farukh Naveed ACA	(Financial Controller)
Muhammad Tahir	(Chief Coordination Officer)
Hassan Mehdi ACA CIA	(Internal Auditor)

SHARE REGISTRAR

Corplink (Private) Limited,
Wings Arcade, 1-k, Commercail, Model Town, Lahore.

BANKERS

- The Bank of Punjab
- National Bank of Pakistan
- Al Baraka Bank Limited
- Summit Bank Limited
- Pak China Investment Company
- Bank Islami Pakistan Limited
- The Bank of Khyber
- Faysal Bank Limited
- Saudi Pak Industrial & Agricultural Investment Company
- Silk Bank Limited
- First Credit & Investment Bank
- Meezan Bank Limited
- Allied Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- United Bank Limited
- Bank Al Habib Limited
- Habib Metropolitan Bank

VISION

We are envisioned to be a leading partner in nation-building, and the most preferred cement brand by maintain our reputation as ‘symbol of quality’.

MISSION

We are committed to be a profitable company by providing high quality products and services to our customers hrough a competent, efficient and motivated team supported by the latest technology in an eco-friendly manner, thereby achieving the financial objectives of our shareholders, whilst adding value to community.

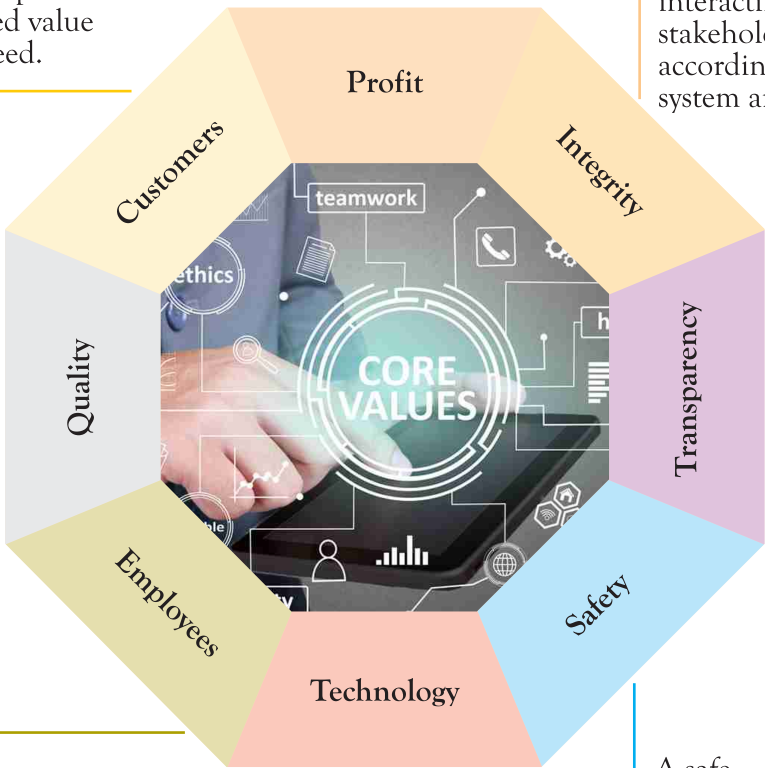
CORE VALUE

We execute our mission standing firm around our core values and the beliefs that reflect what is truly important to us as an organization. These are not values that change from time to time but rather these are the foundations of our company culture.

Our customers are the reason of our being and we work to meet their expectation and provide them with added value product they need.

Unless we continue to meet our profit objective, we will not be able to achieve our other corporate objectives.

We are committed to enforcing good corporate governance practices and interacting with our stakeholders according to our value system and principles.



We stand for quality in all our processes and products, knowing that high standards are the only possible way to success and deliver value to our customers.

We believe that transparency throughout the organization will lead to long term profitable growth.

We consider people as our most valuable assets and provide an environment whereby our people can excel, develop and grow with the Company

We believe that innovation and high efficiency are part of our competitive advantage that can only be achieved through the use of the latest technology.

A safe environment, a safe product and a safe organization are our commitments.

OUR VISION & VALUE CREATION MODEL

WHY
our reason for being

VISION

become a leading partner in nation building, and the most preferred cement brand.

MISSION

become a profitable company by providing high quality products and services to our customers through a competent, efficient and motivated team supported by the latest technology in an eco-friendly manner, thereby achieving the financial objectives of our shareholders, whilst adding value to community.

VALUES

- Ensure safety
- Focus on customers
- Maintain Quality
- Pursue excellence
- Act with integrity
- Value employees
- Preserve environment

KEY INPUTS

> Mineral Reserves
> Energy

+

WHERE
we play

STRATEGY

- N°1 PEOPLE AS N°1 ASSET
- CUSTOMER CENTRICITY
- PROFITABLE MARKETS
- SUSTAINABILITY

PRODUCTS

> Cement

+

HOW
we succeed

OPERATING MODEL

- GCL NETWORKS
- SUPPORT FUNCTIONS
- TRANSACTIONAL FUNCTIONS

GOVERNANCE

- GOVERNANCE

DISTRIBUTION CHANNELS

> Dealers

=

WHO
benefits

STAKEHOLDERS

- EMPLOYEES
- CUSTOMERS
- SHAREHOLDERS
- COMMUNITY AND SUPPLIERS

MARKETS

> Residential
> Commercial / Industrial
> Infrastructure
> Roads

VALUE
how we create value

STAKEHOLDERS

Employees:
- Provide a great workplace that helps employees grow
- Build skills and expertise
- Enable a strong sense of purpose

Customers:
- Tailor our offerings to solve our customers' construction needs
- Make it easy to work with us
- Provide enhanced performanceand reliability

Shareholders:
- Grow revenue
- Reduce costs
- Optimize assets
- Keep a tight rein on risks

Community and suppliers:
- Be a relevant engine of economic growth
- Build more capable, inclusive and resilient communities
- Reduce local air, water and waste impacts and conserve biodiversity

COMPANY TIMELINE

2018
Commercial Production of new cement mill 250 tph.

2020
Completion of new clinker storage silo.

2021
Contracted for new clinker line

2017
Commercial production of waste heat recovery plant and down hill conveyer belt.

2009
Commerical production of the new plant of 6700 tpd capacity with 3 dual fuel power generator of 16 MW capacity

1993
De-nationalization of plant, control taken by the existing management/ sponsoring directors.

1965
Commercial production of the plant of 1200 tpd capacity.

1969
Plant capacity enhancement to 1800 tpd.

1972
Nationalization of plant.

1961
Incorporation of the Company.

DIRECTORS' PROFILE

Muhammad Tousif Peracha
Chief Executive Officer

He is a seasoned industrialist. He has vast geographically spread business experience of more than 30 years in the field of international shipping, petroleum products, textile, real estate development, glass, cement, auto mobile manufacturing. He is also chief executive officer of Balochistan Glass Limited, and director of Pak Hy-Oils Limited and Orion Shipping (Pvt) Limited.

Abdur Rafique Khan
Executive Director

He holds degree of MBA from IBA Karachi. He started his career as banker in Citi Bank N.A. He has vast geographically spread business experience of more than 40 years in the field of international shipping, trading, hotel, and cement.

Mian Nazir Ahmed Peracha
Non-Executive Director

He is a versatile, well known seasoned business man having geographically spread industry experience in cement, fertilizer, textile, jute, rice, shipping, sugar, and trading. He performed activities of Honorary Consul General of Tajikistan in Lahore. He also severed as director of the Bank of Punjab.

Khalid Siddiq Tirmizey
Chairman

He holds degrees of MBA from IBA Karachi and Masters in Economics from University of the Punjab. He has over 41 years of experience working at several leading commercial banks in the country where he ascended through a series of increasingly responsible positions including heading bank's investment banking, retail banking, credit and marketing businesses, country head, MD, Deputy CEO, and acting CEO

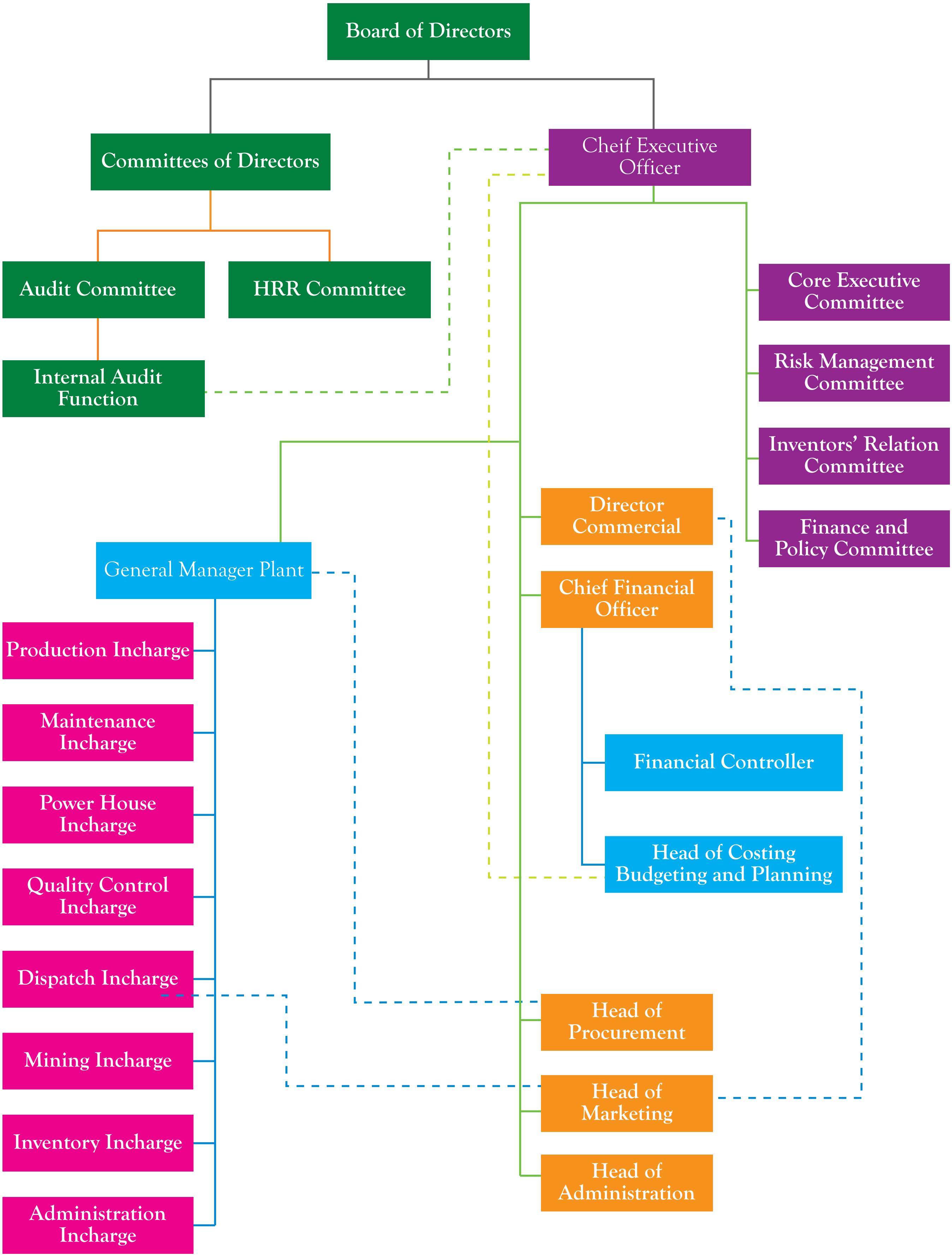
Daniyal Jawaid Paracha
Independent Director

He is an Associate member of Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Pakistan, Association of Chartered Certified Accountants (UK). He has hands on experience working with Price Water House Cooper for more than 3 years in the Audit and Business Assurance Services as well as Taxation and Legal Service department.

Faisal Aftab Ahmed
Independent Director

He is a Qualified Chartered Accountant and has Diversified Experience for more than 16 years in the field of Financial Advisory and Tax Planning.

ORGANIZATION CHART



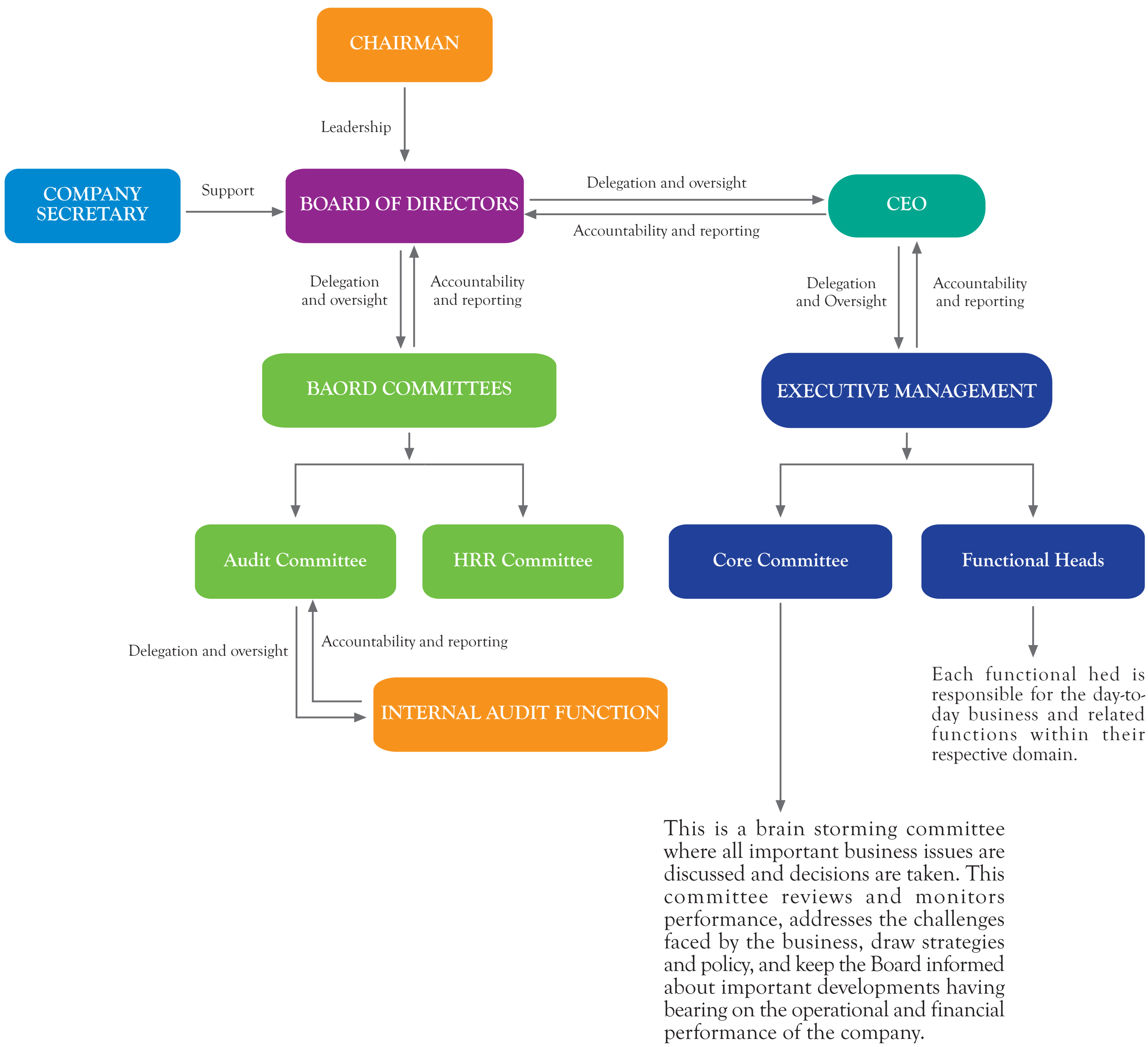
GOVERNANCE

Our governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders.

In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz. Board of Directors, committees of Directors and Executive Management.

The Board are accountable to shareholders for the Company's performance and governance. The Board has delegated to the CEO and, through the CEO to other senior executives, responsibility for the day-to-day management of the Company's affairs and implementation of the Company's strategy and policy initatives. All executives are to operate in accordance with Board apporved policies and delegated limits of authority.

The diagram below summaries GCL's governance framework and the functions reserved for the Board.



BOARD OF DIRECTORS

The board is the decision making body of the company. It is responsible for setting the companies strategic direction and for insuring that the company manage risk effectively.

The Board's responsibilitie include:

- Oversight of the Company including its control and accountability systems;
- appointing, rewarding and determining the duration of the appointment of the CEO and ratifying the appointment of senior executives including the Chief Financial Officer and the Company Secretary;
- rewieving and approving overall financial goals for the Company;
- guiding the development of the Company's strategy and monitoring its implementation;
- monitoring business performance and ensuring that appropriate resources are available;
- approving the Company's financial statements and annual budget, and monitoring financial performance against the approved budget;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance (including in respect of matters of sustainability, safety, health and environment); key management recommendations (such as major capital expenditure, acquisitions divestments, restructuring and funding);
- determining dividend policy and the amount, nature and timing of dividends to be paid;
- monitoring Board composition, processes and performance; and
- monitoring the effectiveness of systems in place for keeping the market informed, including shareholder and community relations.

Composition of the Board

The Company's Constitution provides that there shall be a minimum of seven directors and a maximum of ten directos on the Board. The composition of the Board shall be as follow as per corporate laws:

Independand Director	2 or 1/3 of total member whichever is higher
Executive Directors	1/3 of total members at maximum
Female Directors	At least one member

Current Composition

The election of directors were held during the financial year FY 2021 and the Board is recomputed descendants as bellow:

Independand Director	Khalid Siddiq Tirmizey
	Faisal Aftab Ahmed
	Daniyal Jawaid Paracha
Non Executive Directors	Amna Khan
	Ali Rashid Khan
	Mian Nazir Ahmed Peracha
Executive Directors	Muhammad Tousif Peracha
	Abdur Rafique Khan
	Mustafa Tousif Ahmed Peracha

The roles of the Chairman and the CEO are not exercised by the same individual. Last election of directos were held during February 2018 and next election of directors shall be due during February 2024.

Meeting of Board

The Board meets at least once during a quarter. The chairman sets the agenda of the meeting of the board and ensures that reasonable time is available for discussion of the same. All written notices and relevant material, including the agenda, of meetings are circulated at least seven days prior to the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived.

The chairman ensures that the minutes of meetings of the board of directors are kept in accordance with the requirements of Section 178 and 179 of the Act. The company secretary acts as secretary to the board.

The chief financial officer / company secretary and the financial controller of the Company attend all meetings of the board of directors.

During the year 2021, four board meetings were held. The attendance of the directors in these meeting is given below:

Muhammad Tousif Peracha	4/4
Abdur Rafique Khan	4/4
Amna Khan	3/4
Ali Rashid Khan	4/4
Daniyal Jawaid Peracha	4/4
Mian Nazir Ahmed Peracha	4/4
Khalid Saddiq Tirmizey (elected on 27-02-2021)	1/1
Faisal Aftab Ahmed (elected on 27-02-2021)	1/1
Mustafa Tousif Ahmed Peracha (elected on 27-02-2021)	1/1
Muhammad Niaz Paracha (retired on 27-02-2021)	3/3

Issues to be placed for decision of Board of Directors

The chief executive officer of the Company places significant issues for the information, consideration and decision, as the case may be, of the board of directors or its committees that include but are not limited to the following:

- risk of default concerning obligations on any loans (including penalties and other dues to a creditor, bank or financial institution), or any other debt instrument;
- annual business plan, cash flow projections, forecasts and strategic plan;
- budgets including capital, manpower and overhead budgets, along with variance analysis; matters recommended and/or reported by the audit committee and other committees of the board;
- quarterly operating results of the company;
- internal audit reports, including cases of fraud, bribery, corruption, or irregularities of material nature;
- management letter issued by the external auditors;
- promulgation of or amendment to a law, rule or regulation, applicability of financial reporting standard and such other matters as may affect the company and the status of compliance therewith;
- status and implications of any law suit or proceedings (show cause notice, demand or prosecution notice) of material nature, filed by or against the company;
- failure to recover material amounts of loans, advances, and deposits made by the company, including trade debts and inter corporate finance;

- any significant accidents, fatalities, dangerous occurrences and instances of pollution and environmental problems involving the company;
- report on governance, risk management and compliance issues;
- disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the company;
- reports on /synopsis of issues and information pursued under the whistle blowing policy,
- implementation of environmental, social and governmental and health and safety business practices including report on corporate social responsibility activities; and
- quarterly details of foreign exchange exposures and the safeguards taken by management against adverse exchange rate movement, if material.

Directors' Training Program

The company makes appropriate arrangements inhouse to carry out orientation courses for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.

A newly appointed director on the board is acquire, unless exempted or already in possession of the required certification, the directors training program certification within a period of one year from the date of appointment as a director on the board.

Two directors of the Company have already possessed the directors training program certification. Five directors of the company qualify for the exemption from the directors training program based on their education and experience on the board of a listed company.

Skills and Diversity of Board

The Board actively seeks to ensure that it has an appropriate mix of diversity (including gender diversity), silks, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped to assist our Company to navigate the range of opportunities and challenges we face.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilizes a skills matrix which is reviewed by the Board on a regular basis. It is an important, but not the only, basis of criteria applying to Board appointments.

