

Arif Habib Centre, 23, M.T. Khan Road, Karachi Tel: 021-32468231-8 www.powercement.com.pk

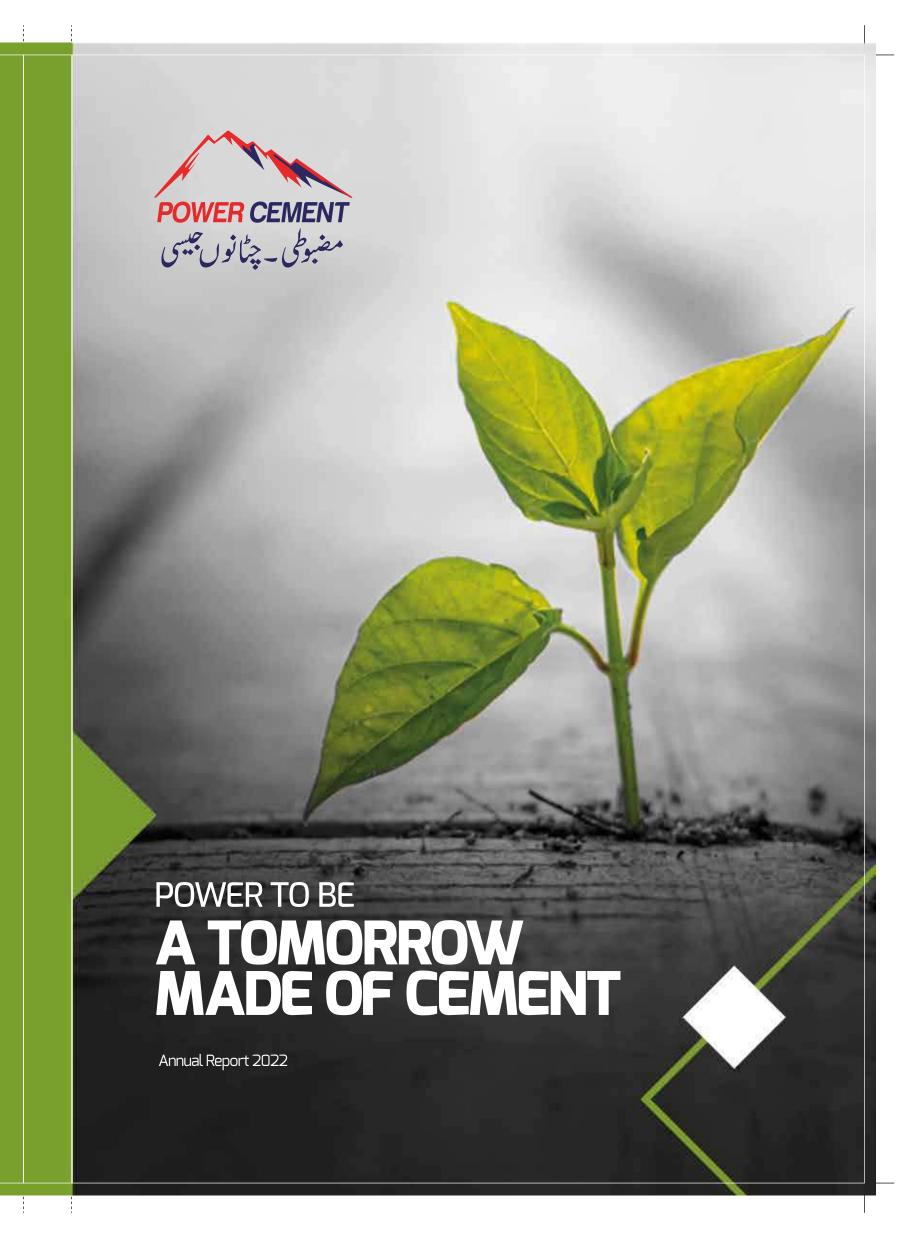




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Jama punji Information



COMPANY PROFILE

Power Cement Limited ("the Company") was founded in 1981. The factory site of the Company is located at Motorway M-9, Nooriabad, Sindh. The Company was previously known as Al-Abbas Cement Limited until its acquisition in 2010 by the Arif Habib Group, a prominent financial and industrial conglomerate.

The Company's principal activity is manufacturing, selling and marketing of cement with market presence in the Southern Region of Pakistan.

Presently, the Company has three manufacturing lines, with a cumulative nameplate clinker production capacity of 10,700 TPD with total annual capacity of 3.53 million tons. The Company has a total annual cement production capacity of 3.7 million tons, 11,235 TPD. It also has a modern state of the art latest European production line. We have export certifications from South African Bureau of Standards (SABS), Bureau of Indian Standards (BIS), Sri Lanka Standards Institute (SLSI), European Union (CE Marking) & Bureau of Philippines Standards.

The Company's management believes in the use of latest technology for producing the best quality cement and equally preserving the environment through green energy initiatives. The Company has already successfully commissioned a Waste Heat Recovery System (WHRS) around 10 MW of electricity through channelizing heat emission from the plant.



PRODUCTS

ORDINARY PORTLAND CEMENT

Power Ordinary Portland Cement is recommended for projects especially where strength and matchless quality is a high priority. It can be used in concrete, mortars and blocks etc. Power Ordinary Portland Cement has a strong compatibility with admixture/retarders etc.

SPECIFICATION

- PS-232-2015(R)
- · ASTM C 150 Type I & II
- EN-197-1-2011 (CEM 1)
- Strength Class 52.5 N

SULPHATE RESISTANT CEMENT

Power Sulphate Resistant Cement is highly recommended in the coastal areas and in corrosive soil conditions because of its greater resistance to chemical attack from sulphates and dissolved salts in the water logged areas.

SPECIFICATION

- PS-612-2014(R)
- ASTM C 150 Type V
- EN-197-1-2011 (CEM 1) SR V
- Strength Class 52.5 N

POWER BLOCK CEMENT

Power Block Cement is a specially designed OPC/SRC Brand, catering to the needs of local Block and precast segment. This brand has been introduced exclusively for block & precast slab makers after years of research in our state of the art.

SPECIFICATION

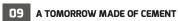
- PS-232-2015(R)
- · ASTM C 150 Type I & II
- EN-197-1-2011 (CEM 1)
- Strength Class 52.5 N











GEOGRAPHICAL LOCATION Geographically, the Company is located in the South Zone. Head Office is situated at Karachi and Site is at Nooriabad, **District Jamshoro** Karachi Nooriabad ANNUAL REPORT 2022 10





Vision

Power Cement Limited aims to be recognized nationally and internationally as a successful cement producer with a strong satisfied customer base.

Mission

To become a profitable organization and exceed the expectations of our customers and stakeholders by producing and marketing competitive and high quality products through concentration on quality, business values and fair play.

To promote best use and development of human resource in a safe environment, as an equal opportunity employer and use advanced technology for efficient and cost effective operation.

COMPANY INFORMATION

Board of Directors

Mr. Nasim Beg

Mr. Muhammad Kashif Habib

Mr. Samad A. Habib

Mr. Salman Rashid

Mr. Anders Paludan-Müller

Mr. Javed Kureishi

Ms. Saira Nasir

Audit Committee

Ms. Saira Nasir

Mr. Samad A. Habib

Mr. Salman Rashid

Human Resource & Remuneration Committee

Mr. Javed Kureishi

Mr. Muhammad Kashif Habib

Mr. Salman Rashid

Chairman, Non-Executive Director

Chief Executive Officer

Non-Executive Director

Non-Executive Director

Non-Executive Director

Independent Director

Independent Director

Chairperson

Member

Member

Chairperson Member

Member

Chief Financial Officer

Mr. Irfan Sikander Bawa

Company Secretary

Mr. Salman Gogan

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

Mr. Asad Iftikhar

Corporate Advisor

HaiderMota & Co. Advocates

Share Registrar

CDC Share Services Limited

CDC House, 99-B,Block-B, SMCHS,

Main Shahrah-e-Faisal, Karachi - 74400

Registered Office
Arif Habib Centre, 23, M.T. Khan Road, Karachi

Factory Nooriabad Industrial Area, Kalo Kohar, District

Jamshoro, Sindh

Website

www.powercement.com.pk

Contact Number

021-32468231-2

021-32468350-1

Fax Number

021-32463209

Bankers / Lenders of the Company

Allied Bank Limited

Al Baraka Bank (Pakistan) Limited

Askari Bank Limited

Bank Alfalah Limited

Bank Al Habib Limited

Bankislami Pakistan Limited

Dubai Islamic Bank (Pakistan) Limited

Faysal Bank Limited

First Credit & Investment Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

National Bank of Pakistan Limited

Pak Oman Investment Company Limited

The Bank of Punjab

The Bank of Khyber

Summit Bank Limited Samba Bank Limited

Foreign Banks / DFIs DEG - Deutsche Investitionsund

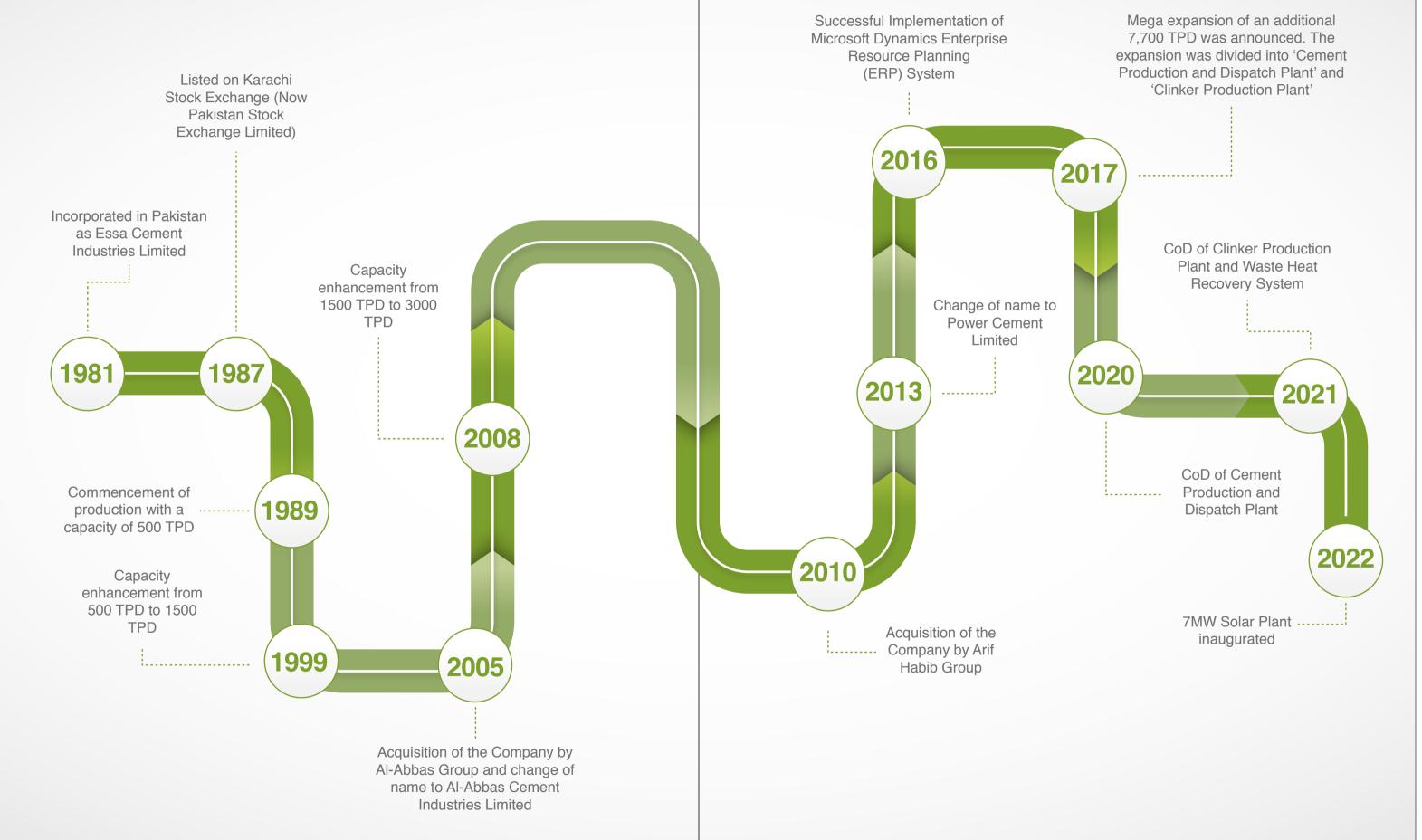
Entwicklungsgesellschaft mbH - Germany
The OPEC Fund for International Development

("OFID") – Austria

Islamic Corporation for the Development

of the Private Sector ("ICD") - Saudi Arabia

CORPORATE HISTORY



CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

The following principles constitute the code of conduct which all Directors and employees of Power Cement Limited are required to apply in their daily work and observe in the conduct of Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies. The code emphasizes the need for a high standard of honesty and integrity.

ETHICAL PRINCIPLES

1. CONFLICTS OF INTEREST

Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/services to the company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

2. THIRD PARTIES ENGAGEMENTS

Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company is not in any way compromised Directors and employees are not allowed to accept any favors or kickbacks from any organization dealing with the Company.

3. CONFIDENTIALITY

Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person. Nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

4. FAIR & ETHICAL CONDUCT

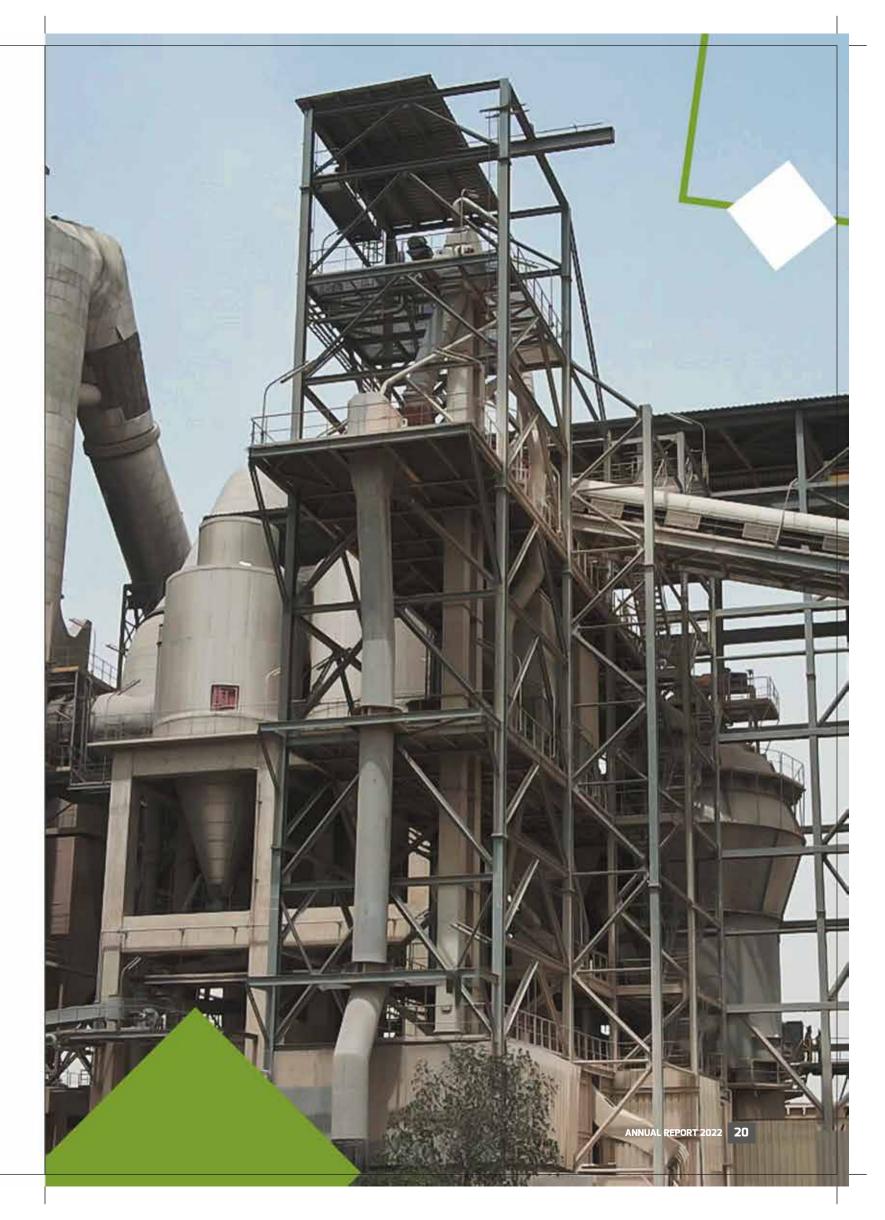
All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

5. HEALTH AND SAFETY

The Company has strong commitment to the health and safety of its employees and preservation of environment. The Company strives to achieve continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

COMMITMENT AND TEAM WORK

Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also, all employees are equally respected and actions such as workplace harassment and disparaging remarks based on gender, religion, race or ethnicity are avoided.

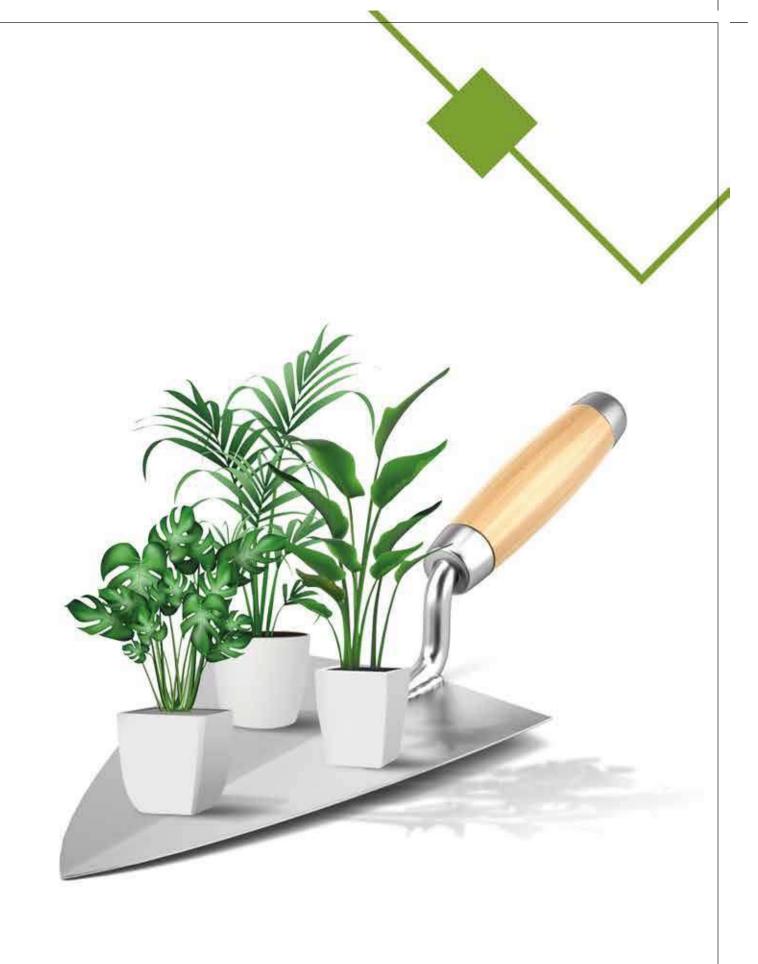


CORE VALUES

At Power Cement Limited, we seek uncompromising integrity through each individual's effort towards quality products for our customers and maximizing returns to the shareholders and making sizable contributions to the National Exchequer.