Element	Skills
Leadership	Executive Leadership
	Health, Safety & Environment
Portfolio	Strategy, Financial Acumen, Risk Management Global
	Experience, Market and Customer Knowlege Innovation
	Change and Transition Information technology
People	Organisational Sustainability Remuneration and rewards
Governance	Governance and regulation Board Experience

Non-Executive Director

Six non-executive directors are required on the board of nine directors. The Board considers the extent of the involvement of the directors in managing the affairs of the company rather than their pecuniary interests as guiding factor in distinguishing between executive and non-executive directors of a company.

Director Independence

Minimum three independent directors are the required on the board. The Board assesses the independence of the non-executive directors in light of their interests, positions, associations and relationships with the Company or its associated companies / undertakings; and his ability to reasonably exercise independent business judgement with being subservient to any form of conflict of interest.

Chairman's appointment and responsibilities

The Board selects the Chairman form the non-executive Directors. The Chairman leads the Board and is responsible for the efficient organisation and effective functioning of the Board. He ensures that Directors have the opportunity to contribute to Board deliberations. The Chairman regularty communicates with the CEO to review key issues and performance trends. He also represents the Company in the wider community.

Chief Executive Officer appointment and responsibilities

CEO has day to day responibility for running the Company's operations. He recommends to the board, implements Company strategy, applies Company policies, and promotes the company's culture and standards. The Board appoints any person, including an elected director, to be the chief executive officer for the a term of three years within fourteen days from the date of Directors' elections. The terms and condition of appointment of the CEO is determined by Board of the Company.

Continuous Disclosure

The Company appreciates the importance of timely and adequate disclosure to the market. It is committed to making timely and balanced disclosure of all material matters, and maintaining effective communication with its shareholders and investors so as to give them ready access to balanced and understandable info-rmation.

The Company has in place mechanisms designed to ensure compliance with all relevant disclosure laws and PSX Rule requirements under the Continous Disclosure Policy adopted by the Board. These mechanisms also ensure accountability at a senior executive level for that compliance.

The CEO, the Chief Financial Officer / Company Secretary are responsible for determining whether or not information is required to be disclosed to the PSX. Announcements relating to significant matters, such as results or other corporate matters which involve signigicant financial or requtational risk, are referred to the Board for Approval. The Company Secretary will endevour to notify all other directors of the possible disclosure considerations and invite them to particiapate in any discussions and disclosure decisions where possible.

Materiality approach adopted by the Management

Information and events are considered to be material if, individually or in aggregate, they have significant impact on the Company's performance or profitability which in turn can influence the economic decisions of the Company's Stakeholders.

Assessment of materiality levels other than those provided under the regulations is matter of professional judgment and is organization specific. The management has defined procedures, assumptions and factual base for identifying and categorizing the materiality base in order to discharge its responsibility to identify, control and reduce business risks that may affect the entity's ability to achieve its objectives.

The specific materiality thresholds are defined and approved by the Board. As part of the Company's policy, the management discloses the transaction and events falling in this materiality threshold to the Board of Directors. In addition to it, the management is also responsible for apprising the board members with all unusual items or events.

As a rule of thumb, the Company uses the following matrix to determine the materiality level:

- 5% of profit before tax
- 1/2 % of total assets
- 1% of equity
- ½% of net sales
- Unusual Transaction exceeding Rs. 100,000/-

Communications with Shareholders

The Company's policy is to promote effective two-way communication with shareholders and other they undersdtand GCL's business, governance, financial performance and prospects, as well as how to access relevant information about GCL and its corporate activities.

Annual Reporting

Shareholders may elect to receive annual reports electronically or to receive notifications via email when reports are available online. Hard copy annual reports are provided to those shareholders who elect to receive them. While companies are not required to send annual reports to shareholders other than those who have elected to receive then.

Company announcements

All formal reporting and Company announcements made to the PSX are published on GCL's website after confirmation of lodgment has been received from the PSX. Furthermore, announcements are also sent to major newspaper for broader dissemination when required.

General meetings

GCL encourages shareholders to attend and participate in all general meetings including annual general meetings. Shareholders are entitled to ask questins about the management of the Company and of the auditor as to its conduct of the audit and preparation of its reports.

Notices of Meeting are accoumpanied by explanatory notes to provide shareholders with information to enable them to decide where to attend and how to vote upon the business of the meeting. Full copies of Notices of meeting and explanatory notes are posted on GCL's website. If shareholders are unable to attend general meetings, they may vote by appointing a proxy using the form attached to the Notice of Meeting or an online facility.

At the Annual General Meeting, shareholders have a reasonable opportunity to ask the external auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statments of the Company, and the independence of the external auditor in relation to the conduct of the audit.

AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, manufacturing process and management. Chairman of the Audit Committee is an Independant director and Internal Auditor acts as secretary to the committee.

During the year four meeting of the Audit Committee were held. Attendance by each directors is given below:

Faisal Aftab Ahmad - Chairman (elected on 27-02-2021)	1 of 1
Khalid Siddiq Tirmizey - Member (elected on 27-02-2021)	1 of 1
Mian Nazir Ahmed Peracha - Member	4 of 4
Muhammad Niaz Paracha (retired on 27-02-2021)	3 of 3
Daniyal Jawaid Peracha - (retired on 27-02-2021)	2 of 3

The Board of Directors, unless they have strong grounds otherwise, acts in accordance with the recommendations of the Audit Committee in the following matters:

1 Review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas,
- Significant adjustments resulting from the audit,
- The going concern assumption,
- Any change in accounting policies and practices,
- Compliance with applicable accounting standards, and
- Compliance with listing regulations and other statutory and regulatory requirements.

2 Review of preliminary announcements of results prior to publication.

3 Facilitating the external audit and discussion with external auditors of 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).

4 Review of Management Letter issued by external auditors and Management's response thereto.

5 Ensuring coordination between the internal and external auditors of the Company.

6 Appointment and remuneration of external auditors;

7 Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is effectively working within the Company.

8 Consideration of major findings of internal auditors and Management's response thereto.

9 Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.

10 Determination of compliance with relevant statutory requirements.

11 Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

12 Review of Related Party transactions entered into during the year.

13 Determination of appropriate measures to safeguard the Company's assets.

HUMAN RESOURCE & REMUNERATION (HRR) COMMITTEE

The Committee meets on as required basis or when directed by the Board of Directors. The General Manager Administration acts as Secretary of the Committee and submits the minutes of the meeting duly signed by its Chairman to the Company Secretary. These minutes are then circulated to the Board of Directors.

The HRR Committee comprises of the members as stated below. The Committee during the year had 2 meetings. The attendance of the members was as under:-

Khalid Siddiq Tirmizey - Chairman (elected on 27-02-2021)	0 of 0
Muhammad Tousif Peracha - Member	1 of 1
Ali Rashid Khan - Member	1 of 1

The role of the Human Resources & Remuneration Committee is to assist the Board of Director in its oversight of the evaluation and approval of the employee benefit plans, welfare projects and retirement benefits. The Committee recommends any adjustments, which are fair and required to attract / retain high caliber staff, for consideration and approval. The Committee has the following responsibilities, powers, authorities and discretion:

1 Formulate and review human resource management policies and plan for consideration of the Board;

2 Conduct periodic reviews of the Employees Appraisal, Bonuses, 10 C Bonuses, Long Term Service Award Policy, housing / welfare schemes, scholarship and incentives for outstanding performance and paid study leave.

3 Periodic reviews of the amount and form of reimbursement for terminal benefits in case of retirement and death of any employee in relation to current norms.

4 Consider any changes to the Company's retirement benefit plans including gratuity, leaves encashment based on the actuarial reports, assumptions and funding recommendations.

5 Recommend financial package for CBA agreement to the Board of Directors.

6 Ensure that succession plans are in place and review such plans at regular intervals for those executives, whose appointment requires Board approval (under Code of Corporate Governance), namely, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their terms of appointment and remuneration package in accordance with market positioning.

7 Conduct periodic reviews of the amount and form of Directors' compensation for Board and Committee services in relation to current norms. Recommend any adjustments for Board consideration and approval.

INVESTORS' RELATIONSHIP COMMITTEE

The Board has constituted Investors' Relationship Committee. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into allotment of shares kept in abeyance, allotment of shares on exercise of the stock options by the employees and allotment of privately placed preference shares, debentures and bonds, if any.

The Committee is headed by
Mr. Muhammad Tousif Peracha (CEO).
Mr. Muhammad Shamail Javed, Company Secretary, is designated as the "Compliance Officer" who oversees the satisfactory clearance of the investors' grievances.

The company has appointed Share Registrar for all Share related matters like transfer, transmission, Dividend, etc. Investors are requested to get in touch with the Share Registrar.

Corplink (Pvt) Limited, Shares Registrar,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35916714

For any unresolved matters or further queries / clarification, investors may contact the officials from the company.

Mr. Muhammad Shamail Javed
Company secretary
Tel: (042) 36060604
shamail@gharibwalcement.com

CODE OF CONDUCT
AND BUSINESS ETHICS

The Company's Code of Business Ethics and Code of Conduct is enforced at all levels fairly and without prejudice. This code is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company.

Policy Statement

- We act with integrity at all times; we are honest and trustworthy.
- We demonstrate respect for our fellow employees, customers and business partners; we listen and seek solutions.
- We are open-minded team players; we foster collaboration while maintaining individual accountability.
- We value new ideas that serve our customers, the business and communities.
- We are dedicated, committed and deliver on our promises.
- We obey the law and comply with this Code of Conduct
- We shall conduct our employment activities with the highest principles of honesty, integrity, truthfulness and honour.
- We shall not make, recommend, or cause to be taken any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate policy.
- We shall not use our respective positions in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favor, gift or benefit, whether financial or otherwise, to ourselves or others.
- In business dealings with suppliers, contractors, consultants, customers and government entities, we shall not provide or offer to provide any gratuity, favour or other benefit and all such activities shall be conducted strictly on an arm's length business basis.
- While representing the Company in dealings with third parties we shall not allow ourselves to be placed in a position in which an actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length business basis.
- All of us shall exercise great care in situations in which a personal relationship exists between an individual and any third party or Government employee or official of an agency with whom the Company has an existing or potential business relationship. Where there is any doubt as to the propriety of the relationship, the individual shall report the relationship to management so as to avoid even the appearance of impropriety.
- We shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company.
- We shall not use or disclose the Company's trade secret, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit.

CORPORATE SOCIAL RESPONSIBILITY

We take our corporate responsibilities (CSR) seriously and are committed to advancing our policies and systems across the company to ensure we address and monitor all aspects of CSR that are relevant to our business. We expresses our desire to give back to our communities, embrace diversity, sustain the environment and practice sound ethics. We recognize the impacts our decisions have on our stakeholders and work with them to determine mutually beneficial. The Board takes ultimate responsibility for CSR and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long term value for shareholders and all stakeholders.

ENVIRONMENT

GCL Operates with consideration for the environment at the core of its activities. It is committed to continual improvement and to creating as sustainable an organization as possible. We have identified our environmental impacts and have created solutions to reduce them.

- We raise awareness of energy consumption.
- We reduce energy use through behavioral change and using new efficient technologies.
- We are installing waste heat recovery plant which absorbs the hot gasses of plant and generate electricity using these hot gasses.
- We provide various recycling bins in the office.
- We encourage staff to recycle as much as possible.

COMMUNITY

GCL facilitates co operation between our business and a number of community organizations, helping to address business and community needs for mutual benefit.

- We create jobs and promote the economy of the region in which we operate.
- We support public development program undertaken in close proximity to our manufacturing site.
- We support schools and hospitals in surrounding of factory.
- We organize madni dastarkhan for general public in the holly month of Ramazan.
- We obey laws and strive to act with integrity in all that we do.

WORKPLACE

We recognize that our staff are our most valuable asset. These initiatives make it easier for you to manage your health and work life balance.

- The diversity of our employees is highly valued and we provide equal opportunities for all.
- We give opportunities for employees to raise their view and be engaged in issues that affect the company.
- We support staff with an extensive learning and development program.
- Individuals are recognized and re-warded on the basis of their own performance and that of GCL.
- We provide a safe and secure workplace.
- We recognize long service through long service award.

MARKETPLACE

This area involves our products, services and supply chain and the costs they impose on society and the environment.

- We conduct business ethically.
- We consider the environmental credentials and life-cycle of all products, services and suppliers.
- Our office supplies are environmentally friendly and sustainable.
- We source from local businesses wherever possible.
- We sell substantial part of our product in domestic market.
- Substantial part of the money we spent to procure material and services flows directly into the domestic economy.

WHISTLE BLOWER POLICY

The Audit Committee has laid down a Fraud Risk Management Policy (akin to the Whistle Blower Policy) providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct.

Adequate safeguards have been provided in the FRM Policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

For the effective implementation of the policy, the Audit Committee has constituted a Fraud Risk Management Committee (FRMC) of very senior executives which is responsible for the following:

a. Implementation of the policy and spreading awareness amongst employees;

b. Review all reported cases of suspected fraud / misconduct;

c. Order investigation of any case either through internal audit department or through external investigating agencies or experts;

d. Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;

e. annual review of the policy.

No whistle blowing incidence was highlighted and reported under the above said procedures during the year.

CHAIRMAN'S REPORT

Dear Shareholders

It is my pleasure to serve as chairman of the Board of Directors of Gharibwal Cement Limited (the Company). I would like to thank our Directors for entrusting me with leading the Board.

The financial year ended June 30, 2021 remained fairly well for the cement industry. Domestic dispatches registered a growth of 20% as compared with the last fiscal year 2020. This growth can be attributed to the normalization of construction activities after easing of pandemic restriction backed by subsidized housing finance scheme, construction package and spending on PSDP.

However, addition of recent capacities especially in north side of the industry created pressure for your company. But, your company succeeded to post sales volume growth of 7% YoY.

The Company earned net profit of Rs. 1,551 million for the year under review against a net profit of Rs. 131 million for the last year.

The Board carried out its annual self-evaluation in line with the requirement of the Code of Corporate Governance which revealed that the Board members were satisfied with overall structure and performance of the Board, its committees and their own contribution. The Board has highly skilled, diverse and competent members who are fully involved in developing strategic plans for the Company. All directors, including independent directors fully participated and contributed in decision making process of the Board. The Board focused on major risk areas and remained actively involved in strategic planning.

Looking ahead, with improved regulatory climate the Company will continue to strengthen its position in the market.

I would like to take this opportunity to extend my appreciation to the staff, customers, suppliers, bankers, Board of Directors, and shareholders for their continued support, commitment and hard work.

KHALID SIDDIQ TIRMIZEY
Chairman
Lahore: October 02, 2021

DIRECTORS' REPORT TO THE MEMBERS

The Directors have the pleasure to present you the audited financial statements of the company for the year ended June 30, 2021 along with Auditors Report thereon.

A brief summary of operational and financial performance of the company is as under:

	FY 2021	FY 2020	Variance
Dispatches	1,776,484 Ton	1,659,211 Ton	117,273 Ton
	Rs. 000	Rs. 000	Rs. 000
Sales-Net	12,106,895	8,714,089	3,392,896
Gross Profit	3,176,710	86,273	3,090,437
EBITDA	3,635,120	626,158	3,008,962
Net Profit	1,551,383	131,317	1,420,066
	---------- Rs. ----------		
EPS	3.88	0.33	3.55

To prevent the spread of Covid-19, Government adopted the policy of smart lock down which enabled businesses to operate with approved SOP's and in result helped industry to cater the need of market.

In the northern region, local offtake of cement increased by 18.22% to 40.58 million ton in the fiscal year FY2021 as against 34.33 million ton in fiscal year FY20. Exports from the north region increased by 30.25%, going up from 1.97 million ton in FY20 to 2.57 million ton in FY 2021. Company maintained its market presence in its core market and sold more quantity as compared to last year despite of tough competition in market due to increase in production capacities in north region.

The financial results improved as compared with the last year due to increase in selling prices, reduction in energy prices and lower interest rates. However, now the coal and oil prices are at highest level and in addition to this devaluation of PKR VS USD has increased the cost of production. Overall surge in commodity and energy prices and high inflation rate have impact on all cost overheads.

BALANCING, MODRENIZATION, AND REHABILIATION (BMR)

It is your Company's policy to constantly invest and explore options for strategical expansion, technological advancement, and/or environment safety. Cutting edge technologies in key areas of cement plant to enhance overall efficiencies and reduction in overall cost of production are being adopted.

Company has signed contract with M/S FLSmith for supply of equipment/machinery for Pyro process about 10,000 TPD clinker line and accordingly Letter of credit has been established. Company is also in negotiation with Chines/European Supplier for finalization of other machinery and equipment for the Project.

DIVIDEND

Company had already paid interim dividend @7.5%.

CAPITAL STRUCTURE

Net debt of the company is reported in Note 37e. The gearing ratio decreased to 8% from 16% year on year basis.

KEY PERFORMANCE INDICATORS

6 years summary, key performance indicators along with their graphical presentation, horizontal and vertical analysis of financial position and financial performance are presented in this annual report which will help you to assess the Company's performance.

FORWARD LOOKING STATEMENT

The cement industry is expanding with the hope that the demand will increase due to increase in allocation on PSDP, increase in CPEC related projects, work on projects registered with FBR under amnesty Scheme and demand from housing sector due to subsidized markup rates.

On the other hand, coal and other fuel prices are consistently on upward trajectory and creating pressure on profitability of industry. However, company is hopeful to deal with all challenges.

COMPOSITION OF AUDIT COMMITTEE

The Board has constituted the Audit Committee comprising of three members who are non-executive directors and have diversified experience in the field of business, finance and process. Chairman of the committee is an independent director. The Audit Committee meets at least four time during each financial year. Charter along with audit committee report is provided in this annual report.

INTERNAL CONTROL SYSTEM

A strong internal control culture is prevailing in the company. The company has documented a robust and comprehensive internal audit control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. The company also has well documented Standard Operating Procedures (SOPs) for various processes which is periodically reviewed for changes warranted due to business needs. The Internal Audit Function continuously monitors the efficacy of internal control and compliance with SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The scope and authority of the Internal Audit Function are well defined in the Term of Reference approved by the Audit Committee. Chief Internal Auditor is a qualified Chartered Accountant with adequate auditing experience.

MANAGING THE RISK OF FRAUD, CORRUPTION ANS UNETHICAL BUSINESS PRACTICE

The Board has constituted a Risk Management Committee to oversee the risk management process in the company. The Company has framed a Risk Management Policy covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process, and report compliance and effectiveness of the policy and procedure. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Code of Conduct

The company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code are given in this Report.

Whistle Blower Policy

Fraud-free and corruption-free culture has been core to the Company. In view of the potential risk of fraud, corruption and unethical behaviour that could adversely impact the company's business operation, performance and reputation, the Company has put an even greater emphasis to address these risks. To meet this objective, a comprehensive Fraud Risk Management (FRM) Policy akin to the whistle-blower policy has been laid down. More detail is provided in this annual report.

Anti-Bribery and Corruption Directive

As a company, we take a zero-tolerance approach to bribery and corruption and are committed to act professionally and fairly in all our business dealings. The Board has laid down Anti Bribery and Corruption Directives as a part of the company's Code of Business Conduct and Ethics.

The above policies and its implementation are closely monitored by the Audit Committee and periodically reviewed by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is a responsible corporate citizen and always strives to discharge its social responsibilities towards the society. The Company promotes and facilitates welfare of the local communities in the town where the Company operates. Statement on Corporate Social Responsibility is given separately in this report.

RELATED PARTIES TRANSACTIONS

All related parties transactions entered into are at arm's length basis and were reviewed and approved by the Board Audit Committee as well as the Board of Directors of the Company in compliance with the Code of Corporate Governance, 2017 and the Companies Act, 2017. The detail of transactions with the related parties are provided in the financial statements.

BOARD OF DIRECTOS

The Board is recomposed after election of directions held during the year FY2021. The Board is comprised of nine members (previously seven members) having diversified experience in the field of business, finance and operation. Chairperson of the board is a non-executive director. The Board meets at least four times in each financial year. Detail of composition of the Board, Board meetings, annual evaluation and orientation training program for directors is provided in this annual report.

DIRECTORS' RESPONSIBILITIES

The directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Companies Act, 2017. Your Company has taken all necessary steps to ensure good Corporate Governance and full compliance of the Code and the Act. The Directors confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash ?ows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.

We have also included the following information in this annual report:

- Statement of pattern of shareholding.
- Statement of shares held by associated undertakings and related persons.
- Statement of the Board meetings held during the year and attendance by each director.

AUDITORS

Kreston Hyder Bhimji & Co., Chartered Accountants being the retiring auditors are eligible for reappointment and Board has also endorsed their re-appointment for another term as per recommendation of the Audit Committee.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to the banks especially the Bank of Punjab and the financial institutions for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in every member of the Gharibwal Cement family. To them goes the credit for the company's achievements.

We are deeply grateful to you, our shareholders, for the confidence and faith that you have always reposed in us.

For and on behalf of Board of Directors

Muhammad Tousif Peracha
Chief Executive Officer

Abdur Rafique Khan
Director

Dated: October 02, 2021
Place: Lahore

ڈائریکٹرز کی رپورٹ

محترم اراکین

ہم بطور ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے مالی سال کے آڈٹ شدہ اکاؤنٹس اور آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

کمپنی کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے۔

		2021	2020	اضافہ
ترسیلات	ٹن	**1,776,484**	1,659,211	117,273
خالص فروخت	رقم ہزار روپوں میں	**12,106,895**	8,714,089	3,392,896
مجموعی منافع	رقم ہزار روپوں میں	**3,176,710**	86,273	3,090,437
ٹیکس اور انٹرسٹ سے قبل منافع	رقم ہزار روپوں میں	**3,635,120**	626,158	3,008,962
خالص منافع	رقم ہزار روپوں میں	**1,551,383**	131,317	1,420,066
فی شیئر منافع	رقم روپے میں	**3.88**	0.33	3.55

کرونا وبا کو کنٹرول کرنے کے لیے گورنمنٹ نے سمارٹ لاک ڈاؤن کا نفاذ کیا تھا جس کے دوران انڈسٹری نے مارکیٹ کی ضروریات کو پورا کرنے کے لیے Approved SOP's کے مطابق کام کیا۔

شمال میں موجود سیمنٹ کمپنیز نے 2020 کے 34.33 ملین ٹن سیمنٹ کی فروخت کے مقابل اس سال یعنی 2021 میں 40.58 ملین ٹن سیمنٹ فروخت کیا جو کہ پچھلے سال کی نسبت 18.22% زیادہ ہے۔ شمال سے سیمنٹ کی برامدات 1.97 ملین ٹن سے بڑھ کر 2.57 ملین ٹن ہو گیں جو کہ سال 2020 کے مقابلے میں 30.25% زیادہ ہے۔ شمال میں موجو کمپنیز کی پیداواری صلاحیت میں اضافہ کے باوجود آپ کی کمپنی نے پچھلے سال کی نسبت سیمنٹ کی زیادہ مقدار میں فروخت کی ہے۔

پچھلے مالی سال کے مقابلے میں اس سال کمپنی کی مالی کارکردگی بہتر ہوئی ہے جو کہ ایندھن کی قیمتوں میں کمی، سیمنٹ کی قیمتِ فروخت میں اضافہ اور شرح سود میں کمی کی وجہ سے ہے۔ تاہم اس سال اشیاء اور کوئلے اور تیل کی قیمتوں میں اضافہ ہو رہا ہے اور پاکستانی روپے کی قدر کم ہو رہی ہے جس کی وجہ سے کمپنی کی پیداواری لاگت میں اضافہ ہوا ہے۔

توازن، جدت اور بحالی کا منصوبہ (BMR)

مسلسل سرمایہ کاری، سامری توسیع، تکنیکی ترقی اور ماحولیاتی حفاظت آپ کی کمپنی کا اصول ہے۔ مجموعی طور پر استعداد کار کو بڑھانے اور مجموعی لاگت میں کمی کے لیے سیمنٹ پلانٹ کے مختلف حصوں میں جدید اقدامات (ٹیکنالوجی) کو اپنایا جا رہا ہے کمپنی نے FLSmith کے ساتھ 10,000 ٹن روزانہ کی پیداواری صلاحیت کے حامل کلنکر پلانٹ کا معاہدہ کیا ہے جس کے لیے LC کھول دی گئی ہے اور باقی مشینری کی خریداری کے لیے چینی سپلائرز سے بات چیت ہو رہی ہے۔

ڈیویڈنڈ (منافع):

کمپنی نے 0.75 روپے فی شیئر کے حساب سے عبوری نقد منافع تقسیم کیا ہے۔

سرمائے کے خدوخال:

کمپنی کے قرض کے متعلق تفصیلات نوٹ نمبر 37e میں درج ہیں۔ قرض کے عشاریے 16% سے کم ہو کر 8% ہو گئے ہیں۔

کارکردگی کے اہم اشارے:

چھ سالہ سمری میں، کلیدی کارکردگی کے اشارے، مالی پوزیشن اور مالی کارکردگی کا افقی اور عمودی تجزیہ بھی پیش کیا گیا ہے۔ جو آپ کے لیے کمپنی کی کارکردگی کو جانچنے میں مدد دے گا۔

مستقبل کا نقطہ نظر:

حکومت کے PSDP میں اضافے اور CPEC سے متعلق منصوبوں اور گھروں اور کاروباری ضروریات کی بدولت سیمنٹ کی مانگ میں اضافہ ہو رہا ہے جس کے مدِنظر سیمنٹ انڈسٹری اپنی پیداواری صلاحیت کو بڑھا رہی ہے۔ دوسری طرف کوئلے اور باقی ایندھن کی قیمتیں بڑھ رہی ہیں جس کی وجہ سے سیمنٹ انڈسٹری کا منافع کم ہو رہا ہے تاہم کمپنی ان تمام مشکلات سے نمٹنے سے متعلق پُر امید ہے۔

آڈٹ کمیٹی کی تشکیل:

بورڈ نے ایک اہل آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان کی تعداد تین ہے جو کہ نان ایگزیکٹو ڈائریکٹر ہیں اور وہ کاروبار، فنانس اور کاروباری عمل کے میدان میں منفرد تجربہ رکھتے ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی ہر مالی سال میں کم از کم چار بار میٹنگ کرتی ہے۔ جس کی تفصیل سالانہ رپورٹ میں دی گئی ہے۔

اندرونی کنٹرول کا نظام:

ایک مضبوط اندرونی کنٹرول کا نظام کمپنی کی ثقافت کا حصہ ہے۔تمام بڑے معاملات کے لیے ایک مضبوط اور جامع اندرونی آڈٹ کنٹرول سسٹم دستاویزی شکل میں موجود ہے تاکہ مالیاتی رپورٹنگ کو قابلِ اعتماد، آپریشنل اور سٹریٹجک مقاصد کے حصول پر بروقت رائے، پالیسیوں، طریقہ کار، قوانین اور قوائد وضوابط پر عمل، اثاثوں کی حفاظت اور وسائل کو بہتر اور موثر طریقے سے استعمال کو یقینی بنایا جاسکے۔کمپنی نے مختلف کاموں کے لیے آپریٹنگ طریقہ کار کے معیار (SOPs) بھی دستاویز کیے ہیں۔جن میں وقتاً فوقتاً کاروبار کی ضروریات کے پیشِ نظر لازمی تبدیلیوں کا جائزہ لیا جاتا ہے۔اندرونی آڈٹ فنکشن اندرونی کنٹرول کی افادیت اور آپریٹنگ طریقہ کار کے معیاروں کی مقاصد کے ساتھ ہم آہنگی پر مسلسل نظر رکھے ہوئے ہے۔

اندرونی آڈٹ فنکشن کے دائرہ کار اور اختیارات کی اُس کی ٹرم آف ریفرنس میں اچھی طرح وضاحت کی گئی ہے۔جو آڈٹ کمیٹی سے منظور شدہ ہیں۔چیف انٹرنل آڈیٹر ایک سند یافتہ انٹرنل آڈیٹر ہے جس کے پاس آڈیٹنگ کا معقول تجربہ ہے۔

فراڈ، کرپشن (بدعنوانی) اور غیر اخلاقی کاروبار کے طریقوں کے خطروں کا انتظام:

بورڈ نے رِسک مینجمنٹ کے عمل کی نگرانی کے لیے ایک رِسک مینجمنٹ کمیٹی تشکیل دی ہے۔کمپنی نے ایک رسک مینجمنٹ پالیسی مرتب کی ہے جس میں خطرے کی تعریف، رجحان کا تجزیہ، خطرہ کا منکشف ہونا، اس کے ممکنہ اثرات اور تخفیف کا عمل، پالیسی اور طریقہ کار کی تعمیل اور افادیت پر رپورٹس شامل ہیں۔کاروباری اور غیر کاروباری خطرات کی شناخت، اندازے، انتظام اور نگرانی کے لیے ایک تفصیلی مشق کی جارہی ہے۔بورڈ گاہے بگاہے خطرات کا جائزہ لیتا رہتا ہے اور اِن کے کنٹرول اور تخفیف کے لیے ایک مناسب فریم ورک کے ذریعے اقدامات بھی تجویز کرتا رہتا ہے۔

ضابطہ اخلاق:

کمپنی نے ایک مظبوط کاروباری اخلاقیات اور طرزِ عمل واضح کیا ہے جو کہ اخلاقیات کے سمیت اور شفافیت کے اصولوں پر مبنی ہے مزید تفصیل اس رپورٹ میں دی گئی ہے۔

غیر قانونی کاموں کی مخبری کا طریقہ کار:

دھوکہ دہی (فراڈ) اور بدعنوانی سے پاک کلچر کو کمپنی میں بنیادی حیثیت حاصل ہے۔آپریشن کی تیز رفتار ترقی کی وجہ سے دھوکہ دہی اور بدعنوانی کے ممکنہ خطرے کے پیشِ نظر کمپنی ان خطرات سے نمٹنے پر زیادہ زور دے رہی ہے۔اس مقصد کے حصول کے لیے ایک جامع فراڈ رِسک مینجمنٹ (FRM) پالیسی جو Whistleblower Policy سے ماخوذ ہے، بنائی گئی ہے، مزید تفصیل اس رپورٹ میں درج ہے۔

انسداد رشوت ستانی اور بدعنوانی کی ہدایات:

ایک کمپنی کی حیثیت سے رشوت ستانی اور بدعنوانی کے لیے ہمارا نقطہ نظر عدم برداشت پر مبنی ہے اور ہم تمام کاروباری لین دین میں پیشہ وارانہ اور منصفانہ کام کرنے کے پابند ہیں۔کمپنی کے کاروبار کرنے کی اخلاقیات کے حصّے کے طور پر بورڈ نے عدم رشوت اور بدعنوانی کی ہدایات جاری کر رکھی ہیں۔

مندرجہ بالا پالیسیوں اور اُن کے نفاذ کو آڈٹ کمیٹی بڑی باریک بینی سے نگرانی کرتی ہے اور وقتاً فوقتاً بورڈ کی طرف سے اِس کا جائزہ لیا جاتا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR):

آپ کی کمپنی ایک ذمہ دار ادارہ ہے اور ہمیشہ معاشرے کی طرف اپنی سماجی ذمہ داریوں کو ادا کرنے کی کوشش کرتی ہے۔کمپنی اپنے گردونواح میں مقامی آبادی کو بہبود کی سہولیات فراہم کرتی ہے اور اسے فروغ بھی دیتی ہے۔کارپوریٹ سماجی ذمہ داری پر بیان اِس رپورٹ میں الگ سے دیا گیا ہے۔

متعلقہ پارٹیز کے ساتھ معاملات:

متعلقہ پارٹیوں کے ساتھ لین دین (برابری کی سطح پر) کیا جاتا ہے اور کوڈ آف کارپوریٹ گورننس 2017 اور کمپنیز ایکٹ 2017 کے قوائد وضوابط کی تعمیل کے لیے آڈٹ کمیٹی اور بورڈ اِس پر نظرِ ثانی کے بعد منظوری دیتے ہیں۔متعلقہ فریقوں کے ساتھ معاملات کی تفصیل مالی گوشوارں میں فراہم کی گئی ہے۔

بورڈ آف ڈائریکٹرز:

مالی سال 2021 کے دوران بورڈ آف ڈائریکٹرز کا دوبارہ انتخاب ہوا ہے۔بورڈ آف ڈائریکٹرز جو کہ نو (9) (جو کہ اس سے قبل سات تھے) ممبران پر مشتمل ہے اور جو کاروبار، فنانس اور آپریشن کے شعبہ میں متنوع تجربہ رکھتے ہیں۔چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہیں۔بورڈ کی میٹنگ سال میں کم از کم چار مرتبہ ہوتی ہے۔بورڈ کی ساخت، بورڈ کی میٹنگز سالانہ تشخیص اور تربیت کے متعلق پروگرام کی تفصیل رپورٹ کا حصہ ہے۔

ڈائریکٹرز کی ذمہ داریاں:

ڈائریکٹرز، کوڈ آف کارپوریٹ گورنس، ریگولیشنز 2017 اور کمپنیز ایکٹ 2017 میں تحریر کردہ ذمہ داریوں سے آگاہ ہیں اور آپ کی کمپنی نے کوڈ آف کارپوریٹ گورنس کی مکمل تعمیل کو یقینی بنائی ہے اور ڈائریکٹرز تصدیق کرتے ہیں کہ

(ا) کمپنی کی انتظامیہ کے تیار کردہ اکاؤنٹس میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور ایکیوٹی میں تبدیلیاں واضح اور منصفانہ طور پر پیش کی گئی ہیں۔

(ب) کمپنی کے حساب کی کتابوں کو باقاعدگی سے تیاری کیا گیا ہے۔

(پ) اکاؤنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ بروئے کار لائی گئی ہیں ماسوائے اُن تبدیلیوں کے جو مالی گوشواروں میں منکشف ہیں اور حساب کتاب کے اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(ت) بین الاقوامی حساب کتاب کے معیارات (IFRS) جیسے پاکستان میں نافذ عمل ہیں کو ان اکاؤنٹس کی تیاری میں اپنایا گیا ہے اور کسی بھی انحراف کو باقاعدہ منکشف کیا گیا ہے۔

(ٹ) اندرونی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مستحکم ہے اور نفع بخش کاروبار کا موثر انتظام ہے۔

(ث) کمپنی کے مستقبل میں کام کرنے کی صلاحیت پر کوئی قابلِ ذکر تشویش نہیں ہے اور اکاؤنٹس کو اسی بنیاد پر تیار کیا گیا ہے۔

اس سالانہ رپورٹ میں درج ذیل معلومات بھی فراہم کی گئی ہیں۔

(ا) شیئر ہولڈنگ کا نمونہ

(ب) متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی نے جو شیئرز رکھے ہیں ان کی تفصیل۔

(پ) اس سال کے دوران بورڈ آف ڈائریکٹرز کی میٹنگ اور ان میں ہر ڈائریکٹر کی حاضری سے متعلق بیان اسی سال کے دوران

آڈیٹرز:

کریسٹن حیدر بھیم جی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس جو کہ ریٹائرڈ ہو گئے ہیں اور دوبارہ تقرری کے لیے اہل ہیں اور آڈٹ کمیٹی کی تجویز پر بورڈ نے ایک اور مدت کے لیے ان کی تقرری کی توثیق کی ہے۔

خدمات کا اعتراف/ تشکر یہ:

ڈائریکٹرز اس موقع پر بنکوں خصوصاً بنک آف پنجاب اور دیگر مالیاتی اداروں کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے ہماری مسلسل رہنمائی اور حمایت کی۔ ہم اس امر کو بھی دائرہ تحریر میں لانا پسند کرتے ہیں کہ غریب وال سیمنٹ خاندان کے ہر رکن کی وابستگی، لگن اور محنت دِلی تعریف کے لائق ہے۔ ہماری کامیابیوں کا ثمر انہی کی بدولت ہے۔

معزز اراکین ہم آپ کو اُس اعتماد اور یقین کے دِل کی گہرائیوں سے ممنون ہیں جو آپ نے ہمیشہ سے ہم پر کیا۔

منجانب بورڈ آف ڈائریکٹر

محمد توصیف پراچہ	عبدالرفیق خان
چیف ایگزیکٹو آفیسر	ڈائریکٹر

02 اکتوبر 2021ء

لاہور

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gharibwal Cement Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Gharibwal Cement Limited** for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Kreston Hyder Bhimji & Co

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: October 02, 2021

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

GHARIBWAL CEMENT LIMITED ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) regulations, 2019 ("the Regulations") during the financial year ended June 30, 2021 in the following manner:-

1) 1) The total number of Directors are nine (9) as per the following:-
   a. Male: Eight (8)
   b. Female: One (1)

2) The composition of the Board is as follow:

a)	Independent Directors	Three (3)
b)	Non-Executive Directors (male)	Two (2)
c)	Non-Executive Directors (female)	One (1)
d)	Executive Directors	Three (3)

3) The Directors have confirmed that none of them is serving as a Director of more than seven Listed Companies, including the Company.

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

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

6) All the powers of Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and these Regulations.

7) The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency and recording of minutes of meeting of Board. However, draft minutes of board meetings conducted during the year were circulated to board members after 14 days of the meeting.

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

9) The Company is largely compliant with the requirement of directors' training under Rule 20 of the Code of Corporate Governance, 2017. Two (2) directors have obtained the Directors' Training Program Certification in prior years. Five (5) directors meet the exemption criteria of the Directors' Training Program.

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

11) Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board.

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

   a) Audit Committee
   - i) Faisal Aftab Ahmed (Chairman)
   - ii) Khalid Siddiq Tirmizey (Member)
   - iii) Mian Nazir Ahmad Peracha (Member)

   b) Human Resource & Remuneration Committee
   - i) Khalid Siddiq Tirmizey (Chairman)
   - ii) Muhammad Tousif Peracha (Member)
   - iii) Ali Rashid Khan (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:-

a)	Audit Committee	Quarterly
b)	HR and Remuneration Committee	Yearly

15) The Board has set up effective internal audit functions that is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of Internal Audit, Company Secretary or Directors 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 have been complied with.

Chief Executive Officer

Director

Dated: October 02, 2021
Place: Lahore

PATTERN OF SHAREHOLDINGS

Number of Shareholding	Shareholdings From	To	Total Share Held
918	1	100	32,042
642	101	500	210,718
444	501	1,000	379,538
646	1,001	5,000	1,723,032
176	5,001	10,000	1,342,256
78	10,001	15,000	1,008,116
44	15,001	20,000	801,487
25	20,001	25,000	583,153
11	25,001	30,000	308,122
17	30,001	35,000	564,000
11	35,001	40,000	414,736
12	40,001	45,000	511,454
18	45,001	50,000	882,247
5	50,001	55,000	267,000
7	55,001	60,000	416,000
2	60,001	65,000	122,500
1	65,001	70,000	70,000
7	70,001	75,000	509,500
5	75,001	80,000	392,373
1	85,001	90,000	85,500
3	90,001	95,000	273,500
8	95,001	100,000	800,000
1	100,001	105,000	100,500
3	105,001	110,000	323,000
1	110,001	115,000	115,000
1	115,001	120,000	116,943
1	120,001	125,000	124,757
1	130,001	135,000	132,000
1	135,001	140,000	138,500
2	140,001	145,000	289,000
1	145,001	150,000	150,000
1	155,001	160,000	157,500
2	160,001	165,000	324,500
1	165,001	170,000	166,500
1	170,001	175,000	174,500
2	185,001	190,000	375,500
1	190,001	195,000	194,025
4	195,001	200,000	796,000
1	200,001	205,000	203,000
1	245,001	250,000	250,000
1	255,001	260,000	256,000
1	280,001	285,000	284,000
1	305,001	310,000	306,500
1	355,001	360,000	357,500
1	360,001	365,000	361,500
2	385,001	390,000	776,500
1	470,001	475,000	470,500
1	490,001	495,000	494,000
1	545,001	550,000	547,074
1	595,001	600,000	596,765
1	720,001	725,000	720,500
1	745,001	750,000	750,000
1	1,160,001	1,165,000	1,164,000
1	1,255,001	1,260,000	1,259,500
2	2,620,001	2,625,000	5,250,000
1	2,930,001	2,935,000	2,934,584
1	2,995,001	3,000,000	3,000,000
1	4,080,001	4,085,000	4,082,112
1	4,280,001	4,285,000	4,282,112
1	4,415,001	4,420,000	4,419,500
1	5,130,001	5,135,000	5,134,000
1	5,325,001	5,330,000	5,330,000
1	16,060,001	16,065,000	16,062,541
1	22,765,001	22,770,000	22,766,472
1	90,965,001	90,970,000	90,967,722
1	211,870,001	211,875,000	211,872,079
3,135			400,273,960

PATTERN OF SHAREHOLDINGS

	Categories of shareholders	Share Held	Percentage
	Directors their spouse and minor children (name wise detail)		
1	Muhammad Tousif Percaha		214,872,079
2	Mustafa Tousif Ahmed Peracha		494,000
3	Abdur Rafique Khan		90,967,722
4	Ali Rashid Khan		20,421,526
5	Amna Khan		22,766,472
6	Khalid Siddiq Tirmizey		100,000
7	Faisal Aftab Ahmad		0
8	Daniyal Jawaid Paracha		17,000
9	Mian Nazir Ahmed Peracha		500
10	Feriha Nazir Peracha w/o Mian Nazir Ahmed Peracha		2,625,000
11	Qamar Nazir Percaha w/o Mian Nazir Ahmed Peracha		2,625,000
12	Tabbasum Tousif Peracha w/o Muhammad Tousif Peracha		194,025
			355,083,324
	Associated companies, undertakings and related parties		
	NIT and ICP		630
	Modaraba and mutual funds		399,500
	Banks, development banks and non banking financial institutions		10,395
	Insurance companies		43,918
	Leasing companies		390,000
	Joint stock companies		2,668,990
	Foreign company		4,082,112
	Associations		43,637
	General public - local		37,438,756
	General public - foreign		2,000
	Others		110,698
			400,273,960

Shareholders holding 5% or more of share capital

1	Muhammad Tousif Peracha	214,872,079
2	Abdur Rafique Khan	90,967,722
3	Amna Khan	22,766,472
4	Ali Rashid Khan	20,344,653

Trading in shares by the directors, executives and their spouse and minor child during the year

		Sold	aquired through inheritance
1	Abdur Rafique Khan	0	38,437
2	Amna Khan	0	38,437
3	Ali Rashid Khan	0	76,873