Our business success is dependent on trusting relationships. Our reputation is founded on the integrity of the Company's personnel and our commitment to the principles of:





OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES

As at reporting date, Power Cement Limited shares are majorly held by below mentioned shareholders for which detailed disclosure has been annexed with the Report.

| Name of Shareholder | Shareholding % |
|------------------------------|----------------|
| Mr. Arif Habib | 29.74 |
| Arif Habib Equity (Pvt.) Ltd | 21.27 |
| Syed Salman Rashid | 5.35 |

Associated Companies:

| | Name of Shareholder | | Basis of Relationship |
|----|--|------------------------|---|
| 1 | Aisha Steel Mills Limited | Common Directorship | Mr. Nasim Beg and Mr. Muhammad Kashif Habib |
| 2 | Allied Rental Modaraba | Common Directorship | Ms. Saira Nasir |
| 3 | Alternates (Private) Limited | Common Directorship | Mr. Muhammad Kashif Habib |
| 4 | Habib Consultancy (Pvt.) Limited | Common Directorship | Mr. Nasim Beg |
| 5 | Arif Habib Corporation Limited | Common Directorship | Mr. Nasim Beg, Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 6 | Arif Habib Dolmen REIT Management Limited | Common Directorship | Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 7 | Arif Habib Equity (Private) Limited | Common Directorship | Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 8 | Arif Habib Foundation | Common Directorship | Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 9 | Black Gold Power Limited | Common Directorship | Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 10 | Dolmen Arif Habib Real Estate Services (Pvt.) Limited | Common Directorship | Mr. Muhammad Kashif Habib |
| 11 | EFU Life Assurance Limited | Common Directorship | Mr. Salman Rashid |
| 12 | Essa Textile and Commodities (Private) Limited | Common Directorship | Mr. Muhammad Kashif Habib and Mr. Samad A. Habib |
| 13 | Fatima Fertilizer Company Limited | Common Directorship | Mr. Muhammad Kashif Habib |
| 14 | Fatima Packaging Limited | Common Directorship | Mr. Muhammad Kashif Habib |
| 15 | Fatima Fertilizer Bin Qasim Limited | Common Directorship | Ms. Saira Nasir |
| 16 | Fauji Foods Limited | Common Directorship | Mr. Javed Kureishi |

| 18 IFU 19 The Coulombre C | priabad Spinning Mills (Private) | Nominee Director Nominee Director Nominee Director Common Directorship Common | Mr. Anders Paludan-Muller Mr. Anders Paludan-Muller Mr. Anders Paludan-Muller Mr. Samad A. Habib and Mr. Muhammad Kashif Habib Mr. Nasim Beg and Mr. Muhammad Kashif Habib Mr. Muhammad Kashif Habib Mr. Muhammad Kashif Habib Mr. Muhammad Kashif Habib and Mr. Samad A. Habib Mr. Nasim Beg Mr. Samad A. Habib Mr. Samad A. Habib |
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| 28 Pak 29 Pak Con 30 Pak 31 Pak | ited | | Will Wariaminad Radini Habib and Will Camady t. |
| 29 Pak Con 30 Pak 31 Pak | | Directorship | Habib |
| Con 30 Pak 31 Pak | carab Fertilizers Limited | Common | Mr. Nasim Beg and Mr. Samad A. Habib |
| Con 30 Pak 31 Pak | | Directorship | |
| 30 Pak 31 Pak | kistan Corporate Restructuring | Common | Mr. Javed Kureishi |
| 31 Pak | npany Limited | Directorship | |
| | kistan Cricket Board | Common | Mr. Javed Kureishi |
| | | Directorship | |
| Δος | kistan Cricket Veterans Cricket | Common | Mr. Javed Kureishi |
| | sociation | Directorship | |
| 32 Pak | kistan Opportunities Limited | Common | Mr. Samad A. Habib and Mr. Muhammad Kashif |
| 22 Dorl | kview Corporation (Private | Directorship Common | Habib Mr. Samad Habib |
| | ited) | Directorship | IVII. Samau Fladid |
| | ocast Engineering Company | Common | Mr. Muhammad Kashif Habib and Mr. Samad A. |
| | t.) Limited | Directorship | Habib |
| , | emix Concrete Limited | Common | Mr. Muhammad Kashif Habib and Mr. Samad A. |
| | | Directorship | Habib |
| 36 Sido | dqsons Energy Limited | Common | Mr. Muhammad Kashif Habib |
| | | Directorship | |
| 37 Sinc | dh Infrastructure Development | Common | Mr. Javed Kureishi |
| Con | mpany Limited | Directorship | |
| 38 Suk Limi | | Common Directorship | Mr. Samad A. Habib |

All companies are operated by their management under the oversight of respective Board of Directors. Transactions are entered into normal course of business at arm's length. All transactions are placed for approval of board of directors of respective companies.

ORGANOGRAM



25 A TOMORROW MADE OF CEMENT 2022 26

DIRECTORS' PROFILE

Mr. Nasim Beg

Chairman & Non-Executive Director

Mr. Nasim Beg, a Fellow Member of the Institute of Chartered Accountants of Pakistan, is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited along with being the Vice Chairman of MCB-Arif Habib Savings & Investments Limited, an Asset Management Company that was conceived and set up by him and which he headed as Chief Executive till June 2011.

With over forty-five years of experience in the business world including industry and the financial services (in and outside the country), Mr. Nasim Beg is one of the most highly experienced professionals of the country.

Before joining the Arif Habib Group, Mr. Beg served as the Deputy Chief Executive of NIT, which he joined during its troubled period and played an instrumental role in its modernisation and turn around. He also served as the acting Chief Executive of NIT for a few months. He has also been associated at top-level positions with other asset management and investment advisory companies. Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure as the Chief Executive of Allied Precision (a subsidiary of the Allied Engineering Group), he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers. His initiation to the financial services business was with the Abu Dubai Investment Company, UAE, where he was a part of the team that set up the company in 1977. He has also been a member of the Prime Ministers Economic Advisory Council (EAC).

Corporate Responsibilities

Arif Habib Consultancy (Private) Limited (Chief Executive)

As Director

- Arif Habib Corporation Limited
- Aisha Steel Mills Limited
- MCB-Arif Habib Savings & Investments Limited (Vice Chairman)
- Naymat Collateral Management Company Limited
- Pakarab Fertilizers Limited (Nominee Director)
- Naymet Collateral Management Company Limited

Mr. Muhammad Kashif Habib

Chief Executive Officer

Mr. Kashif Habib is the Chief Executive of Power Cement Limited. Being a member of the Institute of Chartered Accountants of Pakistan (ICAP) he completed his articleship from A.F. Ferguson & Co. (a member firm of Price Waterhouse Coopers), where he gained experience of a diverse sectors serving clients spanning the Financial, Manufacturing and Services industries.

He has to his credit over ten years of experience as an Executive Director in cement and fertilizer companies of the group.

Corporate Responsibilities

Power Cement Limited (Chief Executive)

As Director

- Arif Habib Corporation Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- MCB-Arif Habib Savings & Investments Limited
- · Arif Habib Equity (Pvt.) Limited
- Arif Habib Real Estate Services (Pvt.) Limited
- Alternates (Private) Limited
- Arif Habib Foundation
- · Arif Habib Development and Engineering Consultants (Private)

Limited (Formerly: Arif Habib Real Estate Development Company (Private) Limited)

- Black Gold Power Limited
- Essa Textile And Commodities (Private) Limited
- Fatimafert Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- · Nooriabad Spinning Mills (Pvt.) Limited
- · Pakarab Fertilizers Limited
- Pakistan Opportunities Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddqsons Energy Limited

Mr. Samad A. Habib

Non-Executive Director

Mr. Samad A. Habib is the Chief Executive of Javedan Corporation Limited and Safemix Concrete Limited. Mr. Samad A. Habib has more than 15 years of experience, including 9 years of working in the financial services industry in various senior management roles.

He began his career with Arif Habib Corporation Limited (the holding company of Arif Habib Group) and has served the company in various executive positions including Executive Sales and Business Promotions, Company Secretary, Head of Marketing, etc.

In September 2004, he was appointed the Chairman and Chief Executive of Arif Habib Limited. As Chairman he was responsible for the strategic direction of the company and was actively involved in capital market operations and corporate finance activities such as serving corporate clients, institutional clients, high net worth individuals, and raising funds for clients through IPOs, private placements etc. He resigned from that position in January 2011

Mr. Samad A. Habib holds a Master's degree in Business Administration.

Corporate Responsibilities

Javedan Corporation Limited (Chief Executive) Safemix Concrete Limited (Chief Executive) NN Maintenance Company (Private) Limited (Chairman)

As Director

- · Arif Habib Corporation Limited Arif Habib Dolmen REIT Management Limited / (Dolmen City REIT)
- Arif Habib Equity (Pvt.) Limited
- · Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Private) Limited
- · Black Gold Power Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- · Memon Health and Education Foundation
- Pakarab Fertilizers Limited
- Pakistan Opportunities Limited
- Power Cement Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sapphire Bay Development Company Limited
- · Sukh Chayn Gardens (Pvt.) Ltd.

Mr. Javed Kureishi

Independent Director

Mr. Javed is a career Banker having spent 34 years with Citibank both in Pakistan and abroad across 5 countries in Middle East, Africa, Eastern Europe and Asia where he spent 9 years. Javed held a number of very senior positions across Corporate Banking, Country, Risk and Regional Management. This included Corporate Bank Head, Middle East, Chief Executive Officer, Czech Republic, Asia Pacific Regional Head for Multinational Subsidiaries and Asia Pacific Head of Public Sector. Javed has extensive knowledge of Asia Pacific in particular having travelled to China 35 times. Javed is presently working as a Senior Consultant to the International Finance Corporation (IFC) in Pakistan since Nov 2019. Javed has a BA Hons in Economics from The University of Sussex, UK. Javed is also a keen sportsman. He was Captain of Pakistan Under 19 Cricket team that toured India and Sri Lanka in 1978-79. He played first class cricket for PIA and Sind and represented Sussex Under 25, Combined English Universities. Javed also played Field Hockey for his University 1981-83. Mr. Javed's other interests include Reading, Music and History.

As Director

- · Fauji Foods Limited
- Pakistan Stock Exchange
- · Pakistan Corporate Restructuring Company Limited
- Power Cement Limited
- Pakistan Cricket Veterans Cricket Association
- Pakistan Cricket Board
- · Sindh Infrastructure Development Company Limited

Ms. Saira Nasir

Independent Director

Ms. Saira Nasir is an accomplished fellow member of the Institute of Chartered Accountants of Pakistan and a Fellow member of the Institute of Corporate Secretaries of Pakistan. Ms. Saira has indulged herself not just as an audit practitioner; rather she has diligently remained connected to the Institute to alleviate the system of audit and accountancy education and training to ensure continued professional development for its members and students. Therefore, she has been actively involved in conducting various professional trainings, consultations, workshops, seminars, webinars, podcasts related to varying domains from specific topics of reporting and disclosure requirements in Pakistan, best practices for internal audit and internal control, areas impacting corporate governance especially family businesses; to generalized practices of innovation in businesses and e-Learning to coaches, trainers, teachers, students and other audiences.

She has also meticulously carried out special assignments related to Corporate Governance; including Board Performance Evaluations and Director Orientation Programs. A case study- Disclosure Requirements on Corporate Governance - Pakistan, was prepared and presented by her in the 24th session of ISAR, held in Geneva in October 2009, under the auspices of United Nations Conference on Trade and Development (UNCTAD).

Currently she is offering independent services as Corporate Governance consultant. However, her aim for "enablement, empowerment and development" of accountancy professionals has led her to participate as an active member through several committees including the Audit Committee of Pakistan Human Development Fund; the Women Committee, Continuing Professional Development Committee and Economic and Advisory Committee of the Institute of Chartered Accountants of Pakistan. She is on the boards of Fauji Fertilizer Bin Qasim, Allied Rental Modaraba and Power Cement Limited in the capacity of an Independent Director.

As Director

- Allied Rental Modaraba
- Fauji Fertilizer Bin Qasim Limited
- · Power Cement Limited

Syed Salman Rashid

Non-Executive Director

Mr. Syed Salman Rashid holds a Bachelor's Degree from Karachi University and is a Certified Director from Pakistan Institute of Corporate Governance. He has served with EFU Group for over 30 years and presently serves as a Deputy Managing Director of EFU General Insurance Limited looking after the largest Marketing and Sales Division of the Company. Parallel to his professional services, he has also served on the Board of JS Investments Bank Limited and Power Cement Limited.

As Director

- EFU Life Assurance Limited
- Power Cement Limited

Mr. Anders Paludan - MÜller

Non-Executive Director

Mr. Anders Paludan - Müller is a Danish National. He holds an MSc in Business Administration and has an experience of over 30 years in the investment sector working all over the world. He is currently an Investment Director at IFU (Danish Investment Fund for Developing Countries; Copenhagen, Denmark).

As Director

· Power Cement Limited

SIGNIFICANT CHANGES FROM PRIOR YEARS

In comparison to the prior years, there is no significant change in organizational and group structure. However, the external environment is constantly changing and the rise in coal prices globally, followed by devaluation of Pak Rupee in comparison to US Dollar, higher input material cost and sharp increase in energy prices has affected profitability of the Company.

Power Cement has collaborated with Burj Solar Energy for a seven MegaWatt solar power project. The project completed successfully during the year and generating renewable clean energy from solar.

Further, the Waste Heat Recovery System (WHRS) also continued operations during the year, reducing the production costs by 25%.

COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL

| Description | FY-2022 Rs. in '000 | % | FY-2021 Rs. in '000 | % |
|--|------------------------|-------|------------------------|-------|
| Local Components: | | | | |
| Raw materials consumed | 1,417,879 | 11.06 | 970,745 | 10.14 |
| Packing materials consumed | 880,290 | 6.86 | 864,442 | 9.03 |
| Fuel - other than coal | 3,344,796 | 26.08 | 356,079 | 3.72 |
| Power | 2,868,291 | 22.37 | 2,387,951 | 24.94 |
| Stores, spare parts and loose tools consumed | 146,516 | 1.14 | 168,332 | 1.76 |
| Imported Components: | | | | |
| Fuel - coal | 3,824,693 | 29.82 | 4,434,560 | 46.31 |
| Stores, spare parts and loose tools consumed | 341,871 | 2.67 | 392,774 | 4.10 |
| Total | 12,824,336 | 100 | 9,574,884 | 100 |

SENSITIVITY ANALYSIS

| | Rs. in '000 | |
|---------------------------------|-------------|----------|
| Average USD Rate | 179.74 | 161.80 |
| Increase of 1% in exchange rate | 41,666 | 48,273 |
| Decrease of 1% in exchange rate | (41,666) | (48,273) |

The management constantly monitors the international coal prices and exchange rates and takes necessary and timely steps to mitigate such impacts.

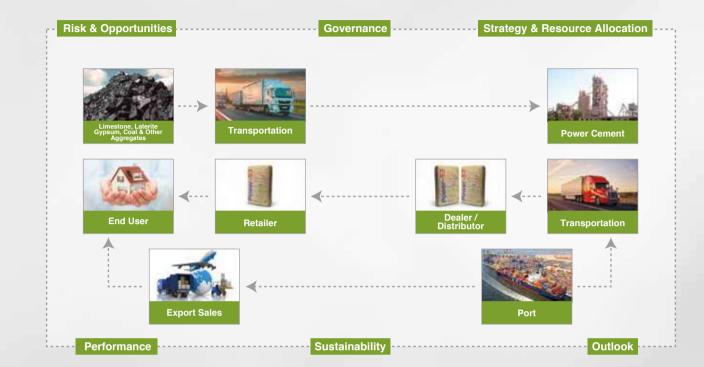
VALUE CHAIN ANALYSIS

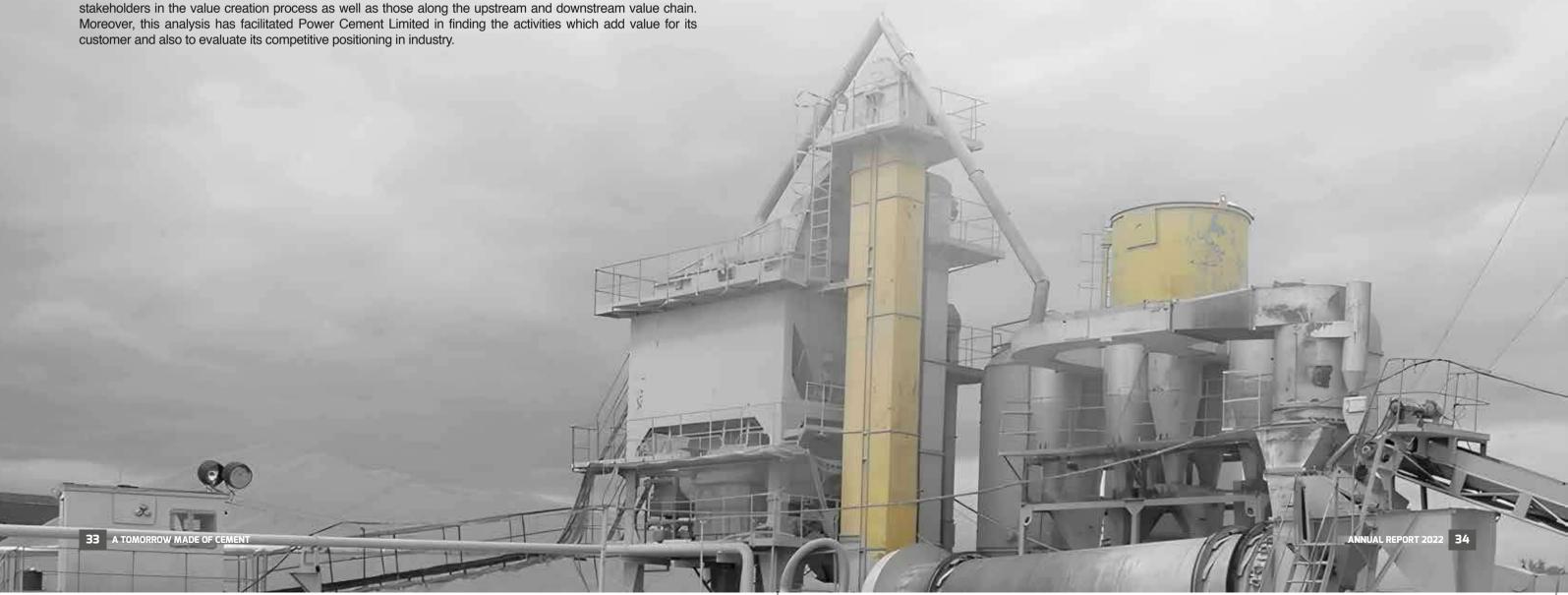
Power Cement Limited's principal business activity is to produce and sell cement products. Manufacturing of cement involves blending a mixture of limestone and other minerals at a high temperature in kilns. Diesel is being used to initially fire the kiln whereas coal is fired to heat the kiln at desired temperature. On the upstream part of value chain, raw material for cement manufacturing includes limestone, gypsum, shale, iron ore etc. which are excavated from quarries (against which royalty is paid on a monthly basis). Coal used as fuel in the process is one of the major cost ingredients. Power Cement Limited directly imports high quality coal for use in the manufacturing process.