FINANCIAL HIGHLIGHTS

SIX YEARS AT A GLANCE

	2021	2020	2019	2018	2017	2016
Summary of Balance Sheet (Rs. '000)						
Equity	15,757,292	14,505,990	12,481,446	12,490,557	11,381,045	10,071,067
Interest bearing long term debt	2,339,579	2,840,241	3,491,973	3,665,050	3,765,786	3,150,382
Non-interest bearing long term debt	272,292	454,150	517,160	673,337	740,422	742,082
Capital employeed	18,369,163	17,800,381	16,490,579	16,828,944	15,887,253	13,963,531
Net debt	1,316,837	2,862,991	3,577,373	4,230,518	4,382,637	3,403,368
Property, plant and equipment	19,715,740	20,352,356	18,315,268	19,251,030	18,677,798	15,397,173
Current assets	6,938,061	5,157,726	4,947,128	3,591,975	2,847,464	2,560,928
Current liabilities	5,207,234	4,661,162	4,501,227	5,044,568	4,282,706	3,050,080
Total assets	26,653,801	25,510,082	23,262,396	22,843,005	21,615,065	18,052,290
Summary of profit or loss Account (Rs. '000)						
Net sale	12,106,985	8,714,089	11,174,327	11,704,607	11,357,244	10,602,968
Gross profit	3,176,710	86,273	2,458,786	2,932,650	3,988,401	4,252,904
Operating profit	2,565,337	(319,432)	1,943,047	2,186,777	3,289,856	3,619,819
EBITDA	3,635,120	626,158	2,935,081	3,138,932	4,003,963	4,288,572
Profit before taxation	2,288,098	(561,689)	1,379,909	1,783,549	3,044,676	3,694,629
Profit after taxation	1,551,383	131,193	736,412	1,509,654	2,283,696	2,681,056
Summary of Cash Flow Statement (Rs. '000)						
Net cash flow from operating activities	2,248,159	1,152,999	1,327,101	2,490,330	3,491,105	2,900,809
Net cash flow from investing activities	(448,550)	(190,751)	(170,108)	(1,336,824)	(3,795,935)	(2,543,922)
Net cash flow from financing activities	(935,975)	(962,608)	(833,102)	(1,169,208)	(60,695)	(46,490)
Change in cash and cash equivalents	863,634	(360)	323,891	(15,702)	(365,525)	310,397
Cash and cash equivalent at year end	1,295,034	431,400	431,760	107,869	123,571	489,096
Profitability Ratios						
Gross Profit ratio	26.24%	0.99%	22.00%	25.06%	35.12%	40.11%
Net Profit to Sales Ratio	12.81%	1.51%	6.59%	12.90%	20.11%	25.29%
EBITDA Margin to Sales ratio	30.02%	7.19%	26.27%	26.82%	35.25%	40.45%
Return on Equity	10.25%	0.97%	5.90%	12.65%	21.29%	30.11%
Return on Capital Employeed	8.58%	0.77%	4.42%	9.23%	15.30%	21.13%
Return on total assets	5.95%	0.54%	3.19%	6.79%	11.51%	15.80%
Liquidity Ratios						
Current Ratio (times)	1.33	1.11	1.10	0.71	0.66	0.84
Quick Ratio (times)	0.74	0.62	0.56	0.28	0.25	0.46
Cash flow from operations to Sales (times)	0.19	0.13	0.12	0.21	0.31	0.27
Activity / Turnover Ratios						
Inventory turnover ratio	11.81	12.10	11.39	13.96	16.11	13.88
No. of days in inventory	31	30	32	26	23	26
Debtors turnover ratio	34.16	25.43	28.24	31.47	34.92	43.03
No. of days in receivables	11	14	13	12	10	8
Creditor turnover ratio	3.11	2.93	3.20	3.62	5.52	5.10
No. of days in payables	117	125	114	101	66	72
Total assets turnover ratio	0.45	0.34	0.48	0.51	0.53	0.59
Fixed assets turnover ratio	0.61	0.43	0.61	0.61	0.61	0.69
Operating cycl	(76)	(80)	(69)	(63)	(33)	(37)

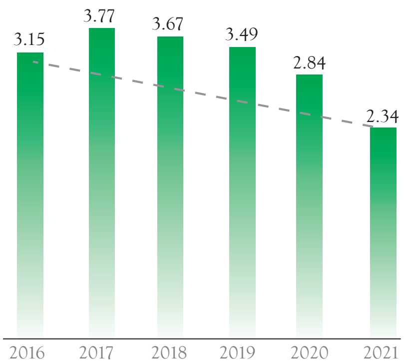
SIX YEARS AT A GLANCE

	2021	2020	2019	2018	2017	2016
Investment / Market Ratios						
Earning per share (Rs.)	3.88	0.33	1.84	3.77	5.71	6.70
Price Earning ratio (Rs.)	10.18	49.67	5.63	5.55	7.98	7.09
Break-up Value of Share (Rs.)	39.37	36.24	31.18	31.21	28.43	25.16
Market Value of Share (Rs.)						
Year End	39.44	16.28	10.36	20.92	45.54	47.50
Highest	47.21	18.82	23.52	47.50	67.48	49.99
Lowest	17.50	8.19	9.01	19.79	45.54	25.65
Average	33.53	12.62	16.41	29.08	56.00	36.89
Market Capitalization (Rs. '000)	15,786,805	6,516,460	4,146,838	8,373,731	18,228,476	19,013,013
Capital Structure Ratio						
Financial leverage ratio	17%	23%	32%	35%	40%	39%
Weighted average cost of debt	9%	18%	10%	10%	8%	7%
Capitalization rate	10%	2%	18%	18%	13%	14%
Interest cover ratio (times)	6.09	(0.53)	3.20	5.09	10.68	12.99
Debt to equity ratio (times)	0.17	0.23	0.32	0.35	0.40	0.39
Leverage (times)	0.36	4.57	1.22	1.35	1.09	0.79

Non-interest bearing long term debt = Markup deferred banks as per rescheduling agreements
Capital employed = Equity with revaluation surplus + Interest bearing long term debt + Non-interest bearing long term debt
Net debt = Interest bearing long term debt + Non-interest bearing long term debt + Interest bearing short term debt - Cash and cash equivalent
Gross profit ratio = Gross profit / Net sale
Operating leverage ratio = % change in operating profit / % change in net sales
Return on equity = Profit after tax / Average equity with revaluation surplus
Return on capital employee = Profit after tax / Average capital employed
Return on total assets = Profit after tax / Average total assets
Current ratio = Current assets / Current liabilities
Quick ratio = (Currant assets - Stock-in-trade - Stores, spares & loose tools) / Current liabilities
Inventory turn over ratio = Cost of sales / Average stock-in-trade
Debtors turn over ratio = Local gross sales / Average trade debtors
Creditors turn over ratio = Purchases / Average trade creditors
Operating cycle = Inventory days + Debtors days - Creditors days
Market capitalization = No. of issued shares x share price at year end
Financial leverage ratio = (Interest bearing long term debt + Non-interest bearing long turn debt) / Equity with revolution surplus
Weighted cost of debt = Interest on long term debt / Interest bearing long term debt
Interest cover ratio = EBIT / Finance cost
Debt equity ratio = (Interest bearing long term debt + Non-interest bearing long term debt) / Equity with revolution surplus
Leverage = Net debt / EBITDA

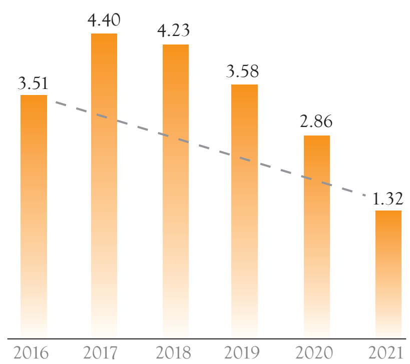
KPI GRAPHICAL PRESENTATION

Interest bearing debt (billion rupees)



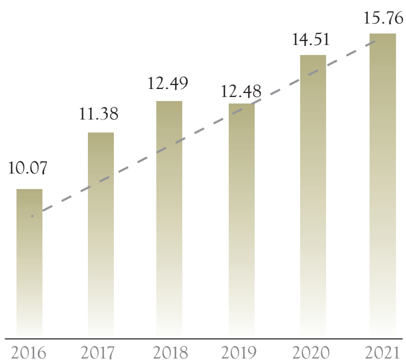
Interest bearing debts includes long term and short term borrowings carrying markup/profit. These are on downward trajectory and the Company will repaid these in next two years.

Net debt (billion rupees)



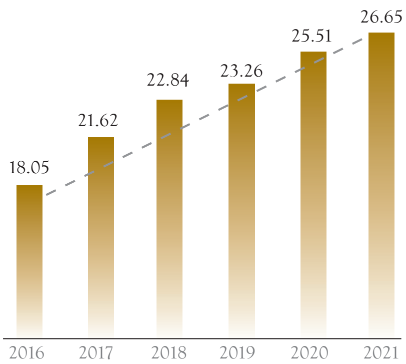
Net debt includes interest bearing long term and short term debts and non-interest bearing long term debts less cash and cash equivalent. Net debts are on downward trejectory and reduced to Rs. 1.32 billion in 2021.

Shareholders Equity (billion rupees)



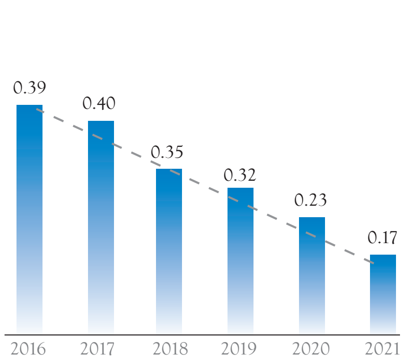
Ordinary shareholders equity includes paid capital, retained earning and surplus on revaluation of PPE. Equity is on upward trajectory due to retained earnings.

Total Assets (billion rupees)



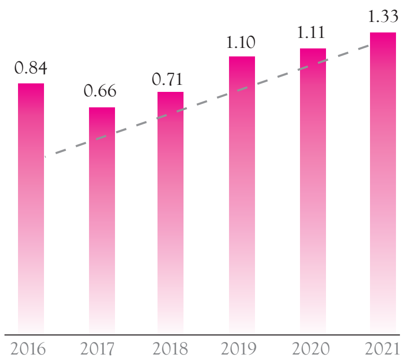
Total assets increased to Rs. 26.65 bn in 2021 against Rs. 18.05 bn in 2016.

Debt : Equity Ratio



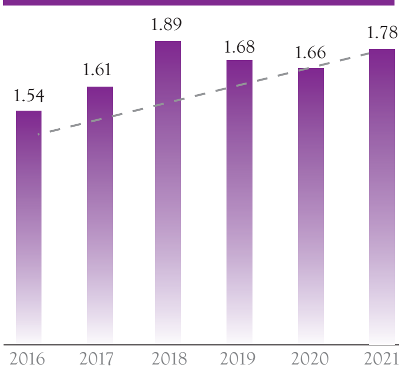
This represents debts against shareholders equity of Re 1. Debts include long term interest bearing and non-interest bearing debts and equity includes revaluation surplus. This ratio is on downword trajectory due to repayment of debts and retention of earnings within the Company.

Current Ratio



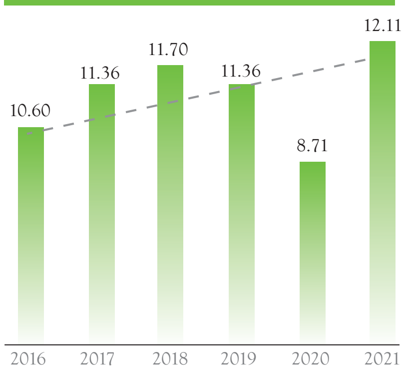
This represents current assets against current liability of Re 1. Current ratio is consistantly improving with passage of time.

Sales Volume (million ton)



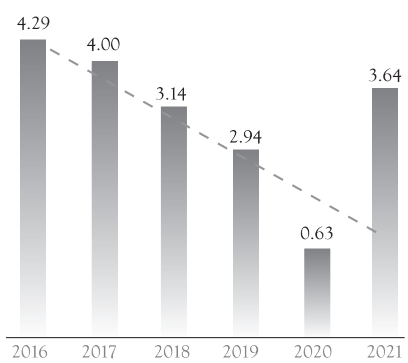
Sales volume is consistantly on upward trend and stood at 1.78 million ton cement dispatch in 2021.

Net sales (billion rupees)



Net Sales value improved to Rs. 12.11 billion during FY2021 from Rs. 8.71 bn for last year 2020.

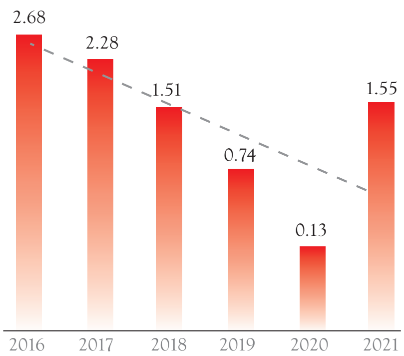
EBITDA (billion rupees)



Earnings before interest, tax and depreciation is on its downward trajectory and stood at Rs. 3.64 bn in 2021.

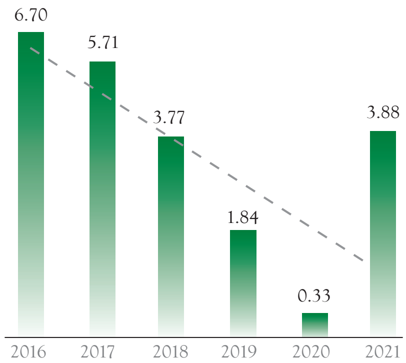
KPI GRAPHICAL PRESENTATION

Net profit (billion rupees)



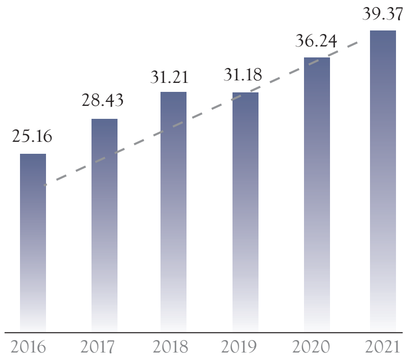
Profit after taxation stood at Rs. 1.55 bn in 2021 compared to Rs. 0.13 bn in 2020.

Earnings per share (rupees)



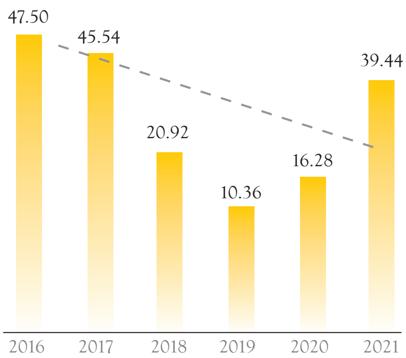
EPS stood at Rs. 3.88 in 2021 compared to Rs. 0.33 in 2020.

Book value per share (rupees)



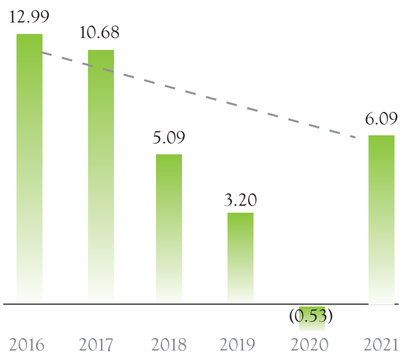
Book value per share displayed upward trajectory and stood at Rs. 39.37 bn in 2021.

Market value per share (rupees)



Market value per share reduced to Rs. 39.44 at the close of 2021.

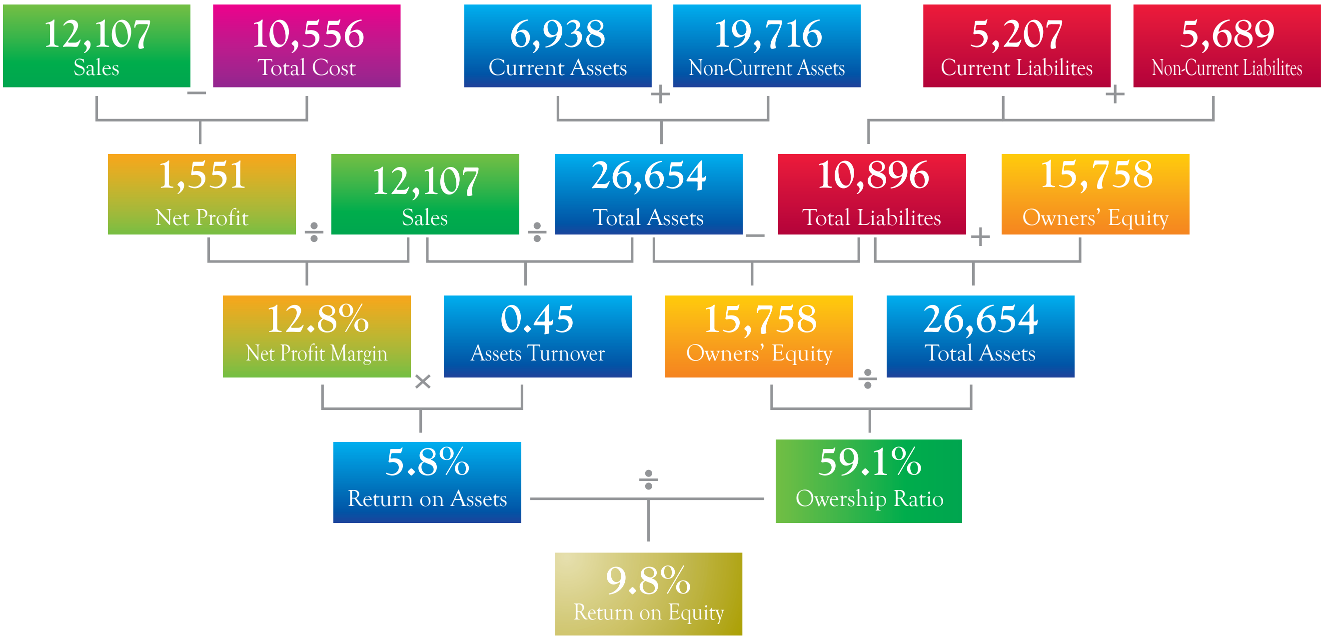
Interest Cover Ratio (rupees)



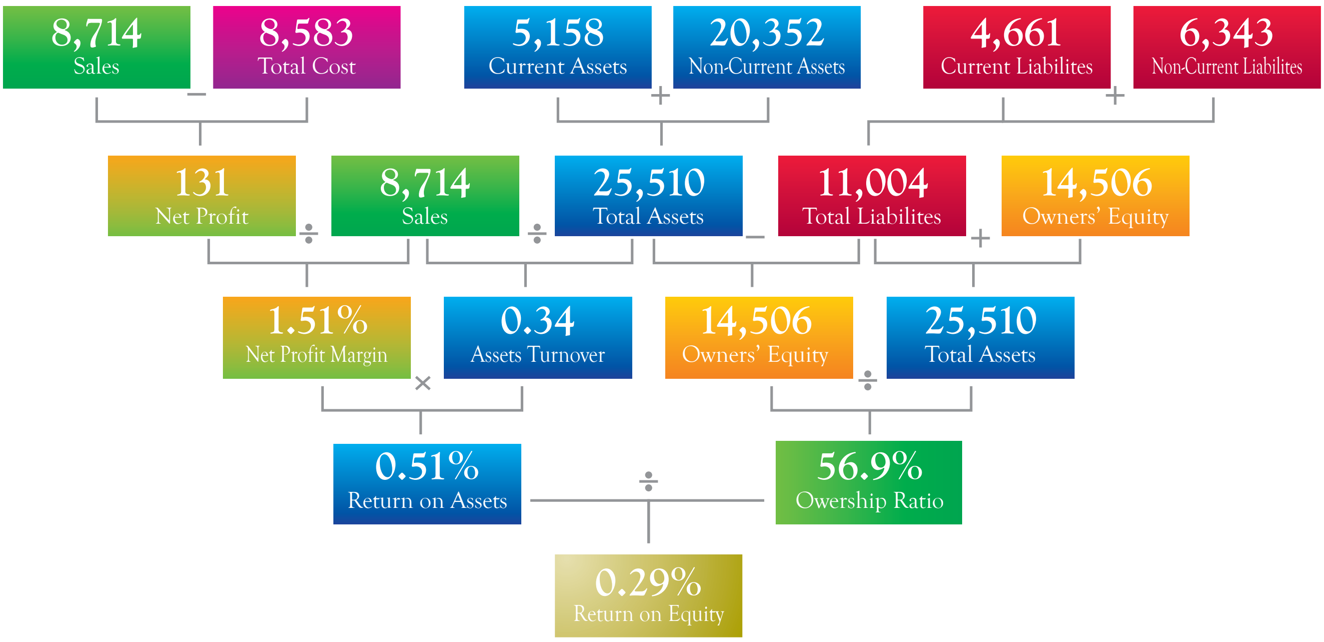
This represents EBIT against finance cost of Re 1.