Power Cement Limited has invested in maintaining a smooth flow of operations. The Company has implemented a proactive approach to mitigate its risk of disruptions in the production process. At Power Cement Limited, the mining, grinding, crushing and blending processes are strictly monitored by highly qualified specialists, to ensure that the best possible product is manufactured for our valued customer.

Through efficient use of its marketing strategy, Power Cement Limited is creating a pull effect by locking in its customers and is consequently able to tap the potential markets proactively. Various activities focusing on engaging the dealers have been initiated by the Company. Such activities encourage the dealers to recommend the product portfolio of Power Cement Limited.

Value chain analysis has enabled Power Cement Limited to recognize its core competencies and to identify key stakeholders in the value creation process as well as those along the upstream and downstream value chain.





SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT & THE ORGANIZATION'S RESPONSE

Power Cement Limited operates in an ever-changing business environment, where in its operations and performance are impacted by many macroeconomic factors. These include Political, Economic, Social, Technological, Environmental and Legal fronts of an organization. Significant factors along with the Organization's response are discussed below:

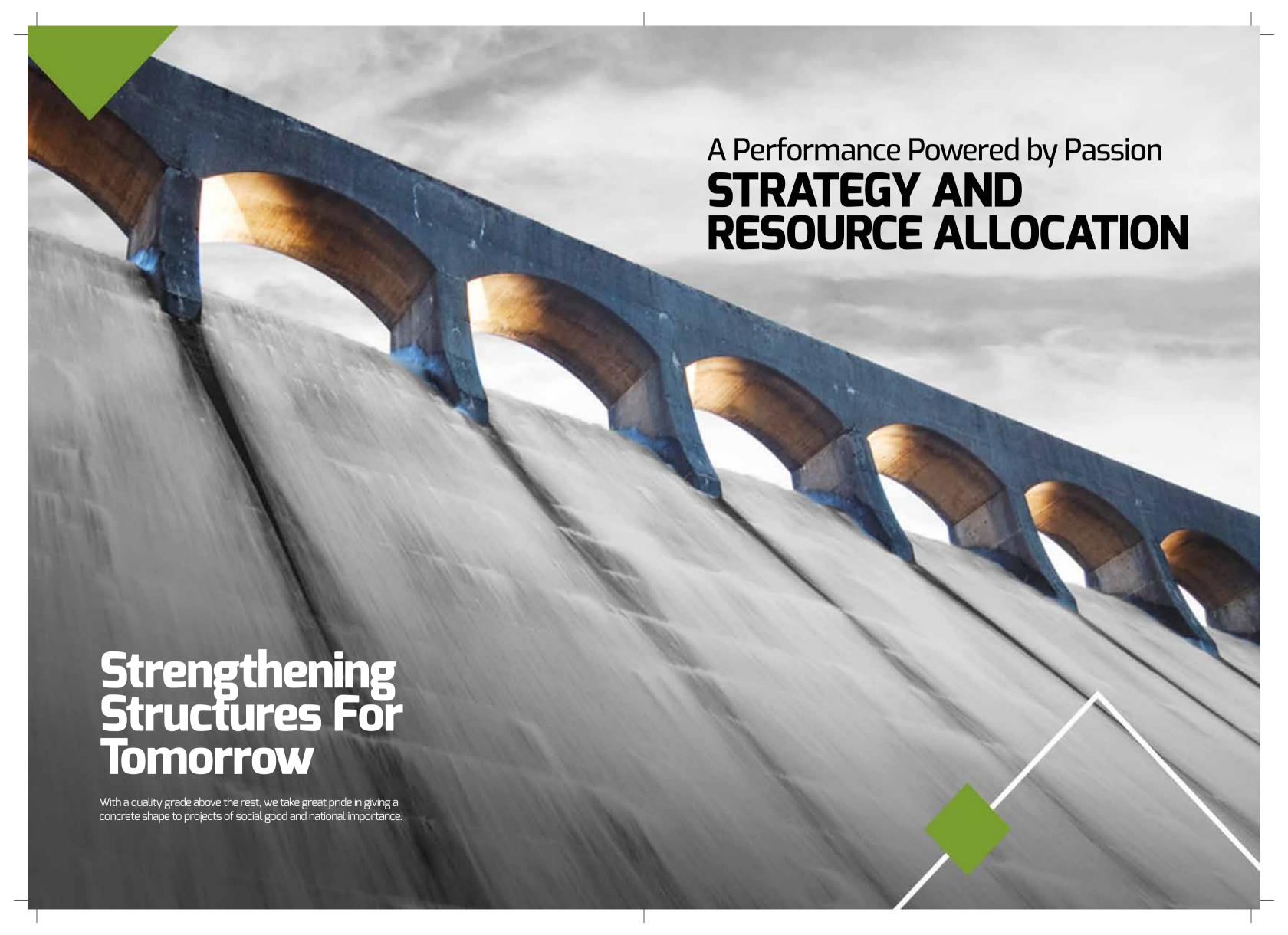
PESTEL Analysis

| Factors | Description | Organizational Response |
|---------------|--|--|
| Political | Socio Political environment in the country has had its influence on the macroeconomic factors that had their reach on the organization's sphere of activities. | The management devises and adapts dynamic strategies to counter regulatory and political changes effectively to meet its stakeholders expectations. |
| Economic | Challenges to pass on sharp hike in cost of doing business in the backdrop of unprecedented rise in interest rates, devaluation of PKR and unbridled inflationary forces put pressure on the operating margins. | Effective inventory management, ratioalizing inventory holding period and hedging foreign currency exposure Further, the management also develops alternative sourcing channels for its input material and develops new markets for its products, both at local and International horizons; Cost reduction initiatives have taken by the management by installation of WHRS and Solar Power Plant, future plans include further self-generation of electricity through renewable Solar and Wind Initiatives. |
| Social | Social impacts resulting from the downturn of economic activity due to the pandemic, the Russia-Ukraine conflict and disaster of Flood in Pakistan created serious economic challenges including rehabilitation of flood affectees, which are anticipated to maintain an upward pressure on inflation. Purchasing power of consumers are going down against disposable income. | As a socially responsible corporate entity, Power Cement strives hard to develop the communities in which it operates. The Company is continuously investing in green energy projects to eliminate the carbon footprint and to reduce the reliance on the national grid. The Company is also ready and willing to help the community in rehabilitation after devastating flood. |
| Technological | Technical obsolescence of production facilities; Continuous development of information technology infrastructures and Management Information Systems (MIS) software. | The Company has always given priority to latest technological developments and in this regard remained at the forefront and has installed the most technologically advanced European plant from FLSmidth to avoid any risk of technical obsolescence; The Company continuously invests in the upgradation of hardware infrastructure and software applications; |

| Factors | Description | Organizational Response |
|---------------|---|--|
| | | The Company has successfully managed the MS Dynamics ERP modules. |
| Environmental | Attitude towards and support for renewable energy; Climatic conditions global warming and natural disasters e.g. recent flood; Growing attention towards "green" attitudes. | The Company's plant exceeds the environmental standards of IFC/World Bank/EU and SEPA; The Company has achieved the standards of ISO 9001:2015, ISO 14001:2015, ISO 50001 Energy Management Systems and ISO 45001:2018 for complying with an Environmental management system, Quality Management System and Occupational Health and Safety (OH&S); Waste Heat Recovery System and Solar Power project have been successfully commissioned to minimize Company's impact on the environment; |
| | | The Company plans to further extend its self-electricity generation by Wind project; |
| Legal | Compliance with the applicable legal and regulatory requirements | The Company has engaged an efficient team of professionals to ensure compliance with all enacted and or substantially enacted statutes, Acts, Ordinances, Regulations and other applicable laws. It further equips the Company with an up to date knowledge of all prevailing legal requirements. |

EFFECT OF SEASONALITY ON BUSINESS:

There is a seasonal decline in Cement sales in the monsoon and winter season due to slow-down in construction activities.



STRATEGIC OBJECTIVES, STRATEGIES IN PLACE AND KEY PERFORMANCE INDICTORS (KPIS)

STRATEGIC OBJECTIVES

The Company strives to achieve its objectives with collective wisdom and empathy and is committed to enhance stakeholder's value by constantly striving to improve efficiency through continuous innovations, process modernization, optimizing its capacity utilization and better use of available resources.

Following are the strategic objectives, strategies in place and Key Performance Indicators to measure the achievement against strategic objectives:

OBJECTIVE

Human Capital Development

Technical and non-technical training programs for employees at all levels both internally and externally

STRATEGIES IN PLACE

The Company has hired a team of professionals with enormous expertise in latest technologies who proficiently design the ways for improving and upgrading our production process, networking and control systems. We believe in adding value to our human resource by extensive trainings and development programs.

RELEVANT KPIS

Training and education programs for employees

PLANS

Long Term

OBJECTIVE

Environmental Sustainability

Ensuring a safe and congenial environment for employees through strict and stringent safety policies and regular health and safety trainings to avoid risk of accident.

Compliance with local and international environmental and quality management standards.

STRATEGIES IN PLACE

The Company has a dedicated team of Health, Safety and Environment (HSE) professionals that focuses on compliance with all the policies that are being adopted by the management. Further, periodic environmental testing is carried out at factory to ensure compliance of applicable standards

RELEVANT KPIS

- Training activities conducted
- Number of health and safety incidents.
- Periodic environmental testing reports

PLANS

Long Term

OBJECTIVE

Production Efficiencies

Potential to reduce COGS by exploring captive power generation & alternate fuels

STRATEGIES IN PLACE

The Company has experimented use of pet coke as an alternate fuel, and is also exploring further alternative fuel solutions.

07 MW of Solar Power Project has been commenced and generating clean green energy for the Company.

The Management further, to reduce reliance on national grid working on Wind Power Project.

RELEVANT KPIS

Energy cost reduction

PLANS

Medium Term

OBJECTIVE

Cost optimization

To pass on sharp increase in cost of doing business to the consumers (especially coal & electricity costs) due to the competitive pricing by market players

STRATEGIES IN PLACE

- strengthening of its brand image and re-positioning on the back of its 53 Grade cement quality
- better packaging to enhance brand loyalty
- widening of sales network
- timely delivery
- · extensive advertisement campaigns

RELEVANT KPIS

Increase in retention price

PLANS

Short Term

OBJECTIVE

Maintaining Supplier Relationships

STRATEGIES IN PLACE

Monitoring of cash flow requirements and projections to ensure that liabilities are settled when due

RELEVANT KPIS

Payable Days Liquidity Ratios

PLANS

Short Term

OBJECTIVE

Maintaining Relationships with Dealers/ Distributors / Networking

STRATEGIES IN PLACE

Planned and integrated marketing campaigns and increasing access to customers through a region wide dealer network

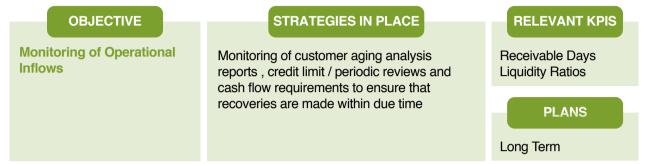
RELEVANT KPIS

- Distributor / Dealer Network in Profitable Segments
- Maintaining / increasing Market Penetration

PLANS

Short Term

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SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PRIOR YEARS

There were no significant changes in objectives and strategies from prior years. The existing objectives and strategies have been re-arranged for the purposes of better reporting.

FUTURE RELEVANCE

Management believes that current key performance measures continue to be relevant in future as well.

BUSINESS MODEL





Distributor





Governance



Transportation

End User



Retailer



Sustainability





Financial Capital PKR 2.57 billion contributed to Government treasury



Social & Capital New dealerships better with clients Customer satisfication



Human Capital Talent development Diversity promotion in workplace







Ž **Natural Capital** Water, energy and environment conservation initiatives

30

Strategy & Resource Allocation



Power Cement



Dealer / Distributor



Transportation



Outlook ----



Intellectual Capital Efficient structures and processes Work from home availability



Manufactured Capital Annual sales of 2.1 million tonnes



Natural Capital Better use of Natural Resources

RESOURCE ALLOCATION PLAN TO IMPLEMENT THE STRATEGY

Significant resources of the Company comprise of, but not limited to, human, financial and technological resources. We emplony professional associates and technical experts who continuously strive to ensure that all our production and control processes and systems are working efficiently and effectively and are constantly being modernized.

Further, financial resources are managed effectively through optimized credit control, efficient treasury management and focusing on cash flow forecasting.

Human Capital

The Company has employed a team of professionals with extensive knowledge and experience in latest technologies who proficiently design the ways for improving and upgrading our production process, networking and control systems. We have developed a dedicated team to analyze the human resource right from selection till retirement. We believe in adding value to our human resource by purposeful trainings and progressive development program.

Manufactured Capital

The Company's newly installed state of the art cement plant has enabled it to be one of the finest quality cement producer in the region at the lowest cost. With impregnable Quality Control and Quality Assurance practices, quality improvement systems exist at every level.

Financial Capital

The Company currently has a rich capital base comprising paid up capital of Rs.13,201 million representing 1,320,113,765 shares of Rs.10/- each

Intellectual Capital

Information Management and Information Technology is built into Power Cement Limited's operational strategies.

Our ERP system continues to integrate all functions across the Company, facilitating greater efficiency and effectiveness of all processes and controls.

Social and relationship capital

Power Cement Limited values its stakeholders, customers, employees and investors. The management works to ensure that all supply chain associates, dealers, shareholders and employees share in the Company's growth and prosperity. We invest in a series of initiatives that enhance collaboration and ongoing dialogue with our customers and vendors. We also contribute to the sustainable growth of our communities by offering jobs for local skilled and unskilled manpower.

STRATEGY TO OVERCOME LIQUIDITY RISK

The Company has in place a robust liquidity management system with a dedicated and experienced team to manage its liquidity position and debt profile. The treasury team actively monitors the funding appetite both in short and long run, plans and accurately projects the cash flow needs of the Company and arrange adequate matching funding providing a defense against any liquidity risk.

The working capital requirements of the Company are primarily met through the internal generation of funds which includes sales receipts from customers, and through the external short term financing. Special controls are placed on customer receipt through vigorous follow-ups of receivables, ageing analysis, revisiting the credit limits, capitalizing on securing advance and cash sales. The Company has also developed a dedicated credit administration and monitoring department to secure its trade debts primarily from the commercial segment. Also, to avoid any unusual cash blockages there is a robust communication and coordination mechanism in place between treasury, sale, inventory management and production department to maintain an optimum level of inventories at all times.

SIGNIFICANT PLANS AND DECISIONS

Electricity is one of the major components of cost of production in cement manufacturing process, accounting for around 23%.

Our company's management has always been mindful on this core area and consequently the Waste Heat Recovery System (WHRS) has been installed which is now generating around 10MW indigenously.

To further augment profitability, company has taken new initiatives by embarking upon Equipment Rental Agreements (ERA) for Solar and Wind Power Projects. Our ongoing project is on Renewable Energies (RE) which is a hybrid power system with 7MW solar commissioned this year and 9MW wind (In progress).

This will not only bolster cash flow position of the Company but will also help achieve self-sustainability in energy generation through partial switching on green energy, reducing carbon foot print and contributing to the ecological environment as well.

EFFECT OF TECHNOLOGICAL CHANGES, SOCIETAL ISSUES AND ENVIRONMENTAL CHALLENGES

Effect of technological changes, societal issues and environmental challenges

TECHNOLOGICAL CHANGES

The Company believes in adopting the latest production techniques to produce best quality cement and has strategically taken multiple initiatives in this regard. The new state of the art Line of 7,700 TPD (procured from FLSmidth Denmark) is equipped with latest technology, including online sampling system first time in Pakistan. The new plant is also environment friendly and has enabled the Company to produce highest quality grade 53 cement. The Company has installed Waste Heat Recovery System (WHRS) and recently 07 MW of Solar Power Project went live and generating clean and green energy. Work on Wind Power Project is also in process.

SOCIETAL ISSUES

The Company acts in a socially responsible manner and contributes to the local community around its factory site. The company has setup an adequately staffed Health, Safety and Environment (HSE) Department at factory site to rigorously follow best practices. The company also has formulated HSE related policies and procedures for the employees and contractors. Further, the company also implemented a comprehensive Pandemic Recovery Plan to fight with COVID19.

ENVIRONMENTAL CHALLENGES

The Company considers it a cornerstone of its strategic direction to be environmentally responsible. The Company had successfully installed bag filters. Besides, the carbon emissions by the Company's new Plant comply with the European and the IFC limits. Further, the company is embarking on renewable energy projects to reduce its carbon footprint and counter the environmental challenges.



KEY RISK AND OPPORTUNITIES

Risk management is an integral part of sound corporate governance. The risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into.

Following are the major risks, which may affect our business operations along with mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

| STRATEGIC RISKS | | | | |
|--|-------------------|----------------|---|--|
| Risk | Area of Impact | Source of Risk | Mitigation Strategy | Assessment |
| Change in Competitive scenario Threat of new entrants in the market | Financial Capital | External | As cement is a capital intensive industry, the number of new entrants remain very limited. While healthy growth in construction industry is expected to continue, quality and pricing will play major part in success. PCL has one of the most technologically advanced European make cement plant which is capable of producing high quality cement at lowest per ton cost. This will give PCL an edge over existing players as well as new entrants. Close proximity to sea ports (with potential exports) is also an added advantage of PCL. | Likelihood: Low Magnitude: High |

| OPERATIONAL RISKS | | | | |
|---|-------------------|----------------|---|---|
| Risk | Area of Impact | Source of Risk | Mitigation Strategy | Assessment |
| Rising Cost of Coal/Fu-el/Packing Material Increase in imported coal & and electricity costs resulting in higher cost of production | Financial Capital | External | The current spike in coal prices is more of a transitionary effect post opening of trade after COVID lockdowns. As mining and supply chain issues will be ironed out in near to medium term, the coal prices will be reverting back to normal level. At PCL, close monitoring of coal prices is done to fetch the best possible prices from the market. The Company's management is also considering viability of other fuel mix to reduce the average coal costs. The Company is also considering various technological options to cut down its fuel costs – the Waste Heat Recovery System (WHRS) and Solar Plant are operational that have significantly reduced the energy costs and further reduction has also been planned through Wind initiatives. The Company obtains bulk supplies of Packing Materials and has taken onboard multiple vendors to ensure procurement at competitive rates. | Likelihood: Medium Magnitude: High |

| | | OPERAT | IONAL RISKS | |
|---|-------------------------|-----------------------|---|---|
| Risk | Area of Impact | Source of Risk | Mitigation Strategy | Assessment |
| Talent Retention and Succession Planning It is critical for the Company to attract, develop, and retain the right talent to accomplish the Company's objectives. Succession planning is needed to ensure that the Company has sustainable operations. | Human Capital | Internal | The Company has planned to follow the Board HR Committee's guidance to benchmark the existing employee compensation and benefits in line with the best industry practices. This will ensure retention of quality human resource by offering attractive packages. The Company also plans training programs for its key management personnel to enhance their management and decision making skills. Job rotation has also been a regular practice in the Company at key positions to ensure no disruption in business operations. | Likelihood: High Magnitude: Medium |
| Information System Risk Loss of confidential information due to data theft | Financial Capital | Internal/ External | Information is transmitted through secure connections and firewalls are in place to prevent malicious activities. Appropriate data back-up mechanism is in place. Periodic systems' audit is performed to identify weaknesses / non compliances, areas for further improvement and remedial measures are taken accordingly, if required. | Likelihood: Medium Magnitude: Medium |
| Law and Order uncertainty Loss may occur due to terrorism activities and sabotage | Financial Capital | External | Company's Assets are adequately safeguarded through sound insurance coverage against such risks. Further, the Company has also taken Business Interruption policy to avoid loss of revenue. | Likelihood: Medium Magnitude: High |
| Maintenance Risk Possibility of production loss due to breakdowns | Manufactured Capital | Internal | The Company's engineering team maintains backup of the parts required in case of emergency breakdowns and also there are planned overhauling activities conducted at the plant. However, the likelihood is quite low in the short term as the brand new plant has recently been installed with state of the art European technology procured from M/s. FLSmidth, Denmark | Likelihood: Low Magnitude: High |

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| | FINANCIAL RISKS | | | |
|--|-------------------|----------------|---|---|
| Risk | Area of Impact | Source of Risk | Mitigation Strategy | Assessment |
| Financial reporting and compliance Risk of reporting issues with regulators and authorities | Financial Capital | Internal | The Company has a team of qualified management personnel's who ensure compliance with the Code of Corporate Governance as applicable in Pakistan and maintains its books of accounts in line with the guidelines of the Companies Act, 2017 and applicable International Financial Reporting Standards. Further, the Company's Financial Statements are audited by one of the most reputed big three audit firms, following thorough audit procedures with stringent quality control mechanism ensuring accuracy of financial reporting. | Likelihood: Low Magnitude: Medium |
| Interest Rate Increase in cost of borrowing may adversely affect the profitability of the Company. Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. | Financial Capital | Internal | The Company has a dedicated treasury function to oversee that transactions are executed and negotiated at the best possible markup rates in the given scenarios. The Company also takes advantage of subsidized markup schemes (including IERF) which reduces the financial burden. During the last year, additional capital of around PKR 7 Billion was also injected by the sponsors, in the form of equity, to further strengthen the equity base of the Company. | Likelihood: Low Magnitude: High |
| Exchange Rate Exchange rate risk impacting transactions in foreign currency | Financial Capital | External | This increases the cost of imported materials and stores, however, the newly commenced cement facility of the Company being a new plant, need of importing any stores would be minimal. Further, the strategic location of the Company with close proximity to the sea ports allows the Company to capitalize on exports which partially neutralizes exchange rate fluctuations. The Company also has foreign currency borrowings which have been fully hedged through cross currency swaps, effectively transferring the exchange rate risk related to foreign borrowings to the hedging banks. | Likelihood: Medium Magnitude: High |

| | FINANCIAL RISKS | | | | |
|--|-------------------------|----------------|--|--|--|
| Risk | Area of Impact | Source of Risk | Mitigation Strategy | Assessment | |
| Credit Risk Risk of default in payments by credit customers | Financial Capital | External | Credits are selectively given considering the business potential and risk appetite of the Company. Furthermore, internal controls like periodic aging analysis of debtors are also in place to help management in taking timely corrective actions. | Likelihood: Low Magnitude: Medium | |
| Legislative and Legal Environment Continuous changes in the regulatory framework and statutory obligations may result in non-compliance. | Social/Human Capital | External | The Company believes in remaining compliant with its legal and contractual obligations so to avoid frivolous litigations, however, whenever needed the Company engages apt legal professionals to handle its matters. | Likelihood: Low Magnitude: High | |
| Environmental Risk Actual or potential threat of adverse effects on environment arising out of the Company's activities. | Natural Capital | Internal | The Company in the past has made significant investments to remain environmentally compliant. Presently, the emission level of the Company is even better that the European and the IFC standards. Further, regular periodic testing is carried out to ensure that the Company remains compliant. | Likelihood: Low Magnitude: High | |

Opportunities

Technological advancement resulting in production efficiencies and lower costs

The Installation of state of the art production line and waste heat recovery systems have increased the production capacity and plant efficiency at the same time.

The latest technology cost efficient plant has enabled the Company to move ahead towards cost leadership in the domestic market and provided more cushion for the Company to penetrate in the highly competitive export market.

Growth of Cement Industry

The construction package announced by the Government, construction of special economic zones, Government's announced incentives for the cement industry, highways and dams, housing schemes for public at large presents a great opportunity for long term growth of the industry.

The Company has recently invested in its production facilities to furnish the production/supply demand to capitalize on the potential growth.

BOARD'S COMMITMENT TO RISK MITIGATION

As a business reality, the Company is susceptible to various risks. However, through comprehensive planning and business understanding, the Board continues to identify and mitigate actual, potential and perceived risks. The Board have carefully carried out a robust assessment of the principal risks facing the Company, including those that would threaten the business model, future performance and solvency of the Company while establishing and maintaining a control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes. Further, it is confirmed that no defaults in payments of any debts were made and that the Company has adequate capital structure. Any deficiencies in the capital structure identified are aggressively addressed to mitigate accordingly.

STATEMENT OF BOARD OF DIRECTORS ON RISK ASSESSMENT

The Company conducts business in a complex and challenging environment and is therefore exposed to number of external and internal risks that may present threats to its success and profitability. Every business decision taken is based on weighing the associated risks against rewarding opportunities. We take measured risks as we strive to seize business opportunities that are compatible with our long-term vision. Risk management is one of the essential elements of the Company's corporate governance and creates a balance between entrepreneurial attitude and risk levels associated with business opportunities. Risk management at Power Cement Limited is about safeguarding our ability to create value for all of our stakeholders.

Default of Payments

Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amount. No default on payment of loan/debts was recorded during the year under review.

CAPITAL STRUCTURE 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 Company's objectives when managing capital are:

- i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- ii. to provide an adequate return to shareholders. The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. Capital structure mainly consists ordinary share capital and long term/ short term debts. Management believes that there is no inadequacy in capital structure.

SWOT ANALYSIS





STRENGTHS

- One of the largest producer of cement in the South Zone.
- Only cement certified for 53 Grade in the South Zone from PSQCA, Government of Pakistan.
 The Company has successfully surpassed the environmental standards of IFC/World Bank/EU and SEPA.

- Proximity to the seaports.
 Extensive network of distributors, dealers and suppliers of more than 250.
 Part of the reputed Arif Habib Group.
- · Limestone reserves sufficient for the Company's next hundred years
- Energy generation through eco-friendly projects such as Waste Heat Recovery System and renewable energy e.g. Solar / Wind.

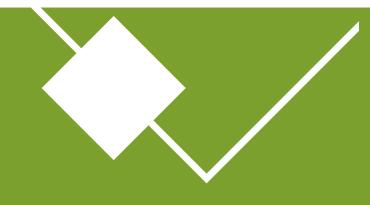


OPPORTUNITIES

- Increasing domestic demand due to the flood and rehabilitation activities.
 Economic stimulus by SBP to support businesses.
 Mega infrastructure projects including dams.

- Potential to reduce COGS by exploring captive power generation &
- alternate fuels.

 Potential to sell in the North Zone on account of exhausting of installed capacity against incremental demand.
- The positive demographic trends like growing population and increasing urbanization are the key demand drivers.





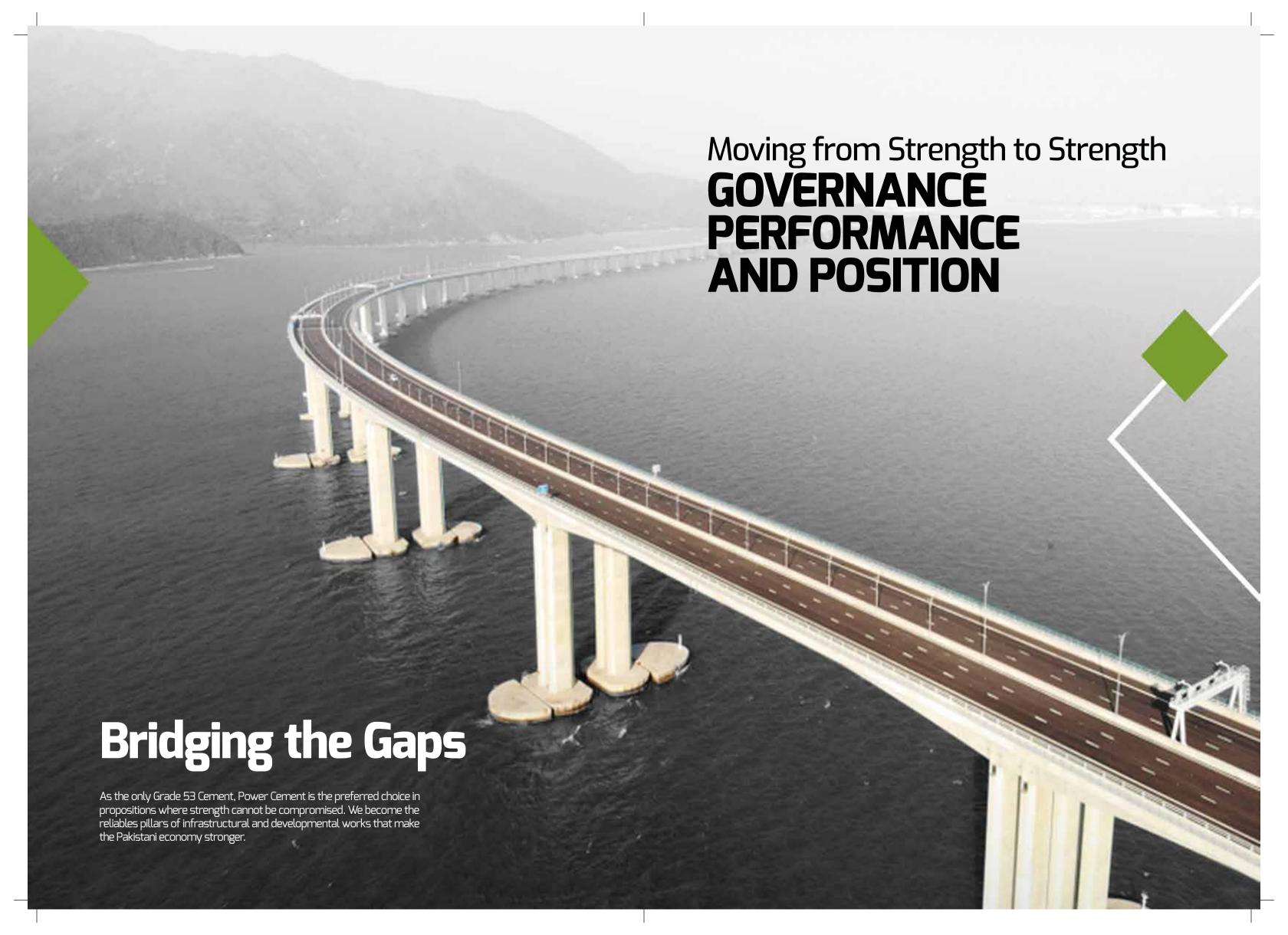
WEAKNESSES

- Absence of in-house fleet resulting in full dependency on external
- High gearing levels and consequential high financial cost.
 Subdued EPS due to low PAT, high interest rates and higher energy cost.



THREATS

- Sharp increase in cost of doing business to the consumers (especially coal & electricity costs).
- Competitive pricing by market players.
- Exposure to interest rate and exchange rate risks.
- Supply glut due to capacity expansions/new plants.
 At current prices, the increase coal and other fuel prices coupled with increased freight costs will make exports unviable.



CHAIRMAN'S REVIEW REPORT

On Board's overall performance u/s 192 of the Companies Act, 2017

Dear Shareholders.

I take pleasure in presenting you the audited financial statements for the year ended June 30, 2022 and my review

Power Cement Limited (the "Company") stands at the forefront of the industry, bringing benefits to our all stakeholders, including our valuable shareholders. We have consistently prioritized investing back into the business despite the changing external environment. We offer an impressive industry-leader brand portfolio and are actively investing in state-of-the-art technology and product innovation to ensure that the Company stands on a strong footing that delivers long-term value creation for its customers. We foresee significant opportunities for growth in Pakistan's cement industry and in the region and will continue to prioritize investing in technology and innovation.

The Board of Directors (the "Board") of the Company has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as set out in the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code") with respect to the composition, procedures and meetings of the Board of Directors and its Committees. As required under the Code, an annual evaluation of the Board is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2022 and I report that: The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

- 1. Composition, Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of executive, non-executive and independent directors who have the appropriate level of skills, experience and capabilities and who add real value to the Board through their expertise, experience and strong value systems. The non-executive and independent directors were equally involved in all key matters and decisions of the Board.
- 2. Oversight of Vision, Mission and Goals: The Board has a strategic vision of how the organization should be evolving over the next years. The Board by a thorough review of interim and annual financial results and extended guidance to the management and remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through quarterly and annual presentations by the management, internal and external auditors. Proactive monitoring of financial and operational performance by focusing on key risk areas enabled the Board to provide appropriate directions and oversight on a timely basis.
- 3. Relationship and Leadership: The Board ensures that information adequately flows between the Board and the management on a continuous basis. The Board ensures the information provided to the Board is appropriate, accurate, timely and unbiased.
- 4. Engagement in Strategic Planning: The Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. Further, the Board has spent sufficient time on strategy formulation and it has set annual goals and targets for the management in all major performance areas.

- 5. Due Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to the Board and Committee meetings. The Board met frequently enough to adequately discharge its responsibilities. Due consideration have been given to the recommendations and advices from the external and internal auditors
- 6. Governance: The Board has adequate and effective internal controls and appropriate measures for safeguarding assets of the Company. Audit Committee and HR&R Committee have been formed in an effective manner in pursuit of the approved terms of references, applicable corporate laws, norms and best practices. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Company.

Nasim Beg Chairman

October 05, 2022

DIRECTORS' REPORT

The Board of Directors of Power Cement Limited are pleased to present the annual report and the annual audited financial results of your Company for the year ended June 30, 2022.

ECONOMIC OVERVIEW

The world economy has been witnessing a commodity super cycle post opening of trade after pandemic. Further volatility in the system was brought in by the ongoing Russia-Ukraine conflict. The sharp raising of rates by Federal Reserve System has also left the currencies vacillating and the central banks in several countries had to jump in to control the exchange rate damage. All of these developments have, consequently, resulted in economic shakeup across the globe, with dipping growth rates, sharp increase in commodity prices, including food and fuel. This has adversely affected purchasing power of people, especially in countries with weaker exchange rates and all the economies had to embrace this, with extent of impact at varying degrees.

Like rest of the world, volatility in the global markets has also hit Pakistan's economy very hard. At the start of current financial year, there was much optimism with an estimated GDP growth rate of almost 6 percent for FY 2021-22. However, as the above mentioned global factors started to price in, the economic landscape changed sharply. An uncertain political environment along with above mentioned global catastrophes exerted immense pressure on the Pakistan economy, with dwindling foreign exchange reserves and soaring prices. FED rates hike, widening current account deficit, IMF over stringent conditions coupled with political uncertainty resulted in a significant depreciation of the Pakistani Rupee against the US dollar. This, in turn, adversely affected the GDP growth rate and further fueled inflation which was initially kicked off due to international commodity prices.

During the outgoing financial year, the annual inflation rate in Pakistan increased to its highest level in several decades, spiking to 27.3% in August 2022, the highest since May of 1975, mainly due to higher food and energy costs. The spiraling increase in SBP policy rate to fight with the exchange rate crisis and inflation added fuel to the fire, aggravating the already set in economic meltdown. It is now likely that inflation rate will not have rest very soon and there will be further drag on GDP growth in coming months since intense rains and deadly floods have recently hit a vast area of the country while currency has been facing a free fall, placing it among the worst performing currency in Asia. Political juggling and toppling of previous political regime further weakened the investor confidence and governance failure added uncertainty to the future direction of macroeconomic policy.