DuPONT ANALYSIS

2021



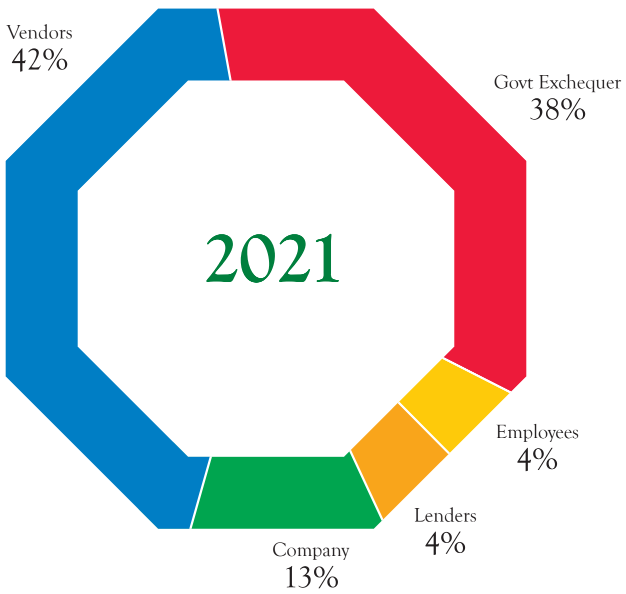
2020

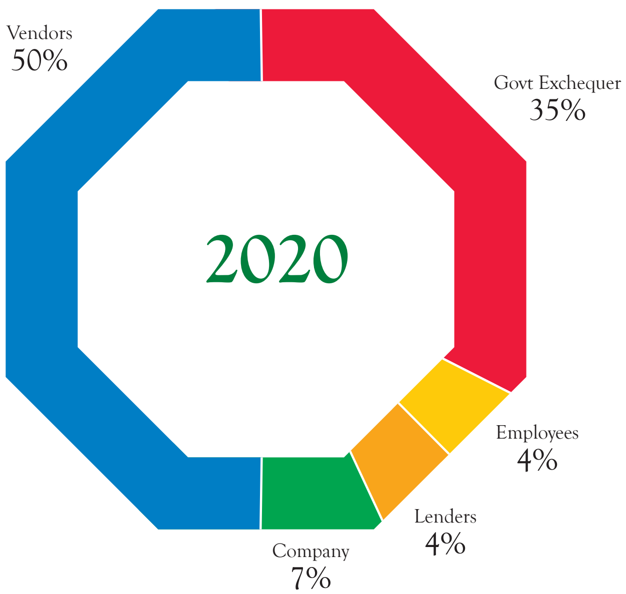


Leverage = (Non-current Liabilities + Current Liabilities) / Total Assets
Interest Burden = (Finance Cost - Other Income) / EBIT
Figures in million rupees.

DISTRIBUTION OF WEALTH

The Company continues to play its role in economic development of the country and contributed 87% (FY2020: 93%) of the gross revenue generated during the year to various stackholers within the society. 42% (FY2020: 51%) of the Company's gross wealth was contributed to suppliers of fuel, energy, materials, servies etc.. 38% (FY2020: 35%) of the gross wealth was contributed to the government exchequer on account of income tax, sales tax, federal excise duty, royalty and excise duty on mineral, workers welfare fund and workers profit participation fund. 4% (FY2020: 4%) of the gross wealth went to the provider of finance in the shape of markup, profit and dividend. 4% (FY2020: 4%) of the gross wealth was went to employees. Whereas the Company retained 13% (FY2020: 7%) of the gross wealth in the form of depreciation, amortisation and retained earnings.





VERTICAL & HORIZONTAL ANALYSIS

	2021	2020	2019	2018	2017	2016
						Figures in Thousand Rupees
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Property, plant and equipment	19,623,476	20,303,484	18,241,973	19,136,955	18,677,798	15,397,173
% change from preceeding year	-3%	11%	-5%	2%	21%	12%
% change from base year 2015	27%	148%	133%	139%	136%	112%
% of total assets	74%	80%	78%	84%	86%	85%
Non-current assets	19,715,740	20,352,356	18,315,268	19,251,030	18,767,601	15,491,362
% change from preceeding year	-3%	11%	-5%	3%	21%	12%
% change from base year 2015	27%	147%	133%	139%	136%	112%
% of total assets	74%	80%	79%	84%	87%	86%
Current assets	6,938,061	5,157,726	4,947,128	3,591,975	2,847,464	2,560,928
% change from preceeding year	35%	4%	38%	26%	11%	24%
% change from base year 2015	171%	249%	239%	173%	138%	124%
% of total assets	26%	20%	21%	16%	13%	14%
Total assets	26,653,801	25,510,082	23,262,396	22,843,005	21,615,065	18,052,290
% change from preceeding year	4%	10%	2%	6%	20%	14%
% change from base year 2015	48%	161%	146%	144%	136%	114%
% of total assets	100%	100%	100%	100%	100%	100%
EQUITY AND LIABILITIES						
Equity	15,757,292	14,505,990	12,481,446	12,490,557	11,381,045	10,071,067
% change from preceeding year	9%	16%	0%	10%	13%	30%
% change from base year 2015	56%	187%	161%	161%	147%	130%
% of total assets	59%	57%	54%	55%	53%	56%
Interest bearing long term borrowings	2,339,579	2,840,241	3,491,973	3,365,050	3,765,786	3,150,382
% change from preceeding year	-18%	-19%	-5%	-3%	20%	28%
% change from base year 2015	-26%	110%	135%	141%	145%	121%
% of total assets	9%	11%	15%	18%	17%	17%
Non-Interest bearing long term borrowings	272,292	454,150	517,160	673,337	740,422	742,082
% change from preceeding year	-40%	-12%	-23%	-9%	0%	-31%
% change from base year 2015	-63%	42%	48%	62%	69%	69%
% of total assets	1%	2%	2%	3%	3%	4%
Capital employeed	18,369,163	17,800,381	16,490,579	16,828,944	15,887,253	13,963,531
% change from preceeding year	3%	8%	-2%	6%	14%	24%
% change from base year 2015	32%	156%	145%	147%	139%	122%
% of total assets	69%	70%	71%	74%	74%	77%
Non-current liabilities	5,689,275	6,342,930	6,279,723	5,307,880	5,951,314	4,931,143
% change from preceeding year	-10%	1%	18%	-11%	21%	43%
% change from base year 2015	15%	185%	183%	154%	173%	143%
% of total assets	21%	25%	27%	23%	28%	27%
Current liabilities	5,207,234	4,661,162	4,501,227	5,044,568	4,282,706	3,050,080
% change from preceeding year	12%	4%	-11%	18%	40%	-35%
% change from base year 2015	71%	99%	96%	107%	91%	65%
% of total assets	20%	18%	19%	22%	20%	17%

VERTICAL & HORIZONTAL ANALYSIS

	2021	2020	2019	2018	2017	2016
						Figures in Thousand Rupees
STATEMENT OF PROFIT OR LOSS						
Net sales	12,106,985	8,714,089	11,174,327	11,704,607	11,357,244	10,602,968
% change from preceeding year	*39%*	*-22%*	*-5%*	*3%*	*7%*	*9%*
% change from base year 2015	*14%*	*90%*	*115%*	*121%*	*117%*	*109%*
% of net sales	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Gross profit	3,176,710	86,273	2,458,786	2,932,650	3,988,401	4,252,904
% change from preceeding year	*3582%*	*-96%*	*-16%*	*-26%*	*-6%*	*39%*
% change from base year 2015	*-25%*	*3%*	*80%*	*96%*	*130%*	*139%*
% of net sales	*26%*	*1%*	*22%*	*25%*	*35%*	*40%*
EBITDA	3,635,120	626158	2,935,081	3,138,932	4,003,963	4,288,572
% change from preceeding year	*481%*	*-79%*	*-6 %*	*-22%*	*-7%*	*31%*
% change from base year 2015	*-15%*	*19%*	*90%*	*96%*	*123%*	*131%*
% of net sales	*30%*	*7%*	*26%*	*27%*	*35%*	*40%*
Profit before taxation	2,288,098	(561,689)	1,379,909	1,783,549	3,044,676	3,694,629
% change from preceeding year	*-507%*	*-141%*	*-23%*	*-41%*	*-18%*	*84%*
% change from base year 2015	*-38%*	*-28%*	*69%*	*89%*	*151%*	*184%*
% of net sales	*19%*	*-6%*	*12%*	*15%*	*27%*	*35%*
Profit after taxation	1,551,383	131,193	736,412	1,509,654	2,283,696	2,681,056
% change from preceeding year	*1083%*	*-82%*	*-51%*	*-34%*	*-15%*	*123%*
% change from base year 2015	*-42%*	*11%*	*61%*	*126%*	*190%*	*223%*
% of net sales	*13%*	*2%*	*7%*	*13%*	*20%*	*25%*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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65-The Mall, Lahore.
Phone: 042-37352661, 37321043
Fax: 042-37248113
E-mail: krestonhb@gmail.com

INDEPENDENT AUDITORS' REPORT

To the members of Gharibwal Cement Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and 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, the 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key Audit Matter(s):

<table>
<tr><th>Key Audit Matter(s)</th><th>How the Matter was addressed in audit</th></tr>
<tr><td>1. Inventories:
As at June 30, 2021 inventories, as disclosed in note - 7 to the annexed financial statements include stock in trade, coal and other consumable store items.

There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete.

The Company's principal accounting policy on inventories and the critical accounting estimates and judgements are disclosed in note - 3.3 to the annexed financial statements.

Further, stock in trade in financial statements as disclosed in note - 7 includes:
• raw materials comprising limestone, clay, gypsum and laterite;
• work-in-progress mainly comprising clinker; and
• finished goods in the shape of cement.

The above items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories of stock in trade 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.

Due to the significance of inventory balances of consumable stores and spares & stock in trade and related estimations involved, this is considered as a key audit matter.</td><td>Our audit was focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions.

We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by:

• checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end by the Company with sample / verification test;
• critically assessing the Company's provisioning policy, with specific consideration given to aged / slow-moving inventory;
• re-computing provision recorded to verify that it is in line with Company's policy;
• reviewing historical accuracy of fuels, parts and supplies provisioning with reference to inventory write-offs during the year in relation to stock loss or other inventory adjustments;
• 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; and
• Obtained and reviewed the inventory count report of the management's internal surveyor and assessed its accuracy on a sample basis.

We further tested the NRV of the inventories held by preforming a review of sales close to and subsequent to the year end.</td></tr>
</table>

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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E-mail: krestonhb@gmail.com

Key Audit Matter(s)	How the Matter was addressed in audit
2. Revenue recognition: As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period. These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results. In view of significant value of transactions and presumed risk of material misstatement involved, we have considered this as a key audit matter. The disclosures related to recognition of revenue by the company are provided in note 3.18 to the annexed financial statements.	In this regard, our audit procedures included: • Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company. • Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods or services actually took place. • Analyzing other adjustments and credit notes issued after the reporting date. • Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, date of occurrence. • Reviewing disclosures included in the notes to the annexed financial statements.
3. Taxation: As described in Summary of Significant Accounting Policies in note - 3.14, significant judgment is required in determining the provision for income tax, both current and deferred, as well assessment of provision for uncertain tax positions including estimates of penalties / default surcharge, where appropriate. The statement of financial position includes advance income tax net of provision of Rs. 1,286.271 million together with net deferred tax liability of Rs. 4,154.083 million. The tax charge recognized in the statement of profit or loss is Rs. 736.715 million. Detail of deferred taxation and taxation expense is disclosed in notes - 17 and 33 to the annexed financial statements respectively. Due to their significance to the financial statements as a whole, together with the judgment and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition of deferred tax. We discussed with management the adequate implementation of company policies and controls regarding current and deferred tax as well as the reporting of uncertain tax positions. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the circumstances. Our verification of taxation was also made with the assistance of our firm's tax department. We considered management assessment of the validity and adequacy of provision for uncertain tax provision, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities. In respect of deferred tax assets and liabilities, we assessed the appropriateness of management assumptions and estimates. We Reviewed disclosures included in the notes 17 and 33 to the annexed financial statements.
4. Contingencies: The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes. There are a number of legal and regulatory matters for which no provision has been established, as discussed in notes - 24, 19b and 33 to the annexed financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. We determined that we could rely on these controls for the purposes of our audit. In view of the significant judgments required, we evaluated the Company's assessment of the nature and status of litigation, claims and provisional assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide to 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.

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) 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 Aftab Hameed, FCA

Kreston Hyder Bhimji & Co

Lahore: October 02, 2021

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
		(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	19,623,476	20,303,484
Intangible asset	5	9,978	1,619
Long term loans	9a	11,893	-
Deposits	6	70,393	47,253
		19,715,740	20,352,356
CURRENT ASSETS			
Inventories	7	3,076,787	2,267,543
Trade and other receivables	8	503,770	592,680
Loan and advances	9	594,411	558,078
Deposits	10	9,120	32,260
Prepayments	11	122,252	139,593
Advance income tax -net		1,286,271	1,136,172
Cash and cash equivalent	12	1,295,034	431,400
		6,887,645	5,157,726
Non-current asset held for sales	4a	50,416	-
		6,938,061	5,157,726
TOTAL ASSETS		26,653,801	25,510,082
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up capital	13	4,002,739	4,002,739
Capital reserve			
Revaluation surplus on property, plant and equipment	14	4,773,441	5,027,237
Revenue reserve			
Retained earnings		6,981,112	5,476,138
		15,757,292	14,506,114
NON CURRENT LIABILITIES			
Borrowings	15	1,459,412	2,472,279
Lease liability	16	5,229	16,719
Deferred taxation	17	4,154,083	3,436,537
Employees' benefit obligations	18	26,155	102,727
Accrued liabilities	19b	44,397	314,543
		5,689,276	6,342,805
CURRENT LIABILITIES			
Trade and other payables	19	3,544,270	3,596,641
Borrowings - current portion	20	1,135,537	794,814
Lease liability	16	11,694	10,579
Markup and profit payable	21	114,065	161,219
Employees' benefits obligations	22	369,745	74,772
Contract liabilities	23	12,953	9,062
Unclaimed dividend		18,969	14,076
		5,207,233	4,661,163
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		26,653,801	25,510,082

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

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

	Note	2021	2020
		(Rupees in 000s)	
Revenue from contracts with customers	25	12,106,985	8,714,089
Cost of sales	26	(8,930,275)	(8,627,816)
Gross Profit		3,176,710	86,273
General and administrative expenses	27	(414,329)	(332,430)
Selling and distribution expenses	28	(26,835)	(22,121)
Other expenses	29	(170,209)	(54,304)
Other income	30	-	3,150
Profit / (loss) from operations		2,565,337	(319,432)
Finance income	31	143,750	364,350
Finance cost	32	(420,989)	(606,607)
Profit / (loss) before taxation		2,288,098	(561,689)
Tax (charge) / credit	33	(736,715)	693,006
Profit after taxation		1,551,383	131,317
		Rupees	
Earnings per share (basic & diluted)	34	3.88	0.33

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in 000s)	
Profit after taxation for the year		1,551,383	131,317
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Revaluation gain on property, plant & equipment		-	2,957,323
Deferred tax relating to revaluation gain		-	(848,992)
		-	2,108,331
Total comprehensive income for the year		1,551,383	2,239,648

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2019	4,002,739	3,086,133	5,392,574	12,481,446
Final cash dividend @ Rs. 0.50 per share for the year ended June 30, 2019	-	-	(200,137)	(200,137)
Total Comprehensive income for the year ended June 30, 2020	-	2,108,331	131,317	2,239,648
Deferred tax impact due to change in tax rate	-	(14,843)	-	(14,843)
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(152,384)	152,384	-
Balance as at June 30, 2020	4,002,739	5,027,237	5,476,138	14,506,114
Total Comprehensive income for the year ended June 30, 2021	-	-	1,551,383	1,551,383
Interim cash dividend @ Re. 0.75 per share for the year ended June 30, 2021	-	-	(300,205)	(300,205)
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(253,796)	253,796	-
Balance as at June 30, 2021	4,002,739	4,773,441	6,981,112	15,757,292

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit / (loss) before taxation		2,288,098	(561,689)
Adjustment for non-cash and other items:	35	1,568,294	1,203,744
Operating profit before working capital changes		3,856,392	642,055
Net changes in working capital	36	(1,057,632)	1,266,468
Cash inflow from operation		2,798,760	1,908,523
Finance cost paid		(381,220)	(447,661)
Finance cost relating to lease liability paid		(2,244)	(2,252)
Markup received on bank deposits		32,412	12,367
Movement in employees' benefit obligation		12,629	(5,420)
WPPF and WWF paid		(15,500)	(51,235)
Income tax paid		(169,268)	(261,324)
Net cash inflow from operating activities		2,275,569	1,152,998
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(436,905)	(56,569)
Payments for intangible assets		(11,645)	-
Rental income from Balochistan Glass limited (related party)		-	3,150
Advance to Balochistan Glass Limited (related party) - net		-	(199,865)
Markup received from Balochistan Glass Limited (related party)		-	62,533
Net cash outflow from investing activities		(448,550)	(190,751)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from banks borrowings		146,548	1,062,961
Repayment of banks borrowings		(667,666)	(1,511,756)
Repayment of borrowings from related party		(182,428)	(372,572)
Proceeds of lease liability		-	43,892
Repayment of lease liabilities		(10,375)	(17,181)
Dividend paid to directors (net of tax)		(224,298)	(147,209)
Dividend paid to other shareholders (net of tax)		(25,166)	(20,742)
Net cash outflow from financing activities		(963,385)	(962,607)
Net increase / (decrease) in cash and cash equivalents		863,634	(360)
Cash and cash equivalents at beginning of the year		431,400	431,760
Cash and cash equivalents at end of the year	12	1,295,034	431,400

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

Gharibwal Cement Limited is a public limited company based in Pakistan. The Company is registered with the Securities and Exchange Commission of Pakistan w.e.f. December 1960. Shares of the Company are quoted on Pakistan Stock Exchange with symbol of "GWLC". The Company is principally engaged in production and sale of cement. These financial statements are of the individual entity i.e. Gharibwal Cement Limited.

The head office and registered office of the Company is situated at 27H, Pace Tower, 1st Floor, College Road, Gulberg-II, Lahore, Pakistan. Factory of the Company is situated at Ismailwal, Tehsil Pind Dadan Khan, District Chakwal.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

a International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

b Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Application of new accounting standards and other changes

a New and amended standards adopted by the Company

There were certain new standards and amendments to the approved accounting standards which became effective during the year ended June 30, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not detailed in these financial statements.

b New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period ended June 30, 2021 and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions and, therefore, have not been detailed in these financial statements.

2.3 Basis of measurement

These financial statements have been prepared on accrual basis and under the historical cost convention except for the followings:

- certain property, plant and equipment at fair value.
- certain inventories at lower of cost and net realizable value.
- Certain financial instrument at amortised cost.
- Defined benefit plan at present value.

2.4 Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. Figures in these financial statements have been rounded off to the nearest thousands Rupees, unless otherwise stated.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

i) Estimated useful life of property, plant and equipment and intangible assets [notes 3.1 and 3.2]
ii) Estimation of fair value of property, plant and equipment [Note 3.1, Note 4c]
iii) Estimation of net realizable value and Provision for slow moving inventories [notes 3.3]
iv) Estimate of liability and cost in respect of staff gratuity scheme [notes 3.11]
v) Estimation of current and deferred tax [note 3.14]
vi) Assessment of contingencies [Note 3.20]
vii) Estimate of provisions [Note 3.13]
viii) Present value of non interest bearing borrowings (Note 3.9) and GIDC (Note 19b)
ix) Estimate of impairment of financial assets (Note 3.6 and Note 3.4)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant & equipment

Owned Assets

Operating fixed assets are accounted for according to revaluation model of IAS-16 (Property, Plant and Equipment) under which the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, if any. Exception to this is tools and equipment, furniture, fixture and office equipment, and vehicles which are stated at cost less accumulated depreciation and impairment in value, if any.

Revalued amounts are fair values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values as described in Note 4c. Any increase or decrease in revaluation surplus is treated as per policy described in Note 3.8.

Capital work-in-progress is stated at cost accumulated up to the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Costs include expenditures that are directly attributable to the acquisition of the asset, including any borrowing cost, and are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located.

Repair and maintenance costs are charged to the statement of profit and loss during the period in which these are incurred. Capitalisation takes place if the measures lead to an extension or significant improvement of the asset.

Depreciation is charged to the statement of profit or loss using reducing balance method at the rates stated in note 4a. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Depreciation is charged to statement of profit or loss from the month when an asset becomes available for its indented use, whereas no depreciation is charged in the month of disposal.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed at each reporting date and altered if circumstances or expectations have changed significantly. In making these estimates, the Company uses the technical resources available with the Company. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised in the statement of profit or loss within other income or other expenses.

Leased Assets

Leased assets are accounted for as per policy described in Note 3.10.

3.2 Intangible assets

Intangible assets are accounted for according to IAS 38 (Intangible Assets) at cost less accumulated amortization and impairment loss, if any. Costs of purchase of computer software ERP is capitalized as intangible assets.

Intangible assets are amortized using straight-line method over a period of five years. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

3.3 Inventories

Inventories are measured in accordance with IAS 2 (Inventories) at the lower of cost and net realisable value using the periodic weighted average cost method. Spare parts for plant and equipment, consumable stores and fuel are reported under inventories. If spare parts were acquired in connection with the acquisition of the plant and equipment, or in a separate acquisition meet the definition of an asset, then they are reported under fixed assets.

Cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale necessarily to be incurred in order to make a sale.

The company reviews the carrying amount of the inventory on each reporting date or as appropriate, inventory is written down to its net realisable value or provision is made in the financial statements for slow moving and obsolete inventory if there is any change in usage pattern and physical form of related inventory, and is recognized in the statement of profit or loss.

3.4 Trade and other receivables

Trade and other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for receivables considered to be doubtful. Trade receivables are accounted for as per accounting policy as described in Note 3.18.

Trade and other receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 1,095 days (three years) from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

Impairment of trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months at each reporting date as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is charged to the statement of profit or loss.

3.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, and demand deposits, together with other short-term, highly liquid investments maturing within 30 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.6 Financial instruments

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of financial assets

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets, other than those designated and effective as hedging instruments, are classified into the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss (FVTPL)

- those to be measured subsequently at fair value through other comprehensive income (FVTOCI)

In the periods presented the Company does not have any financial assets categorised as FVOCI.

All income and expenses relating to financial assets that are recognised in profit or loss (FVTPL) are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest

Subsequent measurement of financial assets

Financial assets at amortised cost Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest are measured at amortised cost, provided that they are not allocated to a hedge. Interest income from these financial assets is recognised in the financial result using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. All gains or losses resulting from derecognition, impairment losses or currency translation are recognised directly in profit or loss. Impairment losses represent probability-weighted estimates of credit losses. They are calculated on the basis of the best available information and the time value of money. Reversals are carried out if the reasons for the impairment losses no longer apply. Financial assets measured at amortised cost include cash and cash equivalent, loan and advances, deposits, trade receivables, and other current operating receivables. In principle, the amortised cost in the case of current receivables corresponds to the nominal value or the redemption amount.

Financial assets at fair value through profit or loss (FVTPL)- Financial assets not meeting the criteria for the categories at amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in equity instruments and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss in the period in which they are incurred. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. The Company assesses on a forward-looking basis the expected credit losses associated with its loan and other debt-type instruments carried at amortised cost and FVOCI as per IFRS-9 impairment requirements. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounting policy for impairment of trade and other receivables is described in Note 3.4.

In applying this forward-looking approach, a distinction is made between:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;
Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low;
Stage 3: financial assets that have objective evidence of impairment at the reporting date;

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Accounting policy for borrowings is described in Note 3.9.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). In principle, the amortised cost in the case of current financial liabilities corresponds to the nominal value or the redemption amount.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.7 Equity, reserves and dividend payments

Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any.

Other component of equity includes the 'Revaluation Surplus on Property, Plant and Equipment' comprising gains and losses from the revaluation of items of property, plant and equipment (see Note 3.8).

Retained earnings include all current and prior period retained profits/(loss).

Dividends declared for the reporting period subsequent to the reporting date are considered as non-adjusting events. Dividend distributions payable to equity shareholders are recognized in the financial statements for the period in which such dividend has become payable after it has been approval by the Board or approved in a general meeting.

3.8 Revaluation surplus on property, plant and equipment

Revaluation on property, plant equipment is accounted for according to IAS-16 (Property, Plant and Equipment).

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in profit or loss. However revaluation decreases that reverse previous increases of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to that asset; all other decreases are charged to profit or loss. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the 'Revaluation Surplus on Property, Plant and Equipment' account to retained earnings through the Statement of Changes in Equity.

Any revaluation surplus remaining in 'Revaluation Surplus on Property, Plant and Equipment' account on disposal of the asset is transferred to retained earnings through the Statement of Changes in Equity.

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Revaluation surplus on property, plant and equipment reported under equity is not available for distribution of dividend.

3.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Non-interest bearing borrowings are recognised at fair value using amortised cost method. Fair value of these borrowings is determined by discounting the contractual payments in term of the loan agreement using the market related interest rate. The difference between the proceeds of the non-interest bearing loan and the present value of the contractual payments in terms of the loan agreement, discounted using the market related rate of interest, is recognised as winding-up of discount and charged to profit and loss. Changes occurred in fair value of these borrowings due to repayment and/or change in market interest rate is charged to statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation

Other borrowing costs are expensed in the period in which they are incurred.

3.10 Leases

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases (less than 12 months) and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been shown on face of statement of financial position.

3.11 Employees benefits

Employees benefits are determined in accordance with IAS 19 (Employee Benefits).

Defined benefit plan

The Company operates approved funded gratuity scheme for all its permanent employees of worker cadre who have completed the minimum qualifying period of service as defined under the respective scheme. The amount of gratuity benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market yields on government bonds as at the valuation date, that have terms approximating to the terms of the related obligation. The obligations are presented as non-current liabilities in the Statement of Financial Position as the Company has an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Management estimates the DBO annually with the assistance of independent actuaries using the projected unit credit method. Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plans

The Company operates approved funded contributory provident fund schemes for its permanent employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period in which the employees' services are received.

Short-term obligations

Liabilities for salaries, including non-monetary benefits, and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

3.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.13 Provisions

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. . The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each statement of financial position and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.14 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current Tax

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

The Company takes into account, in making the estimates for income taxes, the current income tax law and decisions taken by appellate authorities on certain issues in the past . Instances where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law, the amounts are shown as contingent liabilities.

Deferred Tax

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the date of statement of financial position. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change. Further, deferred tax calculation is based on estimate of future ratio of export and local sales based on last three years average.

3.15 Foreign currency translation

Foreign currency translation is made according to IAS-21 (The Effect of Changes in Foreign Exchange Rates). Foreign currency transactions are translated into the functional currency of the Company i.e. Rs., using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.17 Related party transactions

All transactions with related parties are executed at arm's length prices, determined in accordance with the pricing method as approved by the Board of Directors.

3.18 Revenue recognition

Revenue arises mainly from the sale of cement through intermediaries, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account. However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Revenue is recognised when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer i.e. upon delivery from the manufacturing unit of the Company.

"Contract liabilities, which is the Company's obligation to transfer goods to a customer for which the entity has already received consideration, relate mainly to advance payments from customers. A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due. Contract assets, which is the Company's right to consideration that is conditional on something other than the passage of time, relate mainly to construction and paving activities and not relevant for the Company.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.

Interest is recognized on a time proportion basis that reflects the effective yield on the asset.

3.19 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

3.20 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company.

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the date of statement of financial position. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognise any liability at the date of statement of financial position.

3.21 Earning per share (EPS)

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

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

3.22 Impairment of non-financial assets

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

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

3.23 Non current assets held for sale

A non-current asset is classified as held for sale if most of its carrying amount is expected to be recovered via future cash flows from the sale of the asset rather than future cash flows from use. To classify an asset as held for sale, the asset must be available for immediate sale in its present condition and the sale must be highly probable.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset is measured in accordance with applicable IFRSs. Resulting adjustments are also recognised in accordance with applicable IFRSs. Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, property, plant and equipment are no longer depreciated.

	Note	2021	2020
		(Rupees in 000s)	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4a	19,254,205	20,222,654
Right of use assets	4b	27,313	35,611
Capital work in progress	4d	341,958	45,219
		19,623,476	20,303,484

4a- OPERATING FIXED ASSETS - TANGIBLE

	COST / REVALUED AMOUNT						ACCUMULATED DEPRECIATION							Book Value Revaluation Model as at end of Financial year
	Opening Balance	Additions	Revaluation Gain	Revaluation Loss	Transfer from CWIP	Transfer*	Closing Balance	Rate	Opening Balance	For the Year	Revaluation Adjustment	Revaluation Loss	Transfer*	Closing Balance	
	(Rupees in 000s)														
Financial year 2021															
Freehold land	204,261	9,812	-	-	-	(50,416)	163,657		-	-	-	-	-	-	163,657
Building and foundation on freehold land	4,685,738	1,100	-	-	-	-	4,686,838	5%	1,917,454	138,428	-	-	-	2,055,882	2,630,956
Building and foundation on leasehold land	77,476	-	-	-	-	-	77,476	10%	51,427	2,605	-	-	-	54,032	23,444
Heavy earth moving machinery	511,475	-	-	-	-	-	511,475	20%	349,988	32,297	-	-	-	382,285	129,190
Plant and machinery	22,728,390	126,852	-	-	-	-	22,855,242	5%	5,872,028	844,654	-	-	-	6,716,682	16,138,560
Infrastructure	368,954	-	-	-	-	-	368,954	20%	276,046	18,583	-	-	-	294,629	74,325
Tools and equipment	47,304	893	-	-	-	-	48,197	20%	18,488	5,818	-	-	-	24,306	23,891
Furniture and fixtures	87,120	161	-	-	-	-	87,281	20%	62,444	4,941	-	-	-	67,385	19,896
Vehicles	170,840	1,348	-	-	-	5,079	177,267	20%	111,029	12,294	-	-	3,658	126,981	50,286
	28,881,558	140,166	-	-	-	(45,337)	28,976,387		8,658,904	1,059,620	-	-	3,658	9,722,182	19,254,205
Financial year 2020															
Freehold land	169,782	5,781	29,763	(1,065)	-	-	204,261		-	-	-	-	-	-	204,261
Building and foundation on freehold land	4,305,568	-	366,626	-	13,544	-	4,685,738	5%	1,633,781	133,646	150,027	-	-	1,917,454	2,768,284
Building and foundation on leasehold land	51,886	-	25,590	-	-	-	77,476	10%	33,409	1,848	16,170	-	-	51,427	26,049
Heavy earth moving machinery	382,663	-	162,080	-	-	(33,268)	511,475	20%	213,721	29,648	110,907	-	(4,288)	349,988	161,487
Plant and machinery	18,375,483	-	3,573,643	-	779,264	-	22,728,390	5%	4,235,249	713,505	923,274	-	-	5,872,028	16,856,362
Infrastructure	367,572	8,391	-	(7,009)	-	-	368,954	20%	204,755	33,823	-	37,468	-	276,046	92,908
Tools and equipment	36,195	11,109	-	-	-	-	47,304	20%	12,472	6,016	-	-	-	18,488	28,816
Furniture and fixtures	86,859	261	-	-	-	-	87,120	20%	56,300	6,144	-	-	-	62,444	24,676
Vehicles	167,002	3,838	-	-	-	-	170,840	20%	96,635	14,394	-	-	-	111,029	59,811
	23,943,010	29,380	4,157,702	(8,074)	792,808	(33,268)	28,881,558		6,486,322	939,024	1,200,378	37,468	(4,288)	8,658,904	20,222,654

*Transfer in Land for current year represented piece of land at Plot # 388, Block A-I, Gurumangat Road, Gulberg-III, Lahore classified as non current assets held for sale which subsequently has been sold out.
*Transfer in Vehicles for current year represented transfer of a vehicle from leased asset to owned assets on maturity of lease.
Operating fixed assets has been pledged as security against the company's borrowings (refer to Note 15a).

4b- RIGHT OF USE ASSETS

	COST				Rate	ACCUMULATED DEPRECIATION					Book Value at June 30, 2021
	Opening Balance	Additions	Transfer	Closing Balance		Opening Balance	For the year		Transfer	Closing Balance	
	(Rupees in 000s)										
Financial year 2021											
Heavy earth moving machinery	33,268	-	-	33,268	20%	8,428	4,968		-	13,396	19,872
Vehicles	15,155	-	(5,079)	10,076	20%	4,384	1,909		(3,658)	2,635	7,441
	48,423	-	(5,079)	43,344		12,812	6,877		(3,658)	16,031	27,313
Financial year 2020											
Heavy earth moving machinery	-	-	33,268	33,268	20%	-	4,140		4,288	8,428	24,840
Vehicles	5,079	10,076	-	15,155	20%	3,241	1,143		-	4,384	10,771
	5,079	10,076	33,268	48,423		3,241	5,283		4,288	12,812	35,611

4c Freehold land, building and foundation on freehold land, building on leasehold land, heavy earth moving machinery, plant and machinery and infrastructures have been carried at revalued amounts determined by professional valuers (level 2 measurement under IFRS-13 'Fair Value Measurements'). The latest valuations was conducted on 30-06-2020 by an independent valuer Protectors Indus Surveyor (Pvt) Limited who are approved by Pakistan Banks' Association (PBA) in any amount category. Whereas a piece of land and 1st floor in Pace Tower situated in Lahore were revalued on 30-06-2020 by another independent valuers Al Wazzan Associates (Pvt) Limited.

Freehold land

The valuation experts used a market based approach to arrive at the fair value of the Company's properties. Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Building and foundation, Infrastructure

The valuation experts used a cost based approach to arrive at the fair value of the Company's properties. Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery, Heavy earth moving machinery

The valuation experts used a cost based approach to arrive at the fair value of the Company's properties. Current replacement cost was determined by collecting information regarding current prices of comparable cement plant from suppliers and different cement plant consultants in Pakistan and abroad. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

Assessed value and forced sales value of these fixed assets as at the date of revaluation i.e. June 30, 2020 was as under:

	Assessed Value	Forced Sales Value
	(Rupees in 000s)	
Freehold land	163,657	173,622
Building and foundation	2,630,956	2,368,751
Building and foundation on leasehold land	23,444	22,142
Heavy earth moving machinery	129,190	137,264
Plant and machinery	16,138,560	14,328,136
Infrastructure	74,325	78,971
	19,160,132	17,108,886

Carrying amount of fixed assets if these had been carried under cost model and had not been revalued:

		Note	2021	2020
			(Rupees in 000s)	
	Freehold land		39,400	77,328
	Building and foundation		1,454,920	1,530,352
	Building and foundation on leasehold land		45	50
	Heavy earth moving machinery		69,759	87,199
	Plant and machinery		10,854,539	11,294,235
	Infrastructure		74,331	92,908
4ca	**Depreciation charge for the year has been allocated as under:**			
	Cost of sales	26	1,039,907	915,567
	General and administrative expenses	27	24,897	26,810
	Selling and distribution expenses	28	1,693	1,930
			1,066,497	944,307
4cb	**The carrying amount of temporarily idle property, plant and equipment, as included in note 4a, is as under:**			
	Building and foundations		104,134	115,705

4cc Heavy earth moving machinery includes used dumpers having book value of Rs. 12,580 million (FY2020: Rs. 15.725 million) which had been purchased with the funds of the Company. These are in the possession of the Company and are being used for transportation of raw material within the factory premise, but these are not yet registered in the name of the Company.

4cd **Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:**

Location	Usage of immovable property	Area
Ismailwal, Tehsil Pind Dadan Khan	Manufacturing facility	2,378 Kanals & 5 Marla
Ismailwal, Tehsil Pind Dadan Khan (see Note 24c)	Manufacturing facility	400 Kanals
Jutana, Tehsil Pind Dadan Khan	Infrastructure	127 Kanal & 14 Marla
Dewanpur Tehsil Pind Dadan Khan	Pumping station	58 Kanal & 17 Marla
1st Floor, Pace Tower, 27-H, College Road, Gulberg-II, Lahore	Head office	18,000 square feet

	Opening Balance	Additions / Adjustments	Transfer to operating fixed assets	Closing Balance
	(Rupees in 000s)			
4d Capital work-in-progress				
Capital work in progress	20,219	22,596	-	42,815
Advances for capital expenditure	25,000	274,143	-	299,143
	45,219	296,739	-	341,958

	Note	2021	2020
		(Rupees in 000s)	
5 INTANGIBLE ASSETS			
Cost			
Balance at the beginning of the year		9,614	9,614
ERP license purchased during the year		11,645	-
		21,259	9,614
Amortization			
Opening balance		(7,995)	(6,712)
Amortized during the year @ 20%	27	(3,286)	(1,283)
		(11,281)	(7,995)
		9,978	1,619
6 DEPOSITS			
Utilities and supplies		47,253	47,253
Margin against letters of guarantee from bank		23,140	-
		70,393	47,253
7 INVENTORIES			
Stock in trade	7a	985,083	527,599
Fuel, parts and supplies	7b	2,091,704	1,739,944
		3,076,787	2,267,543
7a Stock in trade			
Raw material		58,166	126,807
Work in process		831,055	316,627
Finished goods		74,780	65,551
Packing material		21,082	18,614
		985,083	527,599

		Note	2021	2020
			(Rupees in 000s)	
7b	**Fuel, Parts and Supplies**			
	Fuel and supplies		1,610,223	1,374,698
	Spares parts		266,878	258,872
	Loose tools		5,655	4,941
	Inventoies in transit		243,583	136,068
			2,126,339	1,774,579
	Less: Provision for slow moving and obsolete items		(34,635)	(34,635)
			2,091,704	1,739,944
8	**TRADE AND OTHER RECEIVABLES**			
	Trade receivable from contracts with customers		472,340	572,893
	Markup receivable from Balochistan Glass Limited (related party)		31,430	19,787
			503,770	592,680
9	**LOAN AND ADVANCES**			
	Considered good			
	Secured			
	Advances to employees against salaries		4,883	3,132
	Advances to employees for expenses		362	2,173
			5,245	5,305
	Unsecured			
	Loans to employees	9a	1,800	14,383
	Balochistan Glass Limited - associated company	9b	587,366	538,390
			589,166	552,773
			594,411	558,078
9a	**Loans to employees**			
	Numan Basharat		10,354	10,045
	Abdul Aziz		3,339	4,338
			13,693	14,383
	Less: Recoverable after 12 months shown as long term loan		(11,893)	-
			1,800	14,383

These loans are given for house building and are interest free. These were recoverable on demand however these are rescheduled during the current year and now these are recoverable in 67-104 equal monthly instalments. Accordingly loan recoverable after 12 months is shown as long term loan during the current financial year. The value of these loans at amortised cost comes to Rs. 9.578 million (FY2020: Nil) giving a winding up of discount of Rs. 4.115 million. The value involved is immaterial, therefore, long term loan is shown at its carrying amount.

9b The Company has approved a short term advance facility up to Rs. 600 million (FY2020: Rs. 600 million) to its associated company Balochistan Glass Limited (Mr. Muhammad Tousif Peracha is the CEO of the both companies and he also holds more than 50% shares of both the companies) under the authority of a special resolution u/s 199 of the Companies Act, 2017. This facility carries markup @ 3 months KIBOR + 3.5% p.a. The markup receivable during the year amounting to Rs. 48.976 million (2020: Nil) was transferred to the principal amount of the advances to BGL. Maximum balance at any month-end during the year was Rs. 587.366 million (FY2020: Rs. 538.390 million).

		2021	2020
		(Rupees in 000s)	
10	**DEPOSITS**		
	Considered good but unsecured		
	Margin against letters of guarantee from banks	9,120	32,260

	Note	2021	2020
		(Rupees in 000s)	
11 PREPAYMENTS			
Considered good but unsecured			
Advances to suppliers		117,402	132,385
Prepaid expenses		4,850	7,208
		122,252	139,593
12 CASH AND CASH EQUIVALENTS			
Cash in hand	12a	1,319	352
Cash at banks in local currency			
Current accounts		292,596	186,521
PLS accounts	12b	450,497	13,525
Term deposits	12c	546,000	225,000
Dividend account		2,523	2,480
		1,291,616	427,526
Cash at banks in foreign currency			
USD accounts		2,099	3,522
		1,295,034	431,400

12a This included Rs. 0.111 million (FY2020: 0.119) in SAR.

12b These accounts bear profit ranging from 5% to 7% p.a. (FY2020: 5% to 7% p.a.).

12c These term deposits receipts are placed with scheduled banks with profit @ 5%-6.25% p.a. (FY2020: 10% p.a.) for one month. These include TDR amounting to Rs. 325 million (FY2020: Nil) which are held under lien against letter of credit facility by the bank.

	2021	2020	2021	2020
13 SHARE CAPITAL	(Numbers)		(Rupees in 000s)	
Authorized share capital				
Ordinary shares of Rs. 10 each	470,000,000	470,000,000	4,700,000	4,700,000
Issued, subscribed and paid up capital				
Ordinary shares of Rs. 10 each:				
fully paid in cash	386,842,543	386,842,543	3,868,425	3,868,425
fully paid as bonus shares	13,431,417	13,431,417	134,314	134,314
	400,273,960	400,273,960	4,002,739	4,002,739

13a Voting rights, Board selection, right of first refusal and block voting are in proportion to the shareholding.

	Note	2021	2020
14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		(Rupees in 000s)	
Gross Surplus			
Opening balance		7,028,335	4,285,637
Fresh revaluation surplus		-	2,957,323
Incremental depreciation for the year		(357,460)	(214,625)
		6,670,875	7,028,335
Deferred Tax attributed to Surplus			
Opening balance		(2,001,098)	(1,199,504)
Impact of tax rate change	17	-	(14,843)
Incremental depreciation for the year		103,664	62,241
Fresh revaluation surplus		-	(848,992)
		(1,897,434)	(2,001,098)
		4,773,441	5,027,237

		Note	2021	2020
			(Rupees in 000s)	
15	BORROWINGS			
	LONG TERM PORTION			
	Banks and financial institutions - Secured			
	Interest bearing borrowings	15a	1,350,244	2,228,472
	Non-Interest bearing borrowings	15b	109,168	243,807
			1,459,412	2,472,279
15a	Interest bearing borrowings			
	Finance under conventional mode			
	Bank of Punjab	15aa	441,816	501,816
	Bank of Punjab	15ab	195,156	195,156
	Bank of Punjab	15ac	165,405	74,292
	National Bank of Pakistan	15ad	263,369	303,988
	MCB Bank Limited	15ae	25,143	50,285
	Pak China Investment Company Limited	15af	133,333	200,000
	Saudi Pak Industrial & Agricultural Investment Co. Ltd	15ag	30,104	37,957
	First Credit Investment Corporation	15ah	3,040	7,600
			1,257,366	1,371,094
	Finance under islamic mode			
	Al Baraka Bank Limited	15ai	570,000	665,000
	Summit Bank Limited	15aj	193,005	235,895
	Faysal Bank Limited	15ak	281,250	318,750
	First Punjab Modaraba	15al	-	3,197
	First Habib Modaraba	15am	21,035	36,579
			1,065,290	1,259,421
			2,322,656	2,630,515
	Less: current and overdue portion shown under current liabilities	20	(972,412)	(402,043)
			1,350,244	2,228,472

15aa The term finance facility is to be repaid in 115 unequal monthly instalments starting from January 2013 to July 2023. Markup is charged @ 3 months KIBOR plus 1.4% per annum with floor of the bank's cost of fund payable quarterly in arrear.