CEMENT SECTOR

Cement Industry in Pakistan declined by 7.9% to reach 52.9 million tons during the year ended June 2022 in comparison to 57.5 million tons last year. The local sales' volume remained flat with minor decline of 1% to reach 47.6 million tons during the year under review versus 48.1 million tons during last year. Export sales' volume declined substantially by 43.6% to 5.3 million tons during the year under review compared to 9.3 million tons during the last year, which continues to the ongoing financial year - 2023.

Local sales and export of cement has declined massively during the ongoing financial year due to the high cost of production. Electricity prices increased by 44%, interest rate increased by 114% and coal prices increased by 86%.

The domestic demand in South Zone, where your Company is situated, depicted a rise in annual consumption which stood at 8.20 million tons with growth of 8.75%. Simultaneously, the export demand stood at 6.75 million tons with a negative growth of 35.6% over the prior year. As a result, the South Zone closed at a total dispatch of 12.51 million tons

FINANCIAL PERFORMANCE

A comparison of the key fi-nancial indicators of the Company for the year ended 30 June 2022 with the corresponding year is as under:

| Particulars | FY 2022 | FY 2021 |
|---|--------------|------------|
| | PKR in '000' | |
| Sales Revenue | 23,633,083 | 19,702,055 |
| Less: Sales Taxes/ Federal Excise Duty / Commission / Freight | 6,138,205 | 5,481,442 |
| Sales Revenue – Net | 17,494,878 | 14,220,613 |
| Gross Profit | 2,482,131 | 3,089,637 |
| Operating Profit | 1,304,202 | 1,928,231 |
| Loss Before Tax | (1,330,626) | (671,208) |
| (Loss) / Profit After Tax | (443,946) | 358,359 |
| (Loss) / Earnings per share basic and diluted (in Rupee) | (0.62) | 0.17 |

Despite of numerous challenges faced due to pandemic related uncertainties and highly volatile international coal markets and local energy prices, the company performed well with gross revenue of Rs.23.63 billion showing a growth of 20% from preceding year.

Post expansion, company has become one of the most cost efficient cement plant of Pakistan. However, during the financial year under review, gains in the cost of production were weighed down by increase in cost of sales driven by skyrocketing coal prices and sharp surge in electricity tariffs and transportation costs.

Gross Margin of Company declined to 14% as compared to 22% last year. The Loss Per Share (LPS) for the year was Re.0.62 as compared to EPS of Re.0.17 per share reported last year.

PRODUCTION AND CAPACITY UTILIZATION

| Production | FY 2022 | FY 2021 | Variance % |
|------------|-----------|-----------|------------|
| | Tons | | |
| Cement | 1,593,324 | 1,809,737 | (12%) |
| Clinker | 1,863,323 | 2,333,980 | (20%) |

| Dispatches | FY 2022 | FY 2021 | Variance % |
|------------------------|-----------|-----------|------------|
| | Tons | | |
| Cement/Clinker (Local) | 1,627272 | 1,633,074 | (0.36%) |
| Cement (Export) | 75,848 | 196,798 | (61.45%) |
| Clinker (Export) | 419,830 | 553,621 | (24.16%) |
| Total Dispatches | 2,122,950 | 2,383,493 | |

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs.2.57 billion (2021: Rs.2.92 billion) into the Government Treasury on account of income tax, excise duty, sales tax and other Government levies.

DIVIDEND AND BONUS SHARES

Considering the highly volatile economic situation and Company's obligations in terms of existing long-term loans, the Board has decided not to declare any cash dividend or issue bonus shares for the year ended June 30, 2022.

RENEWABLE GREEN ENERGY PROJECTS

Electricity is one of the major components of cost of production in cement manufacturing process, accounting for around 20%. The Waste Heat Recovery System (WHRS) was installed in 2021, which has a generating capacity of 10MW of green electricity. During the current year, your Company has taken new initiatives by embarking Solar and Wind Power Projects. Solar Power Project of 7MW went live in August 2022, generating clean and green energy while work on 9MW Wind project is in process. This will not only strengthen cash flow position of the Company but will also help achieve self-sustainability in energy generation through partial switching on green energy, reducing carbon foot print and contributing to the ecological environment as well. With these sustainable initiatives the management eyes to reduce 21K ton carbon emissions in a year.

OUTLOOK

We expect fiscal year 2023 to be challenging for Pakistan's economy, especially due to the high Current Account Deficit, which stood at \$17.4 Billion for FY 2022 versus \$2.8 Billion for FY 2021. The highest inflation rate combine with high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures and significant depreciation of the Pakistani Rupee against the US dollar, pose a threat to business demand, as well as profitability.

The nation witnessed an unprecedented spell of monsoon rains and floods which caused an economic loss of \$28 billion approx. with over a third of Pakistan came underwater, over 3.6 million acres of crops destroyed, over 750,000 livestock killed on top of loss of the precious human lives and more than 2 million houses have been impacted (partially and/or fully damaged), along with that over 410 bridges and 13,074km of road predicting a drop in manufacturing output in the first quarter of FY-23, which may well extend beyond second and third quarter of FY-23.

The Sindh government in collaboration with World Bank would introduce a housing project of Rs.110 billion of worth for the flood affectees. Along with the organic parameters, we also foresee strong demand & growth for the industry in coming quarters and years. This will be mostly fueled by the redevelopment of damaged infrastructure by the Federal & Provincial governments along with the partnered local and international relief agencies.

In order to boost liquidity and profitability, Company's management is focused on cost control measures and has devised strategies accordingly. Your company is working in all relevant areas including use of alternative fuels and optimized operations of the plant to reduce fixed costs. The Management is fully aligned with the rapid changes in regulatory regime and market dynamics. Efforts are being made to curtail the costs wherever possible and create a price efficient sales mix to maximize profitability, mitigate market risks, meet future challenges and maintain business growth.

CREDIT RATING

The Company has been assigned a long term rating of "A-" (Single A Minus) and short term rating of "A-2" (Single A Two) by JCR-VIS Credit Rating Company Limited on November 30, 2021.

CODE OF CORPORATE GOVERNANCE

The Directors' of your Company review the Company's strategic direction and business plans on a regular basis. The Audit Committee is empowered for effective compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019. We are taking all necessary steps to ensure good corporate governance in your Company as required by the Code. As part of the compliance, we confirm the following:

- The financial statements prepared by the management of the Company, present fairly the Company's state of affairs, the result of operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern. Further the Company is paying all debts in time and no default is made on the part of Company to repay its debts to the banks.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The Company operates funded gratuity scheme for its employees as disclosed in relevant note to the financial statements.
- Four directors have already completed the directors' training program. The Board consists of one director who
 is exempted from the directors' training program in accordance with clause 19 of Chapter VI of the CCG
 regulations due to having minimum of 14 years of education and over 15 years of experience on the board of
 a listed company. Currently, there are two directors who require certification under the directors' training
 program.
- The statement of holding in the prescribed format disclosing aggregate number of shares has been attached with this Annual Report.
- · Key operating and financial data for the last 6 years has been annexed to the report.

COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors of the Company as of 30 June 2022 consists of:

| Tot | al Number of Directors | 7 |
|-----|------------------------|---|
| i) | Men | 6 |
| ii) | Women | 1 |

The names and composition of the Board of Directors as of 30 June 2022 are as follows:

| Composition of Directors | Name of Directors | |
|---------------------------|------------------------------|--|
| a. Non-Executive Director | 1) Mr. Nasim Beg | |
| | 2) Mr. Syed Salman Rashid | |
| | 3) Mr. Samad Habib | |
| | 4) Mr. Andres Paludan-Muller | |
| b. Independent Directors | 5) Mr. Javed Kureishi | |
| | 6) Ms. Saira Nasir | |
| c. Executive Director | 7) Mr. Muhammad Kashif Habib | |

MEETINGS OF BOARD OF DIRECTORS

During the year under review five Board of Directors' (BOD) meetings were held and attendance of Board Members was as follows:

| Name of Directors | Designation | Meetings attended by the Member |
|---------------------------|-------------------------|---------------------------------|
| Mr. Nasim Beg | Chairman | 5/5 |
| Mr. Muhammad Kashif Habib | Chief Executive Officer | 5/5 |
| Mr. Syed Salman Rashid | Non-Executive Director | 3/5 |
| Mr. Mr. Samad Habib | Non-Executive Director | 3/5 |
| Mr. Javed Kureishi | Independent Director | 4/5 |
| Ms. Saira Nasir | Independent Director | 5/5 |
| Mr. Andres Paludan-Muller | Non-Executive Director | 5/5 |

Leave of absences were granted to directors who did not attend the meetings.

EVALUATION CRITERIA FOR THE BOARD

A comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations
- Corporate Governance

BOARD COMMITTEES AND MEETINGS

Audit Committee

The Board of Directors has established an Audit Committee which comprises of three members all of whom are non-executive directors and the Chairperson is an Independent Director. Composition of the Audit Committee has been made in line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations. 2019.

During the year under review, four Audit Committee meetings were held and attendance of each member was as under:

| Name of Members | Designation | Meetings attended |
|------------------------|-------------|-------------------|
| Ms. Saira Nasir | Chairperson | 4/3 |
| Mr. Nasim Beg * | Member | 1/1 |
| Mr. Syed Salman Rashid | Member | 4/3 |
| Mr. Samad Habib * | Member | 3/3 |

*Mr. Samad Habib was appointed as a member of Audit Committee in replacement of Mr. Nasim Beq.

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board of Directors has established a Human Resource & Remuneration Committee (HR&R) which comprises of three members; of whom two are non-executive directors. The composition of the HR&R Committee has been made in line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the year under review, one HR&R Committee meeting was held and attendance of each member was as under:

| Name of Members | Designation | Meetings attended |
|---------------------------|-------------|-------------------|
| Mr. Javed Kureishi | Chairman | 1/1 |
| Mr. Muhammad Kashif Habib | Member | 1/1 |
| Mr. Syed Salman Rashid | Member | 1/1 |

DIRECTORS REMUNERATION POLICY

The independent non-executive Directors of the Company are being paid meeting fee for attending Board of Directors meeting or any of Boards' sub-committee meeting as approved in the Annual General Meeting held on October 28, 2019. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the Company successfully and with value addition. Remuneration to Chief Executive and Directors are disclosed in notes to the Financial Statements for the year ended June 30, 2022.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls.

The Board Audit Committee meets quarterly to consider your Company's financial performance, operational and capital expenditure budgets, strategic plans and other key performance indicators. The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

PATTERN OF SHAREHOLDING

The ordinary and preference shares of the Company are listed on Pakistan Stock Exchange. There were 1,111,870,488 (2020: 1,063,414,434) ordinary shareholders and 208,243,277 (2020: 244,585,320) preference shareholders of the Company as of June 30, 2021. The detailed pattern of shareholding are annexed to the Report.

TRADING IN COMPANY'S SHARE BY DIRECTORS AND EXECUTIVES

A statement showing the Company's shares bought and sold by its Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor family members is annexed to the Report.

Furthermore, it is informed to all above concerned persons to deliver written notices to the Company Secretary, to immediately inform in writing, any trading in the Company's shares by themselves or by their spouses and to deliver a written record of the price, number of shares and CDC statement within 2 days of such transaction.

RISK MANAGEMENT & STRATEGY FOR MITIGATING RISKS

The Board of Directors have identified potential risks, assessed their impact on your Company and formulated strategies to mitigate foreseeable risks to the business. These strategies have been enforced throughout the hierarchy of your Company under to ensure that no gaps remained in risk mitigation.

The major risks and challenges faced by the Company are as follows:

- i) High level of leverage weighing downward pressure on profitability
- ii) Inability to pass on sharp increase in cost of doing business to the consumers (especially coal & electricity costs) due to the competitive pricing by market players
- iii) Exposure to exchange rate and interest rate risks
- iv) Supply glut due to capacity expansions/new plants
- v) Loss of quality human resource due to surge in employee turnover

These are explained further in the relevant sections of the Annual Report.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

The newly installed FLSmidth Plant is environmental friendly meeting IFC and World Bank standards, having state of the art online quality control system first time in Pakistan. The Plant is consistently producing 53 Grade Cement of optimum quality.

Further, the Waste Heat Recovery System (WHRS) has already been installed for producing electricity and the Company is further moving towards environment friendly green energy through its Solar & Wind Energy initiatives. The Company has dedicated and qualified HSE Team to meet the statutory and regulatory compliances of SEPA and SEQS standards. Being proactive on the impact of company's business on the environment, the Company had installed de-dusting equipment such as dust cycabones, bag houses, dust suppression by damping down method, electrostatic precipitators, personal protective equipment, air pollution control system and speed limit controls in Company's premises to overcome RSPM (respirable suspended particulate matter) and FRD (fugitive road dust).

The Company is now the cleanest air discharging plant in the South Zone having a complete pollution control bag house system. The emission levels of the plant are now even better than the discharge limits allowed by the World Bank/IFC Guidelines. The bag filters employ state-of-the-art European Technology using the Eco E3 filtration system which most efficiently controls the dust emission with sustainability and thus provides an edge to the Company over other cement plants in the South Zone. Additional benefits of having this new dust control system include enhancement of useful life of plant & equipment and reduction of energy losses.

CERTIFICATIONS

The Company always has always been committed to provide a safe working environment for all of its employees and stakeholders at large, and the award of the ISO 45001:2015, ISO 14001:2015 and ISO 9001:2015 certifications is a testimony of its continuous implementation of practices that offer development of health, safety and environment at the work place.

APPOINTMENT OF EXTERNAL AUDITORS

The auditors, M/s. A.F Fergusons and Co. Chartered Accountants, retire and, being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year 2022-23 in the Annual General Meeting.

RELATED PARTY TRANSACTIONS

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in notes to the annexed audited financial statements.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Business Partners, Bankers and Financial Institutions. We thank the Ministry of Finance, Ministry of Industries & Production, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the Management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to the Company.

The results of an organization are greatly reflective of the efforts put in by the people who work for and with the Company. The Directors fully recognize the collective contribution made by the employees of the Company in the successful completion of expansion project, fruits of which are now evident in operational performance of the Company. We also appreciate the valuable contribution and active role of the members of the Board's Committees in supporting and guiding the management on matters of great importance.

For and on Behalf of the Board

Muhammad Kashif Habib Chief Executive Officer

Karachi: October 05, 2022

Nasim Beg Chairman

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REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises of three (3) Non-Executive Directors including one Independent Director, who is also the Chairperson of the Committee. The members of the Audit Committee are qualified professionals and possess enriched experience of working at the Boards & Senior

Management levels of entities operating in various sectors. Further, two members are qualified chartered accountants.

The Head of Internal Audit is the Secretary of the Audit Committee.

Chief Financial Officer of the Company attends the meeting by invitation, while the Committee meetings are attended by the External Auditors on requirement basis.

FINANCIAL STATEMENTS

The Committee has concluded its annual review of the conduct and operations of the Company during financial year 2022, and reports that:

- The annual financial statements for the year ended June 30, 2022 have been prepared on a going concern basis under requirements of Companies Act, 2017 ("the Act"), incorporating the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code") International Financial Reporting Standards ("IFRS") and other applicable regulations.
- There were no issues in the application of the Act and these financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Chairman of the Board, Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by the Chairman and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting
 records have been maintained by the Company in accordance with the Act. The financial statements comply
 with the requirements of the Fourth Schedule to the Act and the external reporting is consistent with
 management processes and adequate for shareholder needs.
- All Related Party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019" which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses
 were notified in writing to the Company Secretary along with the price, number of shares, form of share
 certificates and nature of transaction which were notified by the Company Secretary to the Board within the
 stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief
 Executive and executives of the Company from dealing in Company shares, prior to each Board meeting
 involving announcement of interim / final results, distribution to shareholders or any other business decision,
 which could materially affect the share market price of the Company, along with maintenance of confidentiality
 of all business information.

RISK MANAGEMENT AND INTERNAL CONTROL

- The Company has developed a sound mechanism for identification of risks and assigning appropriate
 criticality level and devising appropriate mitigation measures which are regularly monitored and implemented
 by the management across all major functions of the Company and presented to the Audit Committee for
 information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company's approach towards risk management has been disclosed in the risk management section of the Directors' Report. The types and detail of risks along with mitigating measures are disclosed in relevant section of the Annual Report.

INTERNAL AUDIT

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company.
- The Internal Audit function has carried out its duties under the terms of reference defined by the Committee.
 The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairperson of the Audit Committee and the Committee
 has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary
 access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

- The statutory Auditors of the Company, M/s. A.F. Fergusons & Co., Chartered Accountants, have completed their audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended June 30, 2022.
- The Auditors attended all the Audit Committee meetings where their reports were discussed. The Auditors
 also attended General Meetings of the Company during the year and have confirmed attendance for 31st
 Annual General Meeting scheduled on October 28, 2022.
- The Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company any except that of External Auditors.
- Being eligible for reappointment as auditors of the Company, the Audit Committee has recommended the appointment of M/s. A.F. Fergusons & Co., Chartered Accountants as external auditors of the Company for the year ending June 30, 2023.

ANNUAL REPORT 2022

 The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much exceeding the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.

THE AUDIT COMMITTEE

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board's performance, which also included members of the Audit Committee was carried out separately and is detailed in the Annual Report.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF **POWER 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 Power Cement Limited for the year ended June 30, 2022 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, 2022.

Chartered Accountants Place: Karachi

Date: October 7, 2022

UDIN: CR202210073YOy5SMWc3

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

*KARACHI*LAHORE*ISLAMABAD

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED 30 JUNE 2022

Power Cement Limited ("the Company") has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner.

1. The total number of Directors of the Company are 7 as per the following:

| Male | 6 |
|--------|---|
| Female | 1 |

2. The composition of Board is as follows:

| Categories | Names of Directors |
|-------------------------------|-----------------------------|
| Independent Director - Male | Mr. Javed Kureishi |
| Independent Director - Female | Ms. Saira Nasir |
| Non-Executive Directors | Mr. Nasim Beg |
| | Mr. Samad A. Habib |
| | Mr. Syed Salman Rashid |
| | Mr. Anders Paludan - Müller |
| Executive Director | Mr. Muhammad Kashif Habib |

*For the purpose of rounding up of fraction, the Company has not rounded up the fraction as the Company's shareholders had determined the Board composition adequate;

- 3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- 9. Majority of the Directors have complied with the requirements of 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 relevant requirements of the Regulations.

- 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- 12. The Board has formulated the following committees comprising of the given below:

| | Name of Committee Members | Category |
|---|---|-------------------------------|
| a. Audit Committee | Ms. Saira Nasir - Chairperson | Independent Director |
| | Mr. Salman Rashid | Non-Executive Director |
| | Mr. Samad A. Habib | Non-Executive Director |
| | | |
| | Name of Committee Members | Category |
| b. Human Resource and | Name of Committee Members Mr. Javed Kureishi - Chairperson | Category Independent Director |
| b. Human Resource and Remuneration Committee | | • • |

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14. The number of meetings of the committees held during the year are as under
 - a) Audit Committee Four meetings
 - b) Human Resource and Remuneration Committee One meeting
- 15. The Board has set up an effective internal audit function which is considered 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 are registered with the 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, Chief Internal Auditor, Company Secretary or Director of the Company.
- 17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.
- 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

| S.No | Non-Mandatory Requirement | Explanation | Reg.no. |
|------|---|--|---------|
| 1 | The Code encourages the companies that all the Directors have obtained DTP certification by June 30, 2022. | The Company has seven directors whereof one director is exempt from this requirement by virtue of his qualification and experience and four out of the remaining six directors have | 19 |
| 2 | The Board may constitute a separate Committee, designated as the nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances. | obtained DTP certification. The responsibilities as prescribed for the Nomination Committee are being taken care at Board level. | 29(1) |
| 3 | The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. | The responsibility as prescribed for the Risk Management Committee are being taken care at Board level | 30(l) |
| 4 | No person shall be appointed as the Company secretary unless he holds the qualification as specified under the relevant Regulations by the Commission: the same person shall not simultaneously hold office of chief financial officer and the Company secretary of a listed Company. | The Company continued to vest both responsibilities of CFO & Company Secretary in the same individual till 27 February 2022 to benefit the Company from his rich working experience on these positions of listed companies, to achieve the cost optimization and to have the unity of engagement in dealing with internal and external stakeholders. Subsequently, the Company Secretary was appointed separately by the Company with effect from 28 February 2022. | 24 |

For & on behalf of Board of Directors

Muhammad Kashif Habib
Chief Executive Officer

Nasim Beg Chairman

October 05, 2022 Karachi

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NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (AGM) of the shareholders of Power Cement Limited ("the Company") will be held on Friday, October 28, 2022 at 11:30 am at PSX Auditorium, 3rd Floor, Admin Block, Stock Exchange Building, Exchange Road, Karachi to transact the following businesses. The shareholders can also attend the AGM via a video link facility.

ORDINARY BUSINESS:

- 1. To confirm the minutes of the last Annual General Meeting of the Company held October 28, 2022.
- 2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended 30 June 2022, together with the Directors' and Auditors' reports thereon.
- 3. To appoint Auditors and fix their remuneration for the year ending June 30, 2023. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
- 4. To elect seven (07) Directors of the Company as fixed by the Board of Directors of the Company in accordance with the provisions of Section 159(1) of the Companies Act, 2017 for a period of three years, commencing from October 28, 2022.

The names of retiring Directors are listed as under –

- 1. Mr. Nasim Beg
- 2. Mr. Muhammad Kashif Habib
- 3. Mr. Samad A. Habib
- 4. Syed Salman Rashid
- 5. Mr. Javed Kureishi
- 6. Mr. Anders Paludan MÜller
- 7. Ms. Saira Nasir

The retiring Directors are eligible for re-election.

ANY OTHER BUSINESS:

5. To consider any other business with the permission of the Chair.

A Statement under Section 166(3) of the Companies Act 2017 pertaining to the material facts is given along with this notice.

By Order of the Board

Salman Gogan
Company Secretary

October 7, 2022 Karachi

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share transfer books of the Company shall remain closed from October 21, 2022 to October 28, 2022 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block -B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi up to the close of business on October 20, 2022 shall be treated in time for the purpose of Annual General Meeting.

2. PARTICIPATION IN THE AGM PROCEEDING VIA VIDEO LINK FACILITY:

The Company also facilitate participation of its shareholders through a video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/proxies interested to participate in the AGM through this facility are requested to share below information at corporate@powercement.com.pk with subject "Registration for 31st AGM of Power Cement Limited" alongwith valid copy of CNIC (both sides) or passport —

| Shareholder Name | Folio/ CDC Number | CNIC Number | Cell Number | Registered Email Address | |
|------------------|-------------------|-------------|-------------|-----------------------------|--|
| | | | | | |

Video-link and login credentials will be shared with the members/proxies whose email containing all the above particulars are received at least 48 hours before the time of AGM.

The members can also provide their comments and questions for the agenda items of the AGM on email: corporate@powercement.com.pk

3. APPOINTMENT OF PROXIES AND ATTENDING AGM:

- i. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
- ii. A blank instrument of proxy (in English and Urdu) is attached in the Annual Report. The form of proxy is also available at the Company's website.
- iii. In order to be effective, the proxy forms must be received at office of our registrar (either hard copy or scanned) not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
- iv. The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, addresses, CNIC numbers and signatures.
- v. Central Depository Company (CDC) account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).
- vi. In the case of proxy by a corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form (either hard copy or scanned).

4. CHANGE IN MEMBERS ADDRESSES:

Members are requested to notify any change in their addresses immediately to the Share Registrar M/s. CDC Share Registrar Services Limited.

5. CIRCULATION OF AUDITED FINANCIAL STATEMENTS THROUGH E-MAIL:

The shareholders in their 25th AGM on October 15, 2016 have already granted approval to transmit annual reports in the form of soft copies in CD/DVD/USB/email instead of transmitting the annual audited accounts in printed copy pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated May 31, 2016.

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Therefore, the Company has circulated the annual reports to the shareholders through email at their registered emails as also allowed under Section 223(6) of the Companies Act. However, the shareholders who wish to receive the hardcopy of the financial statements are requested to send a request using the "Standard Request Form" (also available on the Company's website http://www.powercement.com.pk) at the Company address.

6. SUBMISSION OF CNIC / NTN (MANDATORY):

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi. Corporate Entities are requested to provide their National Tax Number (NTN). Please also give Folio Number with the copy of CNIC/NTN details.

7. AVAILABILITY OF FINANCIAL STATEMENTS AND REPORTS ON WEBSITE:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022, are available on the Company's website: https://powercement.com.pk/financial-reports/

8. CONVERSION OF PHYSICAL SHARES INTO THE BOOK ENTRY FORM:

As per Section 72(2) of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

9. CONTESTING ELECTION OF DIRECTORS:

Any person (including a retiring Director) who seeks to contest election of directors shall file with the Company at its registered office, Arif Habib Centre, 23 M. T. Khan Road, Karachi, not later than 14 days before the said meeting his / her intention to offer himself / herself for the election of the directors in terms of Section 159(3) of the Companies Act, 2017 together with:

- i. Notice of his / her intention to stand for election, along with duly completed and signed Form 28 giving his / her consent to act as Director of the Company if elected (under Section 167(1) of the Companies Act, 2017), and certify that he is not ineligible to become a Director under any applicable laws, Rules and Regulations.
- ii. (Detailed profile along with office address to be placed on the Company's website seven days prior to the date of election in term of SECP's SRO 634(1)/2014 of 10th July 2014.
- iii. Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the eligibility criteria as set out in the Companies Act, 2017 to act as the director of a listed company.
- iv. Attested copy of valid CNIC and NTN. (v) Declaration by Independent Director(s) under Clause 6(2) of the Listed Companies (Code of Corporate Governance) Regulation 2017. (vi) Undertaking on non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

10. POSTAL BALLOT:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 for the purpose of election of directors subject to Section 159 of the Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section I59(1) of the Companies Act, 2017.

11. CONSENT FOR VIDEO CONFERENCE FACILITY:

In compliance with Section 134(1)(b) of the Companies Act, 2017 members of the Company may attend and participate in the AGM through video conference facility if member(s) residing in a city other than Karachi, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference at least ten (10) days prior to the date of the AGM.

To avail such facility, please submit the following form with the requisite information at the Registered Office of the Company –

| I/We | of | _being member(s) of Amreli |
|---------------------------|---|----------------------------|
| Steels limited, holder of | ordinary shares(s) as per F | Registered Folio/CDC |
| Account No | hereby opt for video conference facility at | · |
| Name and Signature(s) | | Date |

The Company will intimate members regarding venue of video conference facility at least five (05) days before the date of the AGM along with complete information necessary to enable them to access such facility.

For any query/problem/information, members may contact our Share Registrar at the following address:

CDC Share Registrar Services Limited CDC House, 99-B, Block-B, S.M.C.H.S Main Shahrah-e-Faisal. Karachi

STATEMENT UNDER SECTION 166(3) OF THE COMPANIES ACT 2017

Independent Directors will be elected through the process of election of directors in terms of Section 159of the Companies Act, 2017.

After the contestants file their notice / intention to stand for elections, the Company shall apply following criteria for choosing the appointee for appointment as independent director:

- Inclusion of name of independent directors in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP.
- Respective competencies, diversity, skill, knowledge and experience of the election contestants shall be assessed
- The Company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017.

ROLE OF CHAIRMAN

- · To provide leadership to the Board of Directors of the Company.
- To ensure that the Board plays an effective role in setting up the Company's corporate strategy, business direction and Key Performance Indicators (KPIs).
- · To promote and oversee the highest standards of corporate governance within the Board and the
- · Company.
- To review performance of the Board.
- To manage and solve conflict, if any, amongst the Board members and to ensure freedom of opinion in the Board

ROLE OF CHIEF EXECUTIVE OFFICER

- To execute and implement the strategies, policies and business plans approved by the Board.
- To achieve the performance targets set by the Board and to ensure communication of the same across the
 organization as the standards to be achieved by the Management.
- To maintain an effective communication with the Chairman and the Board and to bring all important matters to their attention.
- To ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas.
- To encourage and inculcate a culture of highest moral, ethical and professional values in all business dealings of the Company.

TERMS OF REFERENCE OF HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The purpose of the Human Resources & Remuneration Committee (the "HR&R Committee") is to assist the Board of Directors (the "Board") of Power Cement Limited (the "Company") in fulfilling its oversight responsibilities in the field of Human Resources and their Compensation. The Committee's primary focus is with respect to the development, succession planning and compensation of senior executives and the identification, oversight and management of risk related to the compensation policies and practices of the Company.

The terms of reference of Human Resource and Remuneration Committee shall include the following:

- i. Recommending Human Resource Management Policies to the Board.
- ii. Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer, Director Coordination, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- iii. Consideration and approval of the recommendations of the CEO about selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO's direct reports.
- iv. Consideration of any other issue or matter as may be assigned by the Board of Directors.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee shall, inter alia, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the Company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise, it shall record the reasons thereof.

The terms of reference of the Audit Committee shall also include the following:

- a) determination of appropriate measures to safeguard the Company's assets;
- b) 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 changes in accounting policies and practices;
- compliance with applicable accounting standards;
- · compliance with listing regulations and other statutory and regulatory requirements; and
- related party transactions.
- c) review of preliminary announcements of results prior to publication;
- d) 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);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the Company;
- g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
- I) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- n) consideration of any other issue or matter as may be assigned by the Board of Directors.

BOARD'S FUNCTION AND DECISION MAKING

Each member of the Board is fully aware of his responsibilities as an individual member as well as the responsibilities of all members together as a board. The Board actively participates in all major decisions of the Company including approval of budgets, investments, issuance of equity and debt capital, related party transactions and appointment of key personnel.

The Board also monitors the Company's operations by approval of financial statements, review of internal and external audit observations, if any and recommendation of any entitlement. The Board has devised formal policies for conducting business and ensures their monitoring through an independent Internal Audit Department that reports to the Audit Committee which continuously monitors adherence to Company Policies.

Matters Delegated to the Management

The management is responsible for implementing the strategies as approved by the Board of Directors. The management conducts the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals approved by the Board and identifies and administers the key risks and opportunities which could impact the Company in the ordinary course of execution of its business.

It is also the responsibility of management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

Evaluation Criteria for the Board

A comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- · Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- · Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations
- · Corporate Governance

Annual Evaluation of Board's Performance

The overall performance of the Board measured on the basis of above mentioned parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required under section 192 of the Companies Act, 2017 is attached with this Annual Report.

Directors Training Program and Orientation

As part of the Company's continuing education for all Directors, articles, reports and press releases relevant to the Company's business are circulated to keep all Directors updated on industry issues and trends. Changes in regulations are also informed to the Board. The external auditors routinely update the Audit Committee on new and revised financial reporting standards relevant to the Company.

As required by the Securities and Exchange Commission of Pakistan (SECP), which encourages Board members to require certification, the following Directors are certified from Pakistan Institute of Corporate Governance namely:

| Mr. Muhammad Kashif Habib | Chief Executive Officer |
|---------------------------|-------------------------|
| Ms. Saira Nasir | Independent Director |
| Mr. Samad A. Habib | Non-Executive Director |
| Syed Salman Rashid | Non-Executive Director |

Besides, the following directors have been exempted from the directors training program certification based on relevant experience as mentioned in the CCG Regulations, 2017.

Ms. Saira Nasir and Mr. Javed Kureishi - being the Independent Directors meet the criteria for independence as per Section 166 of Companies Act, 2017.

External Oversight of Functions

The Company obtains external assurance from:

- · Statutory Audit of Financial Accounts from Big 4 Audit firm M/s. A.F. Fergusons & Co. Chartered Accountants
- QMS Audit to ensure compliance with ISO 9001 Quality Management System, ISO 14001 Environment al Management System, ISO 45001 Occupational Health and Safety Management Systems are audited by AFNOR France & ISO 50001 Energy Management System is audited by SGS.

Policy of Remuneration to Non-Executive Directors

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration of its Non-Executive Directors including Independent Directors except for meeting fee for attending Board and its Committee meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending of Board and its Committees meetings.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to
- · Remuneration of Directors & other Executives are detailed in financial statements.

Detail of the remuneration paid to Executive and Non-Executive Directors during the year is given in notes to the financial statements.

Foreign Directors

Foreign Director on the Board is required to furnish a declaration that necessary documents have been submitted with the Company Registration Office (CRO), Islamabad and that in case his name is not cleared for security purposes by the Ministry of Interior, the Company facilitates arrangement of such clearance, and in case the clearance is not arranged, then the Company takes steps for replacement of such Director.

Implementation of Governance Practices Exceeding Legal Requirements

The management of Power Cement Limited believes to follow best governance practices that can be implemented in the Company's environment. To implement these practices, the minimum benchmark is to comply with all the legal requirements. However, the management goes ahead to implement best governance rules and practices that are followed globally and are in favor of the Company's shareholders, employees, environment and community.

Following additional governance practices implemented by the management include:

- Best Corporate Reporting practices recommended jointly by ICAP / ICMAP by disbursement of additional corporate and financial information to stakeholders to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees and equipment.

Policy on Diversity

Power Cement Limited aims to be an inclusive organization, where diversity is valued, respected and built upon. The culture of the Company values differences and recognizes that stakeholders from different backgrounds and experiences can bring valuable insights to enable a collaborative work environment by introduction of varied ideas and perspectives within the Company. We aim to pro-actively tackle discrimination and to ensure that no individual or group is directly or indirectly discriminated against for any reason regarding employment and the Company bears no tolerance for harassment/bullying and persecution. The Company has a whistle blowing policy in place, and employees are encouraged to report all such matters and related grievances to the Human Resources department. The Board ensures application of diversity policy through Human Resource department by ensuring that all talent hunting seminars, job fairs and advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences are appreciated rather than criticized for novel ideas and improvements.

Presence of Executive Director on Board of other Companies

In addition to being the Chief Executive of the Company, Mr. Muhammad Kashif Habib holds Non-Executive Directorship on the Board of the following companies that have also been mentioned in Directors' Profile Section of the Report:

- · Aisha Steel Mills Limited
- · Alternates (Private) Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- · Arif Habib Real Estate Services (Pvt.) Limited
- Black Gold Power Limited
- Fatima Fertilizer Company Limited
- Fatima Packaging Limited
- Fatimafert Limited
- Fatima Cement Limited
- Memon Health and Education Foundation
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakarab Fertilizers Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddgsons Energy Limited

Policy for Related Party Transactions

All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions.

All transactions with related parties where majority of Directors of are interested, are referred to the shareholders in a General Meeting for approval. In compliance with the CCG and applicable laws, a comprehensive list of all related party transactions are placed before the Audit Committee for review at the end of each quarter. After review by the Committee, the transactions are considered and approved by the Board keeping in view the recommendations made by the Committee.

The Company maintains a comprehensive and updated list of all related parties. Names of all such related parties along with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in notes to the Financial Statements. However, there was no contract or arrangement with any related party other than in the ordinary course of business on an arm's length basis during the year.

Board Meetings held outside Pakistan

There were no board meetings held outside Pakistan during the year.

Policy for Disclosure of Conflict of Interest

All Directors are obligated to avoid actual, potential and perceived conflicts of interest. Agenda points for the Board's proceedings are finalized after obtaining relevant information regarding vested interests and quantification thereof, whereas all observations / suggestions of Board members during their proceedings are accordingly recorded.

Policy Statement

The Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid any conflict of interest, identify the existence of any conflict of interest, and to disclose the existence of conflict of Interest. The Company annually circulates and obtains a signed copy of Code of Conduct applicable to all its employees and directors, which also relates to matters relating to conflict of interest. Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by all its employees and directors. The Company Policy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of noncompliance. The Policy is intended to assist directors and employees in making the right decisions when confronted with potential conflict of interest issues.

Management of Conflict of Interest

The primary goal of this policy is to manage conflicts of interest to ensure that decisions to be made are on proper grounds, for legitimate and unbiased reasons. In this regard, Power Cement Limited has set the following procedures to manage and monitor the conflict of Interest:

- 1. Identify areas of risk
- 2. Develop strategies and responses for risky areas.
- 3. Educate all employees about the conflict of interest policy.
- 4. Communicate with stakeholders to provide the platform for proper disclosure.
- 5. Enforce the policy.

Further, the directors are periodically reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of the insider information. Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested Directors do not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company as mentioned in the Policy on Related Parties section.

Investors' Grievance Policy

The shareholders have been facilitated and encouraged to file their grievances with the Company in an effective manner. All queries including grievances and information requests lodged by shareholders and potential investors are handled on priority with the legal requirements and in a timely manner. Under the mechanism, the Company caters to requested information including specific queries relating to shareholders' investments, dividend distribution or circulation of regulatory publications by the Company, received directly or through any regulatory body. The 'Investors' Relations' section is also maintained on the Company website link http://powercement.com.pk/page-investor-grievances.