15ab This demand finance facility is to be repaid in 10 bi-annual equal instalments starting from March 2017 to September 2022. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 700.000 million which is in addition to securities as mentions in note 15ao.

15ac This finance has been obtained under temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme) announced by the State Bank of Pakistan (SBP) through IH&SMEFD Circular No. 06 of 2020 (dated April 10, 2020). This carries subsidized markup rate of 3% p.a. and is repayable in eight equal quarterly instalments from January 2021 to October 2022. Government grant portion representing the difference between fair value of the finance and loan proceeds came to immaterial amount of Rs. 6 million and therefore are not segregated separately as required under IAS-20. Accordingly loan is reported at its nominal value rather than fair value as required under IFRS-9.

15ad The demand finance is to be repaid in 40 unequal quarterly instalments from October 2015 to June 2026. This facility carries markup @ 3 months KIBOR + 1% p.a. which is to be paid quarterly.

15ae The term finance facility is to be repaid in 35 unequal quarterly instalments starting from March 2012 to December 2021. Markup is charged @ 3 months KIBOR plus 0% and is payable in instalments.

15af This term finance facility to finance is to be repaid in 12 equal quarterly instalments starting from August 2020 to May 2023. This facility carries markup @ 3 months KIBOR + 2.0% p.a. which is to be paid quarterly. This facility is secured by way of first pari passu hypothecation charge over all present and future fixed assets of the Company with 25% margin, pledge of clinker stock with 25% margin, mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

15ag This term finance facility is to be repaid in 96 equal monthly instalments starting from July 2014 to June 2023. Markup is charged @ 3 months KIBOR plus 2.5% p.a. payable quarterly in arrear.

15ah This term finance facility is to be repaid in 108 equal monthly instalments starting from March 2013 to February 2022. Markup is charged @ 3 month KIBOR plus 0% and payable in instalments.

15ai This facility was obtained under Musharika arrangement to finance the import value of new cement mill which is repayable in 20 equal quarterly instalments from September 2018 to June 2024. Profit is to be paid @ 3 month KIBOR plus 2% on quarterly basis in arrear. This facility is secured against exclusive charge on this cement mill up to Rs. 1 billion. It is also secured by way of personal guarantees of the sponsoring directors.

15aj The Company has obtained a term finance facility to finance the import value of plant and machinery for waste heat recovery project. Principal amount is to be repaid in 16 equal quarterly instalments starting from November 2018 to August 2022. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 350.000 million along with 25% margin to be covered through first pari passu charge over all present and future fixed assets of the Company and personal guarantees of sponsoring directors.

15ak This facility was obtained under Musharika arrangement to finance expansion project phase-I, and is repayable in 20 equal quarterly instalments till March 2025. Profit is to be paid @ 3months KIBOR + 2.25% on quarterly basis. This facility is secured by way of first pari passu hypothecation charge / equitable mortgage over all present and future fixed assets of the Company upto Rs. 500 million with 25% margin, mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

15al This facility of Rs. 30 million was obtained under Musharika arrangement to purchase vehicles and is repayable in 60 unequal monthly instalments. Profit is to be paid @ KIBOR + 3% with defined floor rate. Vehicles purchased under this facility are registered in the name of financial institution as security which shall be transferred in the name of the Company on repayment of whole amount. Further post-dated cheques has also been issued for the instalments.

15am This facility was obtained under Musharika arrangement to purchase vehicles and heavy earth moving machinery. It is repayable in 24 to 60 monthly instalments. Profit is to be paid @ 6 months KIBOR + 2.75% with floor rate of 8.75% p.a to 9.00% p.a. Vehicles purchased under this facility are registered in the name of financial institution as security which shall be transferred in the name of the Company on repayment of whole amount.

15an The Company has entered into a First Joint Pari Passu Hypothecation Agreement with the banks and financial institutions mentioned in note 15aa to 15ai and note 15b excluding loans mentioned in Note 15ab, 15ac and 15af. As a result of this agreement, these term finance facilities along with demand finance 2 (DF2) facilities mentioned in Note 15b obtained from these banks or financial institutions are secured by way of first pari passu charge over the fixed assets of the Company to the extent of Rs. 10,019.157 million (FY2020: Rs. 10,019.157 million). In addition to this, Bank of Punjab has exclusive charge to the extent of Rs. 600.000 million (FY2020: Rs. 600 million) on three dual fuel Wartsila Generators. Sponsoring directors also give personal guarantees along with mortgage of their personal assets to secure these borrowings.

This agreement also includes first pari passu charge over the fixed assets of the Company amounting to Rs. 770.908 million to the Trustee of Term Finance Certificates which is being vacated as the whole TFCs had been fully redeemed and Trustee has issued NOC in this regard.

		Note	2021	2020
15b	**Non-interest bearing borrowings**		(Rupees in 000s)	
	Finance under conventional mode			
	National Bank of Pakistan	15ba	173,518	190,870
	MCB Bank Limited	15bb	14,171	75,608
	Saudi Pak Industrial & Agricultural Investment Co. Ltd	15bc	116,568	116,568
	Bank of Khyber	15bd	164	91,283
	Faysal Bank Limited	15be	-	26,574
	Silk Bank Limited	15bf	-	8,513
	First Credit Investment Corporation	15bg	17,335	25,599
	Gross value of non-interest bearing borrowings		321,756	535,015
	Less: Winding up of discount			
	Opening balance		(80,865)	(152,032)
	Unwinding up of discount and catch up adjustments	32	31,402	71,167
			(49,463)	(80,865)
	Present value of non-interest bearing borrowings		272,293	454,150
	Less: current and overdue portion shown under current liabilities	20	(163,125)	(210,343)
			109,168	243,807

15ba This facility is being paid in unequal quarterly instalment ending in June 2026.
15bb This facility is being paid in unequal quarterly instalments ending in December 2021.
15bc This facility is payable as a bullet payment on June 30, 2022.
15bd This facility is being paid in equal monthly instalments ending in June 2021.
15be This facility is being paid in unequal quarterly instalments ending in December 2020.
15bf This facility is being paid in equal quarterly instalments ending in September 2020.
15bg This facility is being paid in monthly instalments ending in February 2022.

16 LEASE LIABILITY

	2021	2020
	(Rupees in 000s)	
Non-current lease liabilities	5,229	16,719
Current lease liabilities (current maturities)	11,694	10,579
	16,923	27,298

The Company has obtained heavy earth moving machinery and vehicles under a lease arrangement for lease term of 36 months. These lease facilities carries markup at the rate 3 month KIBOR plus a spread of 2.50% - 2.75% p.a. The Company intends to exercise its option to purchase the above assets upon completion of the lease period. Facilities are secured through exclusive ownership of asset-in-use in the name of the Bank. Taxes, repair and insurance costs are borne by the Company. Lease rentals of Rs. 12.619 million (FY2020: Rs. 8.539 million) million paid during the reporting fiscal year.

17 DEFERRED TAXATION

	Note	2021	2020
		(Rupees in 000s)	
Deferred tax liability due to accelerated depreciation rate for tax purpose		4,263,361	4,281,922
Deferred tax assets due to provisions allowed on actual / payment basis in tax computation		(109,278)	(187,513)
Tax losses eligible for adjustment against future tax profits		-	(39,601)
Tax credits available for adjustment against future tax liabilities		-	(618,271)
Net deferred tax liability		4,154,083	3,436,537
Reconciliation of deferred tax liability			
Opening balance		3,436,537	3,271,186
Impact of tax rate change on revaluation surplus on PPE	14	-	14,843
Impact of tax on fresh revaluation surplus on PPE	14	-	848,992
Provision / (credit) for the year		717,546	(698,484)
		4,154,083	3,436,537
Deferred tax expense/(credit) for the year			
Provision for the year		717,546	108,716
Impact of tax rate change on opening balance	33b	-	41,792
Attributed to other comprehensive income	14	-	(848,992)
Deferred tax expense/(credit) charged to profit or loss		717,546	(698,484)

18 EMPLOYEES BENEFIT OBLIGATIONS

	Note	2021	2020
Frozen Employees Benefit Obligations	18a	26,155	28,627
Gratuity Fund	18b	-	74,100
		26,155	102,727

18a Frozen Employees Benefit Obligations

	2021	2020
Opening balance	28,627	33,142
Payments for the year	(2,472)	(4,515)
	26,155	28,627

These are the left over amounts of discontinued post-employment benefits under gratuity scheme and accumulated compensatory absences scheme for the permanent employees of management cadre. These will be paid to employees when they retire or leave the Company.

	Note	2021	2020
		(Rupees in 000s)	
18b Gratuity Fund			
Opening balance		74,100	68,511
Expense for the year (cost of sales)		51,692	10,973
Benefits paid during the year		(1,833)	(2,884)
Loan against gratuity		-	(2,500)
		123,959	74,100
Frozen gratuity to be paid in twelve months	22	(123,959)	-
Closing balance		-	74,100

The management of the Company discontinued Gratuity Scheme for the workers cadre w.e.f. 30-06-2021. Gratuity amount has been calculated by multiplying service length till 30-06-2021 with the basic salary of worker as at 01-07-2021. This gratuity amount will be paid by 30-06-2022, accordingly, the whole amount is shown under employee benefits obligation as current liability (Note 22).

	Note	2021	2020
		(Rupees in 000s)	
19 TRADE AND OTHER PAYABLES			
Trade creditors	19a	2,227,608	1,739,795
Accrued liabilities	19b	591,118	176,247
Federal Excise Duty and Sales Tax		137,490	1,097,337
Royalty and Excise Duty		98,756	99,029
Withholding tax		489,298	484,233
		3,544,270	3,596,641

19a These include balances payable to foreign creditors under letters of credit arrangement for purchase of coal, machinery, equipment, and consumables. Total letters of credit facilities aggregated to Rs. 3,472.000 million (FY2020: Rs. 2,289.000 million) were available from commercial banks at Statement of Financial Position date out of which Rs. 423.426 million (FY2020: Rs. 1,053.627 million) were remained unutilized at Statement of Financial Position date. These letters of credit are due in 0-180 days and are secured against lien on import/local L/C documents, accepted draft/bill of exchange, 1st pari passu charge over all present and future fixed assets, to some extent, and personal guarantees of the sponsoring directors.

	Note	2021	2020
		(Rupees in 000s)	
19b Accrued liabilities			
Gas Infrastructure Development Cess (GIDC)	19ba	502,700	539,216
Winding up of discount on initial recognition	31	(50,719)	-
Present value of GIDC		451,981	539,216
Unwinding of discount during the year		32,499	-
Present value of GIDC		484,480	539,216
Payable after twelve months shown under non current liabilities		(44,397)	(314,543)
Present value of GIDC payable within twelve months		440,083	224,673
Water conservancy charges	19bb	84,480	-
Other accrued liabilities / (assets)		66,555	(48,426)
		591,118	176,247

19ba The GIDC including GST thereupon are payable to SNGPL in 24 monthly instalments as per Supreme Court of Pakistan Order dated 13-08-2020 without late payment surcharges. This liability is accounted for under IFRS-9 w.e.f. December 2020 as per "Accounting of Gas Infrastructure Development Cess" a guideline issued by the Institute of Chartered Accountants of Pakistan during January 2021. Rate of 1 year KIBOR + 2% p.a. is used. Winding up discount on initial recognition is shown under finance income (Note 31) whereas unwinding up of discount is shown under finance cost (Note 32). Present value of GIDC payable after twelve months of the Statement of Financial Position is shown under non current liabilities.

19bb The District Council Jhelum has levied water conservancy charges amounting to Rs. 770.669 million (FY2020: 499.717 million) @ ~ Rs. 409/m3 w.e.f. May 2018 on the order of the Supreme Court of Pakistan. The Company has filed an appeal before the Lahore High Court challenging therein the levy of water conservancy charges, jurisdiction of the District Council Jhelum over levying such charges, and rate of such charges. The Court remanded back the case to the Local Government for fresh assessment of rate after considering the effecttees concerns. The proceedings are under progress and the local Government has obtained the proposals from the effecttees. Based on discussion with the local authorities, the management estimates that the local authorities would most likely reduced the rate to Rs. 45/m3 (approx.), therefore, a provision for water conservancy charges at this rate has been accounted for in these financial statements on prudence basis. The management will challenge the charge rate once announced at appropriate forum, accordingly the provisional amount will be further reduced in case of favourable outcome in future.

		Note	2021	2020
			(Rupees in 000s)	
20	**BORROWINGS**			
	Current Maturities of long term borrowings			
	Interest bearing borrowings	15a	972,412	402,043
	Non-interest bearing borrowings	15b	163,125	210,343
	Related party (GCL WPPF Trust)		-	182,428
			1,135,537	794,814
21	**MARKUP AND PROFIT PAYABLE**			
	Banks and Financial Institutions			
	Under markup/interest basis		25,994	45,619
	Under islamic mode		13,139	26,937
	Related party (GCL WPPF Trust)		74,886	88,583
	Finance leases		46	80
			114,065	161,219
22	**EMPLOYEES' BENEFIT OBLIGATIONS**			
	Workers' Profit Participation Fund (related party)	22a	107,384	-
	Workers' Welfare Fund		67,765	21,069
	Employee benefit obligations		54,083	45,986
	Frozen gratuity	18b	123,959	-
	Provident Fund Trusts (related parties)		16,554	7,717
			369,745	74,772
22a	**Due to workers' profit participation fund (WPPF)**			
	Opening balance		-	51,235
	Allocation for the year		122,884	-
			122,884	51,235
	Payment made during the year		(15,500)	(51,235)
	Closing balance		107,384	-

23 CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognised at point in time when goods are transferred. The amount of Rs. 9.062 million (2020: Rs. 21.807 million) recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended June 30, 2021 (2020).

24 CONTINGENCIES AND COMMITMENTS

24a The Competition Commission of Pakistan (the CCP) took suo moto action and issued Show Cause Notice on October 28, 2008 under section 30 of the Competition Ordinance, 2007 to almost all cement companies (including the Company) for alleged increase in the prices of cement across the country. The CCP passed an order on August 27, 2009 against all the cement companies and imposed a penalty amounting to Rs. 39.126 million on the Company. The cement manufacturers (including the Company) have challenged the CCP order in the Lahore High Court and seeks the declaration of the Competition Ordinance 2007 and Regulation 22 of the Competition (General Enforcement) Regulations 2007 to be ultra-vires the Constitution, and, further, that the show cause notice dated October 28, 2008 and order dated August 27, 2009 be declared illegal "Appeals against the CCP's orders were also led as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007 as at the time of filing it was unclear where appeal against the CCP order lay. However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal (CAT) had been constituted, the Honourable Supreme Court of Pakistan vide its Order dated June 01, 2017 sent the above appeals to CAT to decide the same in accordance with law. Accordingly, the appeal is pending before CAT in which a next date of hearing has not been fixed as yet. The cement manufacturers (including the Company) has also fled petition in the Sindh High Court in relation to the constitution mechanism of the tribunal, wherein the Sindh High Court granted stay against the notice. The SHC has ordered CAT not to pass a final order, till the case is decided.

The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, Hence, no provision for the above penalty has been made in these financial statements.

24b The Pakistan Standards and Quality Control Authority (PSQCA) charged a marking fee @ 0.15% of the total production of cement to manufacturer for the renewal of license and imposed liability amounting to Rs. 24.000 million but management disagreed with this amount of liability. A writ petition is filled by APCMA before Lahore High Court which is pending for adjudication. Based on the legal opinion, the management is confident that the Company has good case and there are reasonable chances of success in the pending Petition in the court.

24c The Member (Colonies), Board of Revenue, Government of Punjab vide its order dated July 23, 2010 cancelled the sales of state land measuring 400 kanals in favour of the Company after the proceedings taken pursuant to the show cause notice no 408-SC-2010/1579/CS.III dated July 01, 2010. The Company filed writ petition before the Lahore High Court challenging the legality and validity of all these proceeding however the Lahore High Court dismissed the writ petition. The Company has filed a review petition against the earlier order of the LHC. The Adjudication in this review petition is pending. Based on the legal opinion, the management is confident that the Company has good case and there are reasonable chances of success in the Review Petition pending before the Lahore High Court.

24d Surcharge of Rs. 1,601.706 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 (“Rules”) against which the Company has filed writ petition against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition since the matter was being reviewed by the relevant Authority. Management and the Company’s legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

24e The interest amounting to Rs. 241.071 million for the period that it remained unpaid to the Workers’ Profit Participation Fund (WPPF), being leftover amount, has not been accounted for in these financial statements as the management and the legal counsel of the Company believes that the interest on the leftover amount is not payable to the Authority, not so for established by the Government of Punjab.

24f Contingent tax cases which are pending for adjudication at various appellate forums are disclosed in Note 33c.

24g **Bank guarantees**

Commercial banks have issued the following bank guarantees on behalf of the Company in favour of:

	2021	2020
	(Rupees in 000s)	
Sui Northern Gas Pipeline Limited	185,000	185,000
Islamabad Electricity Supply Corporation	92,560	92,560
	277,560	277,560

In addition to above bank guarantees, a commercial bank has issued performance guarantee against export sales on behalf of the Company amounting to USD 10,000 (FY2020: USD 10,000).

24h **Commitments**

	2021	2020
Against supply of plant and machinery under letters of credit	1,398,341	-
Against supply of inventories under letters of credit	421,693	356,202
	1,820,034	356,202

25 REVENUE FROM CONTRACT WITH CUSTOMERS

	2021	2020
Local sales	17,853,068	15,158,282
Less:		
Sales tax	(2,901,117)	(2,435,902)
Federal excise duty	(2,664,733)	(3,318,422)
Advance income tax	(18,749)	(19,831)
Freight outward	(25,602)	(588,165)
Discount on sales	(135,882)	(81,873)
	(5,746,083)	(6,444,193)
	12,106,985	8,714,089

	Note	2021	2020
		(Rupees in 000s)	
26 COST OF SALES			
Packing and raw materials consumed		1,213,314	1,063,172
Electricity, gas and water		1,160,398	987,642
Coal, diesel and furnace oil		4,600,267	4,039,975
Royalty and excise duty on minerals		315,827	268,712
Consumable parts and supplies		448,179	401,849
Repair and maintenance		32,347	28,201
Salaries and benefits		376,669	307,248
Transportation and freight		196,104	172,393
Insurance		16,947	20,880
Vehicle running and travelling		6,970	5,594
Other expenses		47,003	35,367
Depreciation	4ca	1,039,907	915,567
		9,453,932	8,246,600
Adjustment of work-in-process inventory			
Opening balance		316,627	673,348
Closing balance		(831,055)	(316,627)
		(514,428)	356,721
Adjustment of finished goods inventory			
Opening balance		65,551	90,046
Closing balance		(74,780)	(65,551)
		(9,229)	24,495
		8,930,275	8,627,816
27 GENERAL AND ADMINISTRATION EXPENSES			
Salaries and benefits		308,608	225,635
Vehicle running and travelling		14,520	21,153
Legal and professional charges		14,579	8,901
Auditors' remuneration	27a	2,154	1,860
Communication expenses		14,601	13,490
Rent, rates and taxes		572	1,392
Fee and subscription		4,783	4,173
Utilities		3,840	3,906
Other expenses		22,489	23,827
Amortization	5	3,286	1,283
Depreciation	4ca	24,897	26,810
		414,329	332,430
27a Auditors' remuneration			
Audit fee		1,207	1,000
Half year review fee		604	500
Certification fee		143	160
Out-of-pocket expenses		200	200
		2,154	1,860
28 SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits		20,091	17,130
Vehicle running and travelling		2,229	1,470
Sales promotion		871	60
Other expenses		1,951	1,531
Depreciation	4ca	1,693	1,930
		26,835	22,121

		Note	2021	2020
29	OTHER EXPENSES		(Rupees in 000s)	
	Revaluation loss on PPE		-	45,540
	Workers' Profit Participation Fund	22a	122,884	-
	Workers' Welfare Fund		46,696	-
	Zakat		629	-
	Donation to Indus Hospital (free of cost cement)		-	8,764
			170,209	54,304
30	OTHER INCOME			
	Rental income from Balochistan Glass Limited (related party)		-	3,150
31	FINANCE INCOME			
	Income from financial assets under interest/markup basis			
	Profit on bank deposits		32,412	12,367
	Markup on advance to Balochistan Glass Limited (related party)		60,619	73,289
	Reversal of late payment surcharge on GIDC	19b	-	278,694
	Winding up of discount on GIDC	19b	50,719	-
			143,750	364,350
32	FINANCE COST			
	Banks and financial institutions			
	under markup/interest basis			
	Long term borrowings		146,384	254,456
	Un-winding up of discount and catch up adjustments	15b	31,402	71,168
	Lease finance charges		2,210	2,332
			179,996	327,956
	under Islamic mode			
	Long term borrowings		90,870	160,194
	others			
	Letters of credit financing cost		21,252	17,413
	Bank guarantees commission		67,823	4,667
	Bank charges		6,984	6,673
			96,059	28,753
			366,925	516,903
	Long term loan -GCL WPPF Trust		232	60,772
	Default charge on taxes and duties		399	12,604
	Workers Profit Participation Fund		-	16,435
	Late payment surcharge on utilities bills		20,778	-
	Un-winding up of discount on GIDC	19b	32,499	-
	Foreign currency exchange loss/(credit)		156	(107)
			420,989	606,607
33	TAXATION			
	Current tax			
	Current period	33a	19,169	140,762
	Prior period		-	(135,284)
			19,169	5,478
	Deferred taxation		717,546	(698,484)
			736,715	(693,006)

33a The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Provision for current tax is made @ 29% for the current year net off tax credit u/s 113 & 113C as per provision of the Income tax Ordinance 2001. Whereas for corresponding year FY2020, it was provided @ 1.5% of the turnover, net off tax credit 113C as per provision of the Income tax Ordinance 2001.