Material information is also disseminated through newspapers, publication on Company's website, notices to the Stock Exchange and regulators etc.

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Policy for Safeguarding of Records

Power Cement Limited effectively ensures the safety of its records. Physical records of documents are maintained in designated storerooms at our Head office and Site locations. Access to these rooms is only granted to authorize individuals who are responsible for the safekeeping and maintenance of records. Further, an independent archiving company has been properly maintaining the Company's records at a secure location for the last three years. All records are retained as long as they are required to meet legal, administrative, operational, and other requirements of the Company.

IT Governance Policy

Recognizing the criticality of Information Technology governance in achievement of its overall strategic and operational objectives, IT resources of the Company have been aligned to provide the management with an efficient operating and decision making platform that helps in streamlining operations.

IT Governance Policy consists of the following:

- Maximizing return on technology investment with controlled spending;
- Safeguarding of Company's data:
- Development and up-gradation of different modules to provide reliable, efficient and timely information;
- Improving user awareness on IT security to detect and prevent vulnerabilities.
- Ensuring compatibility, integration and avoidance of redundancy.

Power Cement Limited is committed to encourage environment of honesty, fairness, integrity and accountability at all levels of the management. In this respect, we have always been keen to take timely action to address any matter that may have an impact on the Company's performance as well as the wellbeing of its employees, customers and suppliers.

Whistle Blowing Policy

To fulfil these commitments, the Company has developed a policy where any of the stakeholders (i.e. employees, customers, suppliers, contractors, business partners or shareholders) can contribute towards our aim to be vigilant about, and responsive of, the following misdemeanors undertaken by any person associated with Company, either directly or indirectly:

- Any fraudulent act;
- Waste of resources;
- Misuse of authority; or
- Sabotage of machinery or of equipment.

The salient features of the policy are as follows:

- 1. A whistle-blower who raises a concern as per this policy, is provided with due protection in respect of performance of his duties and receipt of justified consideration under employment or contractual arrangement. No harassment or pressures towards the whistle-blower are tolerated and the Company takes appropriate actions to protect all such individuals.
- 2. The company ensures that the information shared and the identity of the whistle-blower remains confidential until such time as the person needs to come forward as a witness.
- 3. All concerns are reported in writing to ensure a clear understanding of the issues being raised. The background, the nature of concern, relevant dates and timings, evidences/proofs where possible, the reasons for the concern and the names of individuals against whom the concern is being reported are documented therein.
- 4. Each concern received is assessed for its validation and initial inquiries are made to determine whether an investigation is appropriate. At the end of the investigation, a written report that provides the findings, basis of findings and a conclusion is submitted to the Chief Executive Officer.

Human Resource Management Policy

The backbone of any organization is its people. Power Cement Limited firmly believes in nurturing, investing in and promoting its employees with the ultimate objective of ensuring a very high level of employee satisfaction and efficiency, which in turn translates into high levels of customer satisfaction.

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork.

The main components of the Company's policy are:

- · Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team work and synergetic efforts
- Encouraging and supporting team concepts and team building techniques.
- · Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

Succession Planning

The Company believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Rigorous succession planning is also in place throughout the organization. Succession planning ensures that employees are constantly developed to fill each needed role. We look for people who exemplify continuous improvement when we are spotting future successors. In this relation, the Company also expends a lot in terms of finances and time for the training of its resources as is evident from the below trainings held during the year:

- 1. Effective Communication Skills
- 2. Project Management
- 3. Management Development Program "One Team One Goal"
- 4. Supply Chain Management

Social and Environmental Responsibility Policy

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between financial performance and corporate, social and environmental responsibility. The Company believes that the observance of sound environmental and social strategies is essential for building strong brand and safeguarding reputation, which in turn is vital for long term success.

Social Responsibility Policy

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- · Culture of ethics and behavior which improve values like integrity and transparency.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions
- · Maintaining collaborative relations with the society through a good harmony and effective communication.

Environmental Responsibility Policy

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through conservation of resources, prevention of pollution, and promotion of environmental responsibility amongst our employees.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

Business Continuity and Disaster Recovery Plan

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances.

The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups at remote sites.

The key highlights and actions of Power Cement Limited's Business Continuity Plan is as follows:

- The Management has put in place-adequate systems of IT Security, real-time data backup and off-site storage of data back-up at Company's Site.
- The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.
- The IT Team has been working on the Standard Operating Procedures and that will be completed by next year.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extra ordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure the safety of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.
- The Company has also deployed adequate security staff at both plants to ensure uninterrupted cement production regardless of the political situation and other external factors.
- The Company ensures the backup of all the assets whether physical or virtual; the physical assets are backed by insurance, whereas back-up of virtual assets and data is created on a routine basis.
- It is also regularly ensured that Data Recovery processes are operating effectively.

Disclosure of Beneficial Ownership

The Ultimate Beneficial Owners of the Company (non-natural persons) are enlisted below:

| Ultmate Beneficial Shareholder | Shareholding % |
|--------------------------------|----------------|
| Mr. Arif Habib | 29.74% |

Chairman's Significant Commitments

Chairman's significant commitments during the year included:

- · Effective conduct of Board meetings and Shareholder meetings and decision making.
- · Review of company's progress in strategic infrastructural projects.
- Chairman's engagements other than Power Cement Limited has been disclosed in the Directors' profile Section of this Report.

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FINANCIAL RATIOS

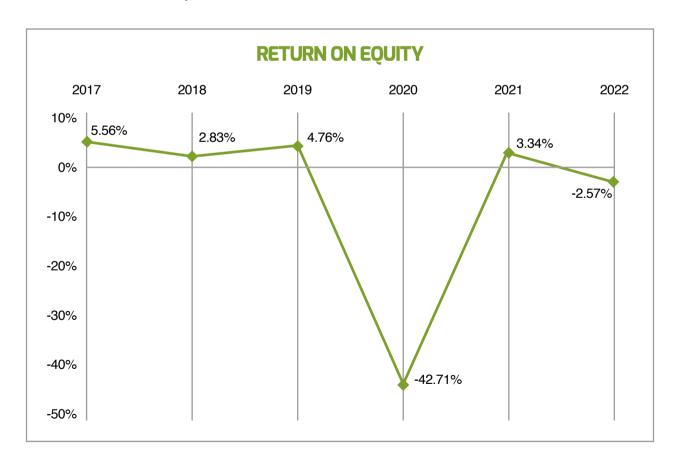
| Financial Ratios | UOM | FY 2022 | FY2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
|---------------------------------------|-------|---------|--------|---------|---------|---------|---------|
| PROFITABILITY RATIOS | | | | | | | |
| Gross profit/ (loss) to sales | % | 14% | 22% | -3% | 5% | 16% | 22% |
| Operating profit/ (loss) to sales | % | 7% | 14% | -24% | -7% | 8% | 18% |
| Profit/ (loss) before tax to sales | % | -8% | -5% | -96% | -11% | 8% | 13% |
| Net profit/ (loss) after tax to sales | % | -3% | 3% | -88% | 15% | 7% | 10% |
| EBITDA To sales | % | 12% | 21% | -21% | -3% | 12% | 21% |
| Return on Equity (ROE) before tax | % | -8% | -6% | -47% | -3% | 3% | 7% |
| Return on Equity (ROE) after tax | % | -3% | 3% | -43% | 5% | 3% | 6% |
| Return on Assets (ROA) before tax | % | -3% | -2% | -10% | -1% | 2% | 11% |
| Return on Assets (ROA) after tax | % | -1% | 1% | -9% | 2% | 2% | 9% |
| Return on Capital Employed | % | -1% | 1% | -14% | 2% | 2% | 5% |
| LIQUIDITY RATIOS | | | | | | | |
| Current Ratio | Times | 0.69 | 0.43 | 0.36 | 0.68 | 1.43 | 2.56 |
| Quick/Acid Test Ratio | Times | 0.09 | 0.45 | 0.30 | 0.52 | 1.43 | 2.05 |
| Cash Ratio | Times | 0.39 | 0.23 | 0.25 | 0.52 | 0.49 | 1.65 |
| Quick Ratio (Excl Receivables) | Times | 0.04 | 0.03 | 0.04 | 0.10 | 0.49 | 1.81 |
| Cash Flow From Operation To Sales | Times | 0.36 | 0.24 | 0.23 | (0.20) | 0.04 | 0.09 |
| · | Times | 0.12 | 0.11 | 0.53 | 0.83 | 0.09 | 0.09 |
| Illiquid Assets/Total Assets | nines | 0.64 | 0.65 | 0.64 | 0.63 | 0.61 | 0.46 |
| INVESTMENT VALUATION RATIOS | | | | | | | |
| Earning/(loss) per share (after tax) | Rs. | (0.62) | 0.17 | (3.41) | 0.55 | 0.32 | 1.14 |
| Price /Earnings Ratio (after tax) | Times | (8.63) | 55.76 | (1.82) | 11.69 | 26.09 | 11.74 |
| Price to Book Ratio | Times | 0.41 | 1.17 | 0.78 | 0.56 | 0.79 | 0.58 |
| Market Price per share as on 30 June | Rs. | 5.32 | 9.61 | 6.20 | 6.43 | 8.35 | 13.38 |
| Year High Close | Rs. | 9.93 | 11.80 | 7.22 | 9.77 | 10.85 | 23.44 |
| Year Low Close | Rs. | 5.17 | 6.26 | 4.63 | 5.74 | 7.11 | 7.40 |
| Breakup value per share | Rs. | 13.09 | 8.21 | 7.97 | 11.49 | 10.63 | 22.95 |
| ACTIVITY / TURNOVER RATIOS | | | | | | | |
| Inventory turnover | Times | 4.60 | 4.03 | 2.23 | 2.45 | 2.71 | 3.25 |
| Inventory held | Days | 79 | 91 | 163 | 149 | 135 | 112 |
| Debtor turnover | Times | 53.71 | 35.23 | 8.05 | 9.38 | 14.39 | 19.94 |
| No. of Days In Receivables | Days | 7 | 10 | 45 | 39 | 25 | 18 |
| Creditor turnover | Times | 5.33 | 4.83 | 2.41 | 8.53 | 9.23 | 11.25 |
| No. of Days In Payable | Days | 68 | 76 | 151 | 43 | 40 | 32 |
| Operating Cycle | Days | 18 | 25 | 57 | 145 | 120 | 98 |
| Total assets turnover | Times | 0.38 | 0.31 | 0.09 | 0.10 | 0.18 | 0.39 |
| Fixed assets turnover | Times | 0.49 | 0.39 | 0.03 | 0.12 | 0.10 | 0.85 |
| | | | | | | | |
| CAPITAL STRUCTURE RATIOS | | | | | | | |
| Long term debt to capital | % | 115% | 183% | 226% | 148% | 85% | 4% |
| Long term debt to equity | % | 98% | 151% | 180% | 171% | 90% | 10% |
| Long term debt to assets | % | 43% | 43% | 42% | 45% | 39% | 3% |
| Gearing Ratio | _% | 57% | 72% | 77% | 65% | 48% | 15% |
| Debt to equity ratio | Times | 1.12 | 2.15 | 2.58 | 2.17 | 1.00 | 0.40 |
| Interest coverage ratio | Times | 0.81 | 1.12 | 0.28 | 0.60 | 4.18 | 3.73 |
| Financial leverage | Times | 1.69 | 3.23 | 4.37 | 2.27 | 1.17 | 0.36 |
| Short term debt payback (years) | Years | 1.20 | 4.25 | 3.75 | 7.22 | 1.88 | 1.93 |
| Total debt payback (years) | Years | 9.77 | 15.16 | 13.01 | 33.92 | 19.29 | 2.56 |
| Employee Turnover (%) | % | 9 | 10 | 37 | 9 | 4 | 10 |
| . , | | | | | | | |

DUPONT ANALYSIS

| Year | Profit/ (loss) margin (Profit/ (loss) after tax/sales) | Total Asset turnover (Sales / Total Assets) | Return on Assets | Equity Multiplier (Total Assets / Total Equity) | Return On Equity |
|------|--|--|---------------------|--|---------------------|
| | A | В | C=A*B | D | E=C*D |
| 2022 | -2.54% | 0.38 | -1% | 2.69 | -2.57% |
| 2021 | 2.52% | 0.31 | 1% | 4.23 | 3.34% |
| 2020 | -88.05% | 0.09 | -8% | 5.37 | -42.71% |
| 2019 | 15.09% | 0.10 | 1% | 3.27 | 4.76% |
| 2018 | 7.37% | 0.18 | 1% | 2.17 | 2.83% |
| 2017 | 10.42% | 0.39 | 4% | 1.36 | 5.56% |

The main highlights of DuPont analysis are as follows:

- 1. The profit margins for the Company declined in FY 2022 from positive 2.52% to negative 2.54% owing mainly to lower sales volume and increase in prices of coal, electricity and packing material costs coupled with depreciation in rupee against dollar.
- 2. Assets turnover has improved mainly due to increase in sales prices of local market.
- 3. Based on the above two factors, the Return on Assets which is dependent on the above two, has also
- 4. Due to lower capital expenditures in the current year, the equity multiplier decreased by 37%.
- 5. The Return on Equity has negative growth by 177% due to injection of fresh equity from its sponsor's by Rs. 7 Bln and loss after tax by Rs. 444 Mln.

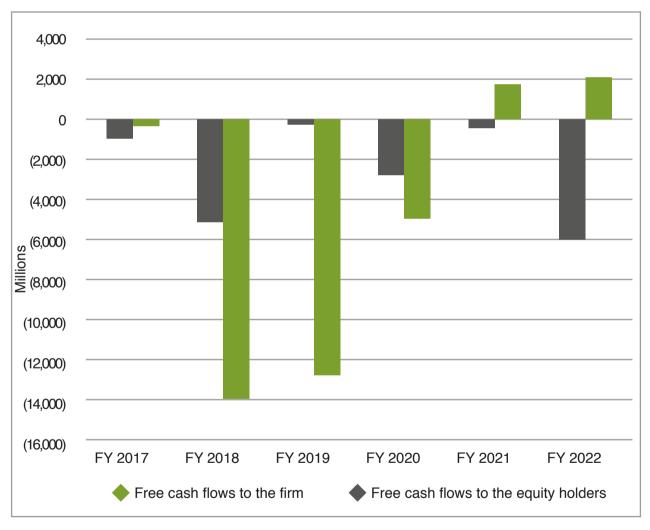


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FREE CASH FLOWS

Rs. in '000

| | 113.111 000 | | | | | |
|--|-------------|-------------|-------------|--------------|--------------|-----------|
| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| (Loss) / Profit before taxation | (1,330,626) | (671,207) | (3,966,776) | (412,396) | 348,778 | 565,175 |
| Adjustment non-cash items | 3,413,705 | 3,298,174 | 3,416,935 | 462,543 | 241,179 | 387,518 |
| Changes in working capital | 236,905 | (820,611) | 2,616,892 | (729,371) | (40,341) | (379,810) |
| Net cash generated from operating activities | 2,319,983 | 1,806,356 | 2,067,051 | (679,224) | 549,616 | 572,883 |
| Capital expenditure | (189,773) | (34,559) | (7,034,177) | (12,116,969) | (14,495,131) | (918,196) |
| Free cash flows to the firm | 2,130,210 | 1,771,797 | (4,967,126) | (12,796,193) | (13,945,515) | (345,313) |
| Net borrowing (repaid) / raised | (5,532,581) | 964,388 | 2,933,831 | 12,673,089 | 9,210,000 | - |
| Interest payments | (2,612,170) | (3,144,326) | (753,458) | (72,721) | (358,115) | (596,691) |
| Free cash flows to the equity holders | (6,014,540) | (408,141) | (2,786,753) | (195,825) | (5,093,630) | (942,004) |
| | | | | | | |



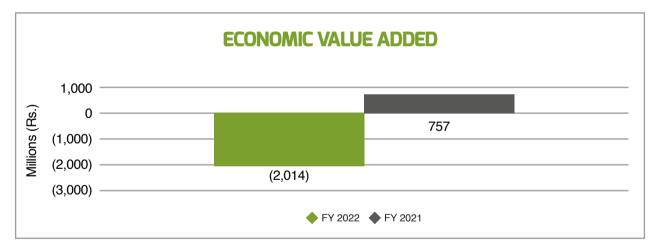
Analysis on Free Cash Flows:

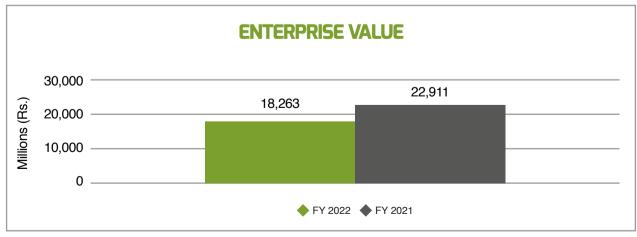
Free cash flows represent the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

The trend line shows that the Company had maximum free cash flow in FY 2022 due to increase in capital by way of injection of fresh equity by associated undertakings

ECONOMIC VALUE ADDED

| Economic Value Added | | FY 2022 | FY 2021 |
|---|-------|-------------|-------------|
| | | Rs. in | 000 |
| Cost of capital | | | |
| Cost of Equity | % | 20.90% | 9.00% |
| Cost of Debt | % | 13.70% | 9.56% |
| Market Value of Equity | | 5,915,151 | 10,219,412 |
| Market Value of Debt | | 19,886,142 | 19,700,920 |
| Weighted average cost of capital (WACC) | | 12.29% | 7.54% |
| Average capital employed | | 34,217,247 | 29,173,535 |
| | | | |
| NOPAT | | 2,190,882 | 2,957,799 |
| Less: Cost of capital | | (4,204,786) | (2,200,634) |
| Economic Value added | | (2,013,904) | 757,165 |
| | | | |
| Enterprise Value | | | |
| Market Value of Equity | | 5,915,151 | 10,219,412 |
| Add: Debt | | 19,886,142 | 19,700,920 |
| Less: Cash & Bank balance | | (7,538,288) | (7,009,055) |
| Enterprise Value | | 18,263,005 | 22,911,277 |
| | | | |
| Return Ratios | | | |
| NOPAT / Average capital employed | % | 6.40% | 10.14% |
| EVA / Average capital employed | % | -5.89% | 2.60% |
| Enterprise value / Average capital employed | times | 0.53 | 0.79 |





FINANCIAL HIGHLIGHTS

Six Years at a Glance

| Financial Position (PKR in '000) | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
|--|-------------|-------------|-------------|----------------|-------------|-------------|
| Assets Employed | | | | | | |
| Property, plant and equipment | 35,647,052 | 36,270,530 | 37,222,552 | 32,942,295 | 19,843,344 | 5,248,476 |
| Intangible assets | 24,725 | 37,086 | 48,194 | - | 1,077 | 8,977 |
| Right of use assets | 423 | 2,958 | 5,493 | - | - | <u>-</u> |
| Investments | 25,578 | | 23,751 | 14,100 | 13,124 | 13,220 |
| Long term deposits | 74,359 | 42,338 | 24,159 | 19,635 | 19,635 | 19,635 |
| Deferred tax assets | 3,138,307 | 2,104,838 | 1,059,665 | 413,291 | - | <u>-</u> |
| Current Assets | 7,538,288 | 7,009,055 | 7,117,391 | 6,619,082 | 4,640,126 | 6,096,806 |
| Total Assets | | 45,491,678 | | | 24,517,306 | |
| Financed By | | | | | | |
| Shareholders' Equity | 17,283,455 | 10,744,916 | 8,478,635 | 12,221,540 | 11,299,062 | 8,394,241 |
| Long-term liabilities | | | | , , | , , | |
| Long term financing | 17,510,223 | 18,403,048 | 17,357,208 | 17,959,094 | 9,460,000 | 110,000 |
| Long term trade payables | 522,828 | - | - | , , , <u>-</u> | - | , - |
| Loan from related parties | - | - | - | - | - | _ |
| Lease liabilities | 17,327 | 31,675 | 45,032 | - | - | _ |
| Deferred Grant Income | - | 1,997 | 7,079 | - | - | _ |
| | | , | , | | | |
| Deferred Accrued Mark-up | | | | | | |
| Deferred liabilities | 136,270 | 108,965 | 94,931 | 57,923 | 520,185 | 501,650 |
| | , | , | - 1,1 | , | , | , |
| Current liabilities | 10,978,629 | 16,201,077 | 19,518,320 | 9,769,846 | 3,238,059 | 2,381,223 |
| | -,,- | -, - ,- | -,,- | -,,- | -,, | ,, |
| Total Funds Invested | 46,448,732 | 45,491,678 | 45,501,205 | 40,008,403 | 24,517,306 | 11,387,114 |
| | , , | , , | | , , | | |
| Turnover & Profit (PKR in '000) | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| | | | | | | |
| Sales Revenue | 17,494,878 | 14,220,613 | 4,113,353 | 3,858,456 | 4,343,240 | 4,480,623 |
| Gross profit/ (loss) | 2,482,131 | 3,089,637 | (116,167) | 178,228 | 691,778 | 990,177 |
| Operating Profit | 1,304,202 | 1,928,232 | | (256,348) | 358,020 | 808,103 |
| Profit before taxation | (1,330,626) | | (3,966,776) | (412,395) | | 565,175 |
| Profit after taxation | (443,946) | | (3,621,629) | 582,107 | | 466,793 |
| Total comprehensive income | (461,460) | | (3,617,069) | | 311,695 | 460,744 |
| Earning per share (Rupees) | (0.62) | 0.17 | (3.41) | 0.55 | 0.32 | 1.14 |
| | (/ | | , | | | |
| Cash Flow Summary (PKR in '000) | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| | | | | | | |
| Net Cash from Operating Activities | 2,108,265 | 1,605,669 | 2,177,471 | (771,720) | 407,259 | 395,892 |
| Net Cash used in Investing Activities | (170,846) | (19,322) | | (12,096,326) | | (1,150,841) |
| Net Cash Outflow from Financing Activities | (1,824,751) | (1,513,417) | 4,626,226 | 12,600,368 | 11,445,011 | 3,936,866 |
| (Decrease) /Increase in Cash and Bank Balance | 112,669 | 72,930 | (138,847) | (267,678) | (2,391,949) | 3,181,917 |
| Cash and Bank Balance at beginning of the Year | (244,894) | (317,824) | (178,977) | 88,701 | 2,480,650 | (701,267) |
| Cash and Bank Balance at end of the Year | (132,225) | (244,894) | (317,824) | (178,977) | 88,701 | 2,480,650 |
| | | | | | | |

COMMENTS ON STATEMENT OF CASH FLOWS

The Company's cash generation from operating activities (before working capital changes) has declined to less margin because of significant increase in fuel and power cost during the year. However, cash generation from operating activities (after working capital changes) has improved mainly due to recovery in lieu sales tax.

During the year, the associated undertakings have contributed PKR 7 Bln to improve Company's gearing ratio by settling its short term borrowing lines.

The Company had been settling its long term liabilities accrued as a result of the major capacity expansions initiated in FY 2017. Further, the finance cost was also a 'major factor for the significant Cash utilized in financing actitivities.

| Financial Position (PKR in '000) | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
|--|------------------|-------------------|-------------------|--------------------------|--------------------------|-------------------------|
| ANALYSIS OF STATEMENT OF FINANCIAL POSITION | | | | | | |
| | | | | | | |
| PKR in '000 | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| Share Capital & Reserves | 17,283,455 | 10,744,916 | 8,478,635 | 12,221,540 | 11,299,062 | 8,394,241 |
| Non Current Liabilities | | 18,545,685 | | 18,017,017 | | 611,650 |
| Current Liabilities | | 16,201,077 | | 9,769,846 | 3,238,059 | 2,381,223 |
| Total Equity & Liabilities Non Current Assets | | 45,491,678 | 38,383,814 | | 24,517,306 19,877,180 | 11,387,114 5,290,308 |
| Current Assets | 7,538,288 | | 7,117,391 | 6,619,082 | 4,640,126 | 6,096,806 |
| Total Assets | | 45,491,678 | | | 24,517,306 | 11,387,114 |
| Vertical Analysis - % | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| | | | | | | |
| Share Capital & Reserves Non Current Liabilities | 37 39 | 24 41 | 19 38 | 31 45 | 46 41 | 74 5 |
| Current Liabilities | 24 | 36 | 43 | 45 24 | 13 | 21 |
| Total Equity & Liabilities | 100 | 100 | 100 | 100 | 100 | 100 |
| Non Current Assets | 84 | 85 | 84 | 83 | 81 | 46 |
| Current Assets | 16 | 15 | 16 | 17 | 19 | 54 |
| Total Assets | 100 | 100 | 100 | 100 | 100 | 100 |
| Horizontal Analysis (i) Cumulative - % | | | | | | |
| Share Capital & Reserves | 106 | 28 | 1 | 46 | 35 | 100 |
| Non Current Liabilities | 2,873 | 2,932 | 2,762 | 2,846 | 1,532 | 100 |
| Current Liabilities | 361 | 580 | 720 | 310 | 36 | 100 |
| Total Equity & Liabilities | 308 | 300 | 300 | 251 | 115 | 100 |
| Non Current Assets Current Assets | 636 24 | 627 15 | 626 17 | 531 9 | 276 (24) | 100 100 |
| Total Assets | 676 | 660 | 660 | 568 | 309 | 100 |
| Horizontal Analysis (ii) Year on Year - % | FY 22 vs FY21 | FY 21 vs FY 20 | FY 20 vs FY 19 | FY 19 vs FY 18 | FY 18 vs FY 17 | FY 17 vs FY 16 |
| | | | | | | |
| Share Capital & Reserves Non Current Liabilities | 61 (2) | 27 6 | (31) | 8 81 | 35 1,532 | 100 100 |
| Current Liabilities | (32) | (17) | 100 | 202 | 36 | 100 |
| Total Equity & Liabilities | 2 | (0) | 14 | 63 | 115 | 100 |
| Non Current Assets | 1 | 0 | 15 | 68 | 276 | 100 |
| Current Assets | 8 | (2) | 8 | 43 | (24) | 100 |
| Total Assets | 2 | (0) | 14 | 63 | 115 | 100 |
| | | | | | | |
| Analysis Of Profit And Loss Accounts | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
| Calas Davianus | 17,494,878 | 14,220,613 | 4,113,353 | PKR in '000 3,858,456 | 4,343,240 | 4,480,623 |
| Sales Revenue Cost of sales | | (11,130,976) | | (3,680,228) | (3,651,462) | (3,490,446) |
| Gross profit/ (loss) | 2,482,131 | 3,089,637 | (116,167) | 178,228 | 691,778 | 990,177 |
| Distribution Cost | | (1,195,573) | (426,535) | (126,560) | (119,570) | (108,563) |
| Administrative Cost | (286,584) | (254,536) | (190,279) | (165,572) | (144,654) | (83,603) |
| Operating Profit | 1,229,823 | 1,639,528 | (732,981) | (113,904) | 427,554 | 798,011 |
| Finance Cost / (Income) | (2,634,828) | (2,599,439) | (2,978,550) | (156,047) | (9,242) | (242,928) |

| PKR in '000 | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 018 | FY 2017 |
|--|---------------------------------|------------------------------|----------------------------|----------------------------------|-------------------------------|-------------------|
| Other Charges / (Income) | 74,379 | 288,704 | (255,245) | (142,444) | (69,534) | 10,092 |
| (Loss) / Profit before taxation | (1,330,626) | (671,207) | (3,966,776) | (412,395) | 348,778 | 565,175 |
| Taxation | 886,680 | 1,029,567 | 345,147 | 994,502 | (28,871) | (98,382) |
| Profit / (Loss) after taxation | (443,946) | 358,360 | (3,621,629) | 582,107 | 319,907 | 466,793 |
| Other Comprehensive (Income) / loss | (17,514) | (4,608) | 4,560 | 349,162 | (8,212) | (6,049) |
| Total Comprehensive Income / (loss) | (461,460) | 353,752 | (3,617,069) | 931,269 | 311,695 | 460,744 |
| Vertical Analysis - % | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 018 | FY 2017 |
| Sales Revenue | 100 | 100 | 100 | 100 | 100 | 100 |
| Cost of sales | (86) | (78) | (103) | (95) | (84) | (78) |
| Gross profit | 14 | 22 | (3) | 5 | 16 | 22 |
| Distribution Cost | (6) | (8) | (10) | (3) | (3) | (2) |
| Administrative Cost | (2) | (2) | (5) | (4) | (3) | (2) |
| Operating (loss) / Profit | 7 | 12 | (18) | (3) | 10 | 18 |
| Finance Cost / (Income) | (15) | (18) | (72) | (4) | (0) | (5) |
| Other Charges / (Income) | 0 | 2 | (6) | (4) | (2) | 0 |
| (Loss) / Profit before taxation | (8) | (5) | (96) | (11) | 8 | 13 |
| Taxation | 5 | 7 | 8 | 26 | (1) | (2) |
| Profit / (Loss) after taxation | (3) | 3 | (88) | 15 | 7 | 10 |
| Other Comprehensive (Income) / loss | (0) | (0) | 0 | 9 | (0) | (0) |
| Total Comprehensive Income / (loss) | (3) | 2 | (88) | 24 | 7 | |
| Horizontal Analysis (i) Cumulative - % | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 018 | FY 2017 |
| Sales Revenue | 290 | 217 | (8) | (14) | (3) | 0 |
| Cost of sales | 330 | 219 | 21 | 5 | 5 | 0 |
| Gross profit | 151 | 212 | (112) | (82) | (30) | 0 |
| Distribution Cost | 790 | 1,001 | 293 | 17 | 10 | 0 |
| Administrative Cost | 243 | 204 | 128 | 98 | 73 | 0 |
| Operating (loss) / Profit | 54 | 105 | (192) | (114) | (46) | 0 |
| Finance Cost / (Income) | 985 637 | 970 2,761 | 1,126 (2,629) | (36) | (96) (789) | 0 |
| Other Charges / (Income) (Loss) / Profit before taxation | (335) | (219) | (802) | (1,511) (173) | (38) | 0 |
| Taxation | (1,001) | (1,146) | (451) | (1,111) | (71) | 0 |
| Profit / (Loss) after taxation | (1,001) | (23) | (876) | (1,111) | (31) | 0 |
| Other Comprehensive (Income) / loss | 190 | (24) | (175) | (5,872) | 36 | 0 |
| Total Comprehensive Income / (loss) | (200) | (23) | (885) | 102 | (32) | 0 |
| Horizontal Analysis (Year on Year %) | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 018 | FY 2017 |
| Turnover | 23 | 246 | 7 | (11) | (3) | 100 |
| Cost of sales | 35 | 163 | 15 | 1 | 5 | 100 |
| Gross profit | (20) | (2,760) | (165) | (74) | (30) | 100 |
| Distribution Cost | (19) | 180 | 237 | 6 | 10 | 100 |
| | | 34 | 15 | 14 | 73 | 100 |
| Administrative Cost | 13 | | | (127) | (46) | 100 |
| | 13 (25) | (324) | 544 | (121) | (40) | |
| Administrative Cost | | (324) (13) | 544 1,809 | 1,588 | (96) | 100 |
| Administrative Cost Operating (loss) / Profit | | | | | | 100 100 |
| Administrative Cost Operating (loss) / Profit Finance Cost / (Income) | (25) 1 | (13) | 1,809 | 1,588 | (96) | |
| Administrative Cost Operating (loss) / Profit Finance Cost / (Income) Other Charges / (Income) (Loss) / Profit before taxation | (25) 1 (74) | (13) (213) | 1,809 79 | 1,588 105 | (96) (789) | 100 |
| Administrative Cost Operating (loss) / Profit Finance Cost / (Income) Other Charges / (Income) (Loss) / Profit before taxation Taxation | (25) 1 (74) 98 | (13) (213) (83) | 1,809 79 862 | 1,588 105 (218) | (96) (789) (38) | 100 100 |
| Administrative Cost Operating (loss) / Profit Finance Cost / (Income) Other Charges / (Income) | (25) 1 (74) 98 (14) | (13) (213) (83) 198 | 1,809 79 862 (65) | 1,588 105 (218) (3,545) | (96) (789) (38) (71) | 100 100 100 |

NOTES ON ANALYSIS

COMMENTS ON SIX YEAR STATEMENT OF

COMPREHENSIVE INCOME ANALYSIS

TURNOVER

Revenues increased from PKR 4,480 million in 2017 to PKR 17,495 million in 2022 with a significant increase of 290% in line with increase in in sales prices and sales volume. The Company always underwent major capacity expansion from 3,000 TPD to 10,700 TPD Clinker production

COST OF SALES

Cost increased from PKR 3,490 million in 2017 to PKR 15,012 million in 2022 with an increase of 330%. This is mainly due to increase in input transportation costs, prices of coal, electricity and packing material.

GROSS PROFIT

GP increased from PKR 990 million in 2017 to PKR 2,482 million in 2022 with an increase of 150% in line with the revenue and cost fluctuations over the years

NET PROFIT

Net Profit decreased from PKR 468 million in 2017 to a loss of PKR 444 million in 2022 with a decline of 195% due to huge finance cost on debts.

COMMENTS ON SIX YEAR STATEMENT

OF FINANICAL POSITION ANALYSIS

SHARE CAPITAL & RESERVES

The share capital increased by 106% mainly due to issuance of preference shares in FY 2021 and fresh equity contribution from associated undertakings in FY 2022.

NON CURRENT LIABILITIES

There is a significant increase in Non Current Liabilities from 2017 to 2022 mainly due to financing arrangements for capacity expansion.

NON CURRENT ASSETS

There is an increase of 659% in Non Current Assets from 2017 to 2022 mainly due to capital expenditure on capacity expansion.

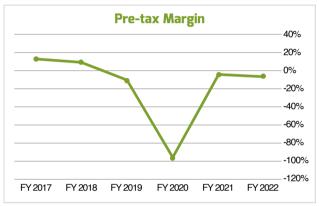
99 A TOMORROW MADE OF CEMENT

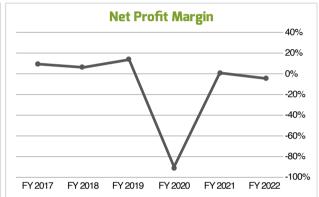
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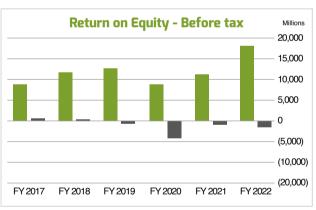
GRAPHICAL PRESENTATION -STAKEHOLDERS' INFORMATION

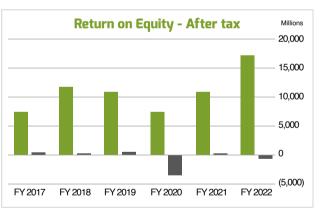


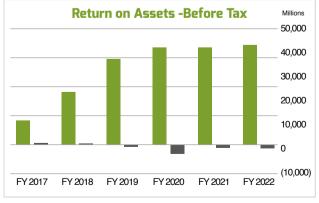


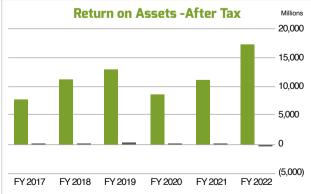




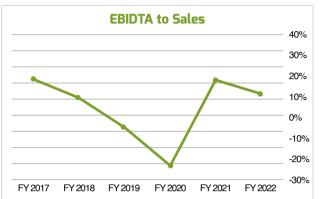




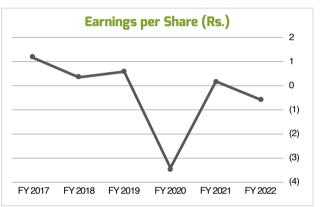


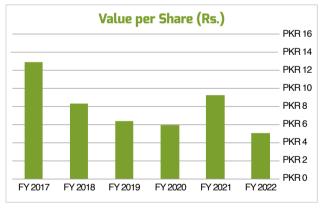


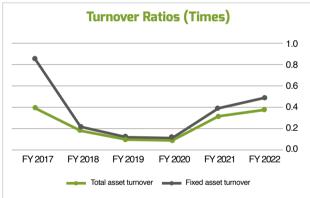


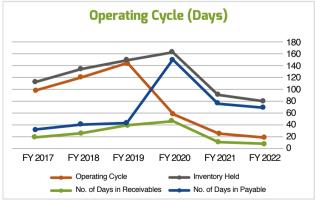


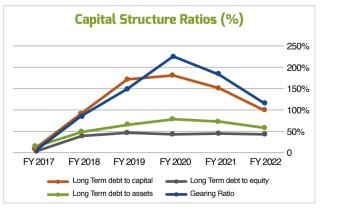