		2021	2020
		(Rupees in 000s)	
33b	**Numerical reconciliation between average effective tax rate and the applicable tax rate**		
	Accounting profit / (loss) before taxation	2,288,098	(561,689)
	Tax at applicable @ 29%	663,548	(162,890)
	Effect of:		
	Depreciation due to accelerated depreciation rates in tax	160,015	(143,658)
	Provisions to be claimed on actual/payment basis	49	(12,557)
	Permanent taxable differences	(86,897)	794,460
	Minimum tax u/s 113	-	140,762
	Income attributed to final tax regime	-	41,792
	Prior years adjustment	-	(135,284)
	Tax credits	-	(511,811)
	Tax rate change	-	(14,843)
	Items that will not be reclassified to profit or loss in OCI	-	(688,977)
	Tax charge for the year	736,715	(693,006)
	Effective tax rate	32%	-

33c Current income tax appeals pending for adjudication:

33ca The Company has challenged before the Lahore high Court, the levy of ACT @ 17% in the presence of depreciation losses which are admissible allowances. LHC has allowed interim relief in the form of stay order for not paying ACT and accordingly income tax assessment for tax years 2014, 2015 and 2016 were made without ACT. Management is confident that these appeals will be decided in favour of the company. However, provision for ACT were accrued in these financial statements in the respective years on prudence basis which is being reversed as tax credit u/s 113C against normal corporate tax from tax year 2017 and onward in these accounts.

33cb The Inland Revenue Appellate Tribunal (IRAT) allowed tax credit u/s 113(2)(c) amounting to Rs. 282.567 million to the Company, however the department challenged this before the Lahore High Court. Management as well as legal council is confident that this appeal will be decided in favour of the company as LHC has already decided this matter in favour of other taxpayer on the same ground as sought by the Company. Therefore, impact of the subject tax credit allowed by IRAT was provided in the financial statements.

33cc The Department has initiated Income Tax as well as Sales tax audit proceedings from tax year 2015 to tax year 2020 for the whole cement industry. The Company has challenged the audit proceeding before the Lahore High Court who has instructed the Department not to issue assessment order till conclusion of the case.

		2021	2020
34	**EARNINGS PER SHARE - Basic and diluted**		
	Weighted average number of ordinary shares	400,273,960	400,273,960
	Profit after tax (Rupees in thousands)	1,551,383	131,317
	Earnings per share - after tax (Rupees)	3.88	0.33

There is no dilutive effect on the basic earnings per share of the company as the Company has no such commitments at the date of statement of financial position.

	2021	2020
	(Rupees in 000s)	

35 ADJUSTMENT FOR NON-CASH AND OTHER ITEMS

	2021	2020
Depreciation	1,066,497	944,307
Amortization	3,286	1,283
Finance expenses	357,088	535,439
Un-winding up of discount - banks debts	31,402	-
Un-winding up of discount - GIDC	32,499	71,168
Finance income	(93,031)	(364,350)
Winding up of discount - GIDC	(50,719)	-
Provision for retirement benefits	51,692	10,973
WWF and WPPF	169,580	-
Loss on revaluation of PPE	-	8,074
Other income	-	(3,150)
	1,568,294	1,203,744

36 NET CHANGES IN WORKING CAPITAL

	2021	2020
Inventories	(809,244)	161,993
Trade and other receivables	100,553	45,039
Loan and advances	750	5,657
Deposits	-	39,830
Prepayments	17,341	26,130
Trade and other payables	(370,923)	1,000,564
Contract liabilities	3,891	(12,745)
	(1,057,632)	1,266,468

37 FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

Note 3.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	2021	2020
		(Rupees in 000s)	
Financial assets at amortised cost			
Trade and other receivables	8	503,770	592,680
Loan and advances	9	605,942	555,905
Non current deposits	6	70,393	47,253
Current deposits	10	9,120	32,260
Cash and bank balances	12	1,295,034	431,400
		2,484,259	1,659,498

Advances to employees against salary or for expenses are excluded from 'Loan and advances' as these will not be settled through cash.

	Note	2021	2020
Financial liabilities at amortised cost			
Non current borrowings	15	1,459,412	2,472,279
Current borrowings	20	1,135,537	794,814
Finance lease	16	16,923	27,298
Markup and profit payables	21	114,065	161,219
Trade and other payables (excluding payable to government)	19	2,863,123	2,230,585
Employees benefits obligation	22	301,980	53,703
Unclaimed dividend		18,969	14,076
		5,910,009	5,753,974

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its head office, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below

37a **Market risk analysis**

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, and interest rate risk which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Company's transactions are carried out in Pakistani Rupees (Rs.). Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CNY. Payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging.

	2021	2020	2021	2020
	(FC in '000s)		(Rupees in 000s)	
Trade and other payables - Trade creditors				
USD	10,302	6,433	1,631,000	1,085,569
EUR	7,513	-	1,418,000	-
CNY	-	7,263	-	175,693
			3,049,000	1,261,262
Sensitivity analysis:				
Increase in foreign currency exchange rate by 1%			30,490	12,613
Decrease in foreign currency exchange rate by 1%			(30,490)	(12,613)

Interest rate sensitivity

The Company is exposed to changes in market interest rates through borrowings at variable interest rates that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR"). The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2021	2020
	(Rupees in 000s)	
Fixed interest rate financial assets		
Bank balances at PLS accounts & TDR	996,497	238,525
Variable interest rate financial liabilities/(assets)		
Borrowings	2,594,949	3,267,093
Borrowing at fixed rate	(165,405)	(74,292)
Advance to associated company	(587,366)	(538,390)
	1,842,178	2,654,411

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for the year 2020.

	Markup/Profit	
	2021	2020
	(Rupees in 000s)	
Variable interest rate financial liabilities		
Increase of 100 basis points	18,422	26,544
Decrease of 100 basis points	(18,422)	(26,544)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Company is not exposed to other price risk.

37b **Credit risk analysis**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

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

	2021	2020
	(Rupees in 000s)	
Banks and financial institutions	1,327,294	463,660
Customers	472,340	572,893
Utility companies	47,253	47,253
Employees	18,576	17,515
Associated company	618,796	558,177
	2,484,259	1,659,498

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

Note	2021	2020
	(Rupees in 000s)	
A1+	1,286,722	408,664
A1	808	1,237
A-2	2,581	202
A-3	3,604	20,945
	1,293,715	431,048

The Company continuously monitors the credit quality of customers based on internal evaluation assessment and/or reports on customers from the market. The Company’s policy is to deal only with credit worthy counterparties. New customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The credit terms range between 7 and 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Note	2021	2020
		(Rupees in 000s)	
Trade receivable			
Current		461,105	510,912
1 - 60 days past due		1,806	2,281
61 - 180 days past due		781	15,594
More than 180 days days past due		8,648	44,106
	9	472,340	572,893

Management believes that the amounts that are past due more than 30 days are still collectable in full based on historical payment behaviour and extensive analysis of customer credit risk. Therefore no provision is made in these financial statements.

The Company does not hold any security on the trade receivables balance, In addition, the Company does not hold collateral relating to other financial assets (e.g. cash and cash equivalents held with banks).

Credit risk of advance to associated company is monitored by analysing the profitability and cash flows of the associated company. Margin against letter of guarantee are placed with high rated banks. Advances/loans to employees are secured against retirement benefits. Hence, management belief that the credit risk is minimal.

37c Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Carrying value	Contractual cash flows	Within 6 months	More than 6 months and up to 12 months	More than 1 year and up to 5 years	More than 5 years and up to 10 years	Total
				(Rupees in 000s)			
As at June 30, 2021							
Borrowings	2,594,949	2,594,949	515,797	619,739	1,459,412	-	2,594,949
Finance lease	16,923	16,923	5,820	5,874	5,229	-	16,923
Trade and other payables	2,863,123	2,863,123	2,069,304	793,820	-	-	2,863,123
Employee benefits obligation	301,980	301,980	301,980	-	-	-	301,980
Markup and profits payable	114,065	114,065	114,065	-	-	-	114,065
Unclaimed dividend	18,969	18,969	18,969	-	-	-	18,969
	5,910,009	5,910,009	3,025,935	1,419,433	1,464,641	-	5,910,009
As at June 30, 2020							
Borrowings	3,267,093	3,267,093	176,466	435,919	2,427,261	227,447	3,267,093
Finance lease	27,298	27,298	5,239	5,340	16,719	-	27,298
Trade and other payables	2,230,585	2,230,585	2,081,966	148,619	-	-	2,230,585
Employee benefits obligation	53,703	53,703	53,703	-	-	-	53,703
Markup and profits payable	161,219	161,219	161,219	-	-	-	161,219
Unclaimed dividend	14,076	14,076	14,076	-	-	-	14,076
	5,753,974	5,753,974	2,492,669	589,878	2,443,980	227,447	5,753,974

37d Fair value of 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 between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

The fair value hierarchy has the following levels:

I Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
ii Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
iii Inputs for the asset or liability that are not based on observable market date (unobservable inputs) (level 3).

The Company has not disclosed the fair values of the current financial assets and current financial liabilities disclosed in Note 36 as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

37e Capital risk Management:

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

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

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings less cash and cash equivalents.

The gearing ratio as at June 30, 2021 is as follows:

	Note	2021	2020
		(Rupees in 000s)	
Non current borrowings	15	1,459,412	2,472,279
Lease liability	16	16,923	27,298
Current borrowings	20	1,135,537	794,814
Total debts		2,611,872	3,294,391
Cash and bank balances	12	(1,295,034)	(431,400)
Net Debts		1,316,838	2,862,991
Issued, subscribed and paid up capital	13	4,002,739	4,002,739
Revaluation surplus of PPE	14	4,773,441	5,027,237
Retained earnings		6,981,112	5,476,138
Total Equity		15,757,292	14,506,114
Capital employed		17,074,130	17,369,105
Gearing Ratio		8%	16%
Net debt against total equity of Re. 1		0.08	0.20

Gearing ratio showed that 8% (FY2020: 16%) of the capital employed is financed through borrowings; whereas gearing ratio reduced due to repayment of debts and retention of earnings within the company.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements except those related to maintenance of debt covenants including restriction on dividend declaration without obtaining NOC commonly imposed by the providers of debt finance with which the Company has complied. The Company has obtained NOC from the banks and financial institution for payment of dividend.

38 PROVIDENT FUND DISCLOSURE AND COMPLIANCE

GCL Officers' Provident Fund

The investments out of Provident Fund Trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and Rules formulated for this purpose.

GCL Workers' Provident Fund

This fund is wholly managed by CBA. The Trust is in process of completing its accounts and audit to comply with the provisions of section 218 of the Companies Act, 2017.

39 NUMBER OF EMPLOYEES

	2021	2020
	(Numbers)	
Number of employees at year end	395	382
Average number of employees during the year	400	394

40 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS & EXECUTIVES

The aggregated amounts charged in the financial statements as regard to these persons are as under:

	Chief Executive		Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020
	(Rupees in 000s)					
Managerial Remuneration	71,280	64,800	76,140	32,400	59,044	43,951
Allowances	7,920	7,200	8,460	3,600	72,165	53,718
Bonus and other benefits	14,543	3,790	11,772	1,331	13,844	2,780
Contribution to:						
Post employment benefit	-	-	-	-	5,757	4,395
	93,743	75,790	96,372	37,331	150,810	104,844
No. of Employees (Numbers)	1	1	2	1	23	16

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year. The Company also provides the chief executive, a director and some of the executives with Company maintained cars and travelling for business purpose.

41 RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Following are the related parties with whom the Company had entered into transactions during the year:

Name of related parties	Relationship	2021	2020
		Direct shareholding %age in the Company	
Balochistan Glass Limited	Associated company (common directorship)	-	-
Mr. Muhammad Tousif Peracha	CEO	52.9318%	52.9318%
Mr. Tabbasum Tousif Peracha	Spouse of director	0.0485%	0.0485%
Mr. Mustafa Tousif Ahmed Peracha	Director	0.1234%	0.0000%
Mr. Abdur Rafique Khan	Director	22.7264%	22.7168%
Mr. Ali Rashid Khan	Director	5.1019%	5.0827%
Ms. Amna Khan	Director	5.6877%	5.6781%
Mian Nazir Ahmed Peracha	Director	0.0001%	0.0001%
Mrs. Feriha Nazir Peracha	Spouse of director	0.6558%	0.6558%
Mrs. Qamar Nazir Peracha	Spouse of director	0.6558%	0.6558%
Mrs. Salma Khan	Spouse of director	-	0.0384%
Mr. Daniyal Jawaid Peracha	Director	0.0042%	0.0042%
Mr. Khalid Siddiq Tirmizey	Director	0.0250%	-
GCL Officers' Provident Fund Trust	Post employment benefit	-	-
GCL Workers' Provident Fund Trust	Post employment benefit	-	-
GCL WPPF Trust	Trust	-	-
Mr. Abdul Shoeb Piracha	Key management personnel	-	-
Mr. Muhammad Shamail Javed	Key management personnel	-	-
Syed Firasat Abbas	Key management personnel	-	-
Mr. Farukh Naveed	Key management personnel	-	-
Mr. Muhammad Tahir	Key management personnel	-	-

Related parties include associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2021	2020
	(Rupees in 000s)	
Transactions with key management personnel		
Salaries and benefits	65,561	56,188
Post employment benefit	2,697	2,429
Transactions with post employment benefits		
Contribution by the Company		
Cost of sales	12,115	11,477
General and administrative expenses	3,772	3,573
Selling and distribution expenses	654	620
	16,541	15,670

42 CAPACITY AND PRODUCTION - CLINKER

	2021	2020
	Tons	
Listed capacity	2,010,000	2,010,000
Production	1,726,962	1,405,900

Lower capacity utilization of cement plant is due to gap between demand and supply of cement in local market. The capacity figure of the plant is based on 300 working days in a year.

43 CORRESPONDING FIGURES

Correspondence figures have been rearranged and reclassified, wherever necessary. However, no major reclassification has been made other than those disclosed in these financial statements.

44 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on October 02, 2021.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

FORM OF PROXY

The Secretary
Gharibwal Cement Limited
Pace Tower, 1st Floor, 27-H,
College Road, Gulberg II, Lahore.
LAHORE

I/We .... of .... being a membe of

Gharibwal Cement Limited, and holder of .... Ordinary Shares as per Shares Register

Folio No. .... hereby appoint Mr./Mrs./Ms. ....

of ....

Folio No. .... who is also a member of Gharibwal Cement Limited as my/our proxy to attend and vote for and on my / our behalf at the 61th Annual General Meeting of the Company to be held on Tuesday, October 27, 2021 at 12:00 noon at the registered office of the Company (Gharibwal Cement Pace Tower, 1st Floor, 27-H, College Road, Gulberg II, Lahore.) and at any adjournment thereof.

As witnessed given under my / our hand (s) .... day of .... , 2020.

Signature

On Five Rupees Revenue Stamp

Witness:

Signature ....

Name ....

Address ....

Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.

پراکسی فارم

جناب سیکرٹری صاحب
غریب وال سیمنٹ لمیٹڈ
پیپس ٹاؤر،فرسٹ فلور،H-27
گلبرگ ii،لاہور

میں/ہم____غریب وال سیمنٹ لمیٹڈ کے ممبران

اور____شیئرز رکھتے ہیں جس کے فولیو نمبر__________

میں/ہم اپنی جگہ مسٹر/مسز/مسٹرز____________________کو پراکسی نامزد کرتے ہیں۔ مسٹر/مسز/مسٹرز____________________

بھی کمپنی کا ممبر ہے اور اس کا فولیو نمبر__________ ہیں۔

میں/ہم اس کو اختیار دیتے ہیں کہ وہ میری/ہماری جگہ اجلاس میں حاضر ہو اور ووٹ ڈالے۔

5 روپے کا ڈاک ٹکٹ دستخط

گواہ____________________

نام____________________

پتہ____________________

نوٹ

i۔: پراکسی کو بااختیار ہونے کے لیے پانچ روپے کے ڈاکٹکٹ پر دستخط ہونا اور اجلاس شروع ہونے کے 45 گھنٹے قبل اس کا رضسٹرڈ آفس میں موصول ہونا ضروری ہے
ii۔کمپنی کے ممبر کے علاوہ کسی اور شخص کو پراکسی نامزد نہیں کیا جاسکتا۔
iii۔ممبر کے دستخط کمپنی کے پاس موجود دستخط کے مطابق ہونے چاہیے۔

Standard Request Form Circulation of Annual Audited Accounts

The Share Registrar,
Corplink (Pvt) Limited,
Wings Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 0423 591 6714; Email: corplink786@gmail.com

Subject: Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Electronic Media

The Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated 08-09-2014 and SRO 470(1)/2016 dated 31-05-2016, allowed the companies to circulate their annual audited accounts (i.e. Annual Statement of Financial Position, Statement of Profit or Loss, Statements of Comprehensive Income, Statement of Cash Flows, Notes to the Financial Statements, Auditor's and Director's Report) along with notice of general meeting to its members in the form of soft copy through email/DVD/CD/USB.

Gharibwal Cement Limited has already passed resolution with the consent of its shareholders in Annual General Meeting held on September 28, 2016 to circulate its Annual Reports and notice of AGM through CD/DVD.

Shareholders who wish to receive the softcopy through email OR hardcopy of Annual Report shall have to fill the below form and send us to Company's address.

I/We wish and hereby consent to receive Annual Report along with notice of AGM as per below selected option instead of delivery these to me through CD/DVD:

Option 1: via email at email address ____ ;
OR

Option 2: hard copy at mailing address ____

____

____

I/We hereby confirm that the information provided in this form is correct and in case of any change therein, I/we will immediately intimate to the Company's Shares Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2019.

____
Shareholder's signature

Name of the Members/ Shareholders : ____

CNIC /SNIC # : ____

Folio / CDC Account Number : ____

E-DIVIDEND MANDATE LETTER

Mandatory Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs.,____, being a/the shareholder(s) of Gharibwal Cement Limited (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

Shareholder's Details	
Name of the Shareholder(s)	
Folio No. CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy) - Mandatory	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
Zakat Status (Payable or not payable) (submit declaration as per Zakat & Ushr Ordinance 1980, if zakat not payable)	

Shareholder's Bank Account Details	
Title of Bank Account	
IBAN **	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

** Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

____
Signature of Shareholder (Please affix company stamp in case of corporate entity)

Note:
This letter must be sent by shareholders to his Stock broker or to CDC in case of Investor Account with CDC which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.
In case of physical shares, please send directly to our share registrar (M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore).

E-Dividend کی فراہمی کے لیے خط

الیکٹرانک طریقے سے منافع کی ادائیگی اور لازمی بنک کی معلومات کی فراہمی۔

جنابِ عالی:

میں/ہم/میسرز ______________________ غریب وال سیمنٹ لمیٹڈ کے شیئر ہولڈر ہونے کے ناطے سے اجازت دیتا ہوں/دیتے ہیں کہ ہمارا نقد منافع جو بھی کمپنی طے کرے وہ مندرجہ ذیل بنک اکاؤنٹ میں ادا کر دیا جائے۔

شیر ہولڈر کی معلومات

فولیو نمبر/CDC/اکاؤنٹ نمبر ______________________

رابطہ نمبر ______________________

شیئر ہولڈر کا پتہ ______________________

____

زکواۃ کی کٹوتی سے متعلق معلومات ______________________

بنک کی معلومات

بنک اکاؤنٹ ٹائٹل ______________________

بنک اکاؤنٹ نمبر ______________________

بنک کا نام ______________________

برانچ کوڈ ______________________

برانچ کا پتہ ______________________

بنک اکاؤنٹ میں نام اور CDS اکاؤنٹ کا نام مشترک ہونا چاہیے تاکہ منافع کی ادائیگی آسانی سے ہو سکے۔

برائے مہربانی مکمل IBAN نمبر فراہم کریں تاکہ آپ کا منافع آپ کے اکاؤنٹ میں منتقل کیا جا سکے۔

بیان کیا جاتا ہے او پر دی گئی معلومات میرے علم کے مطابق صحیح اور مکمل ہیں اور میں ان میں کسی بھی قسم کی تبدیلی سے متعلق کمپنی کو آگاہ رکھوں گا۔

____

شیئر ہولڈر کے دستخط

یہ خط آپ اپنے CDS امیدوار کو اگر آپ کے شیئرز CDS پر رجسٹر ہیں یا ہمارے شیئر رجسٹرار کو اگر آپ کے پاس کاغذی شکل میں میسر ہیں کو ارسال کریں۔ شیئر رجسٹرار کا پتہ 1-k کمرشل ایریا یا ماڈل ٹاؤن لاہور ہے۔

www.gharibwalcement.com

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Gulberg-II, Lahore, Pakistan.
PABX: +92 42 3 60 60 60 0
E-mail: info@gharibwalcement.com

Factory:
30km Pind Dadan Khan Jehlum Road,
Ismailwal, Tehsil Choa Saidan Shah,
District Chakwal, Pakistan.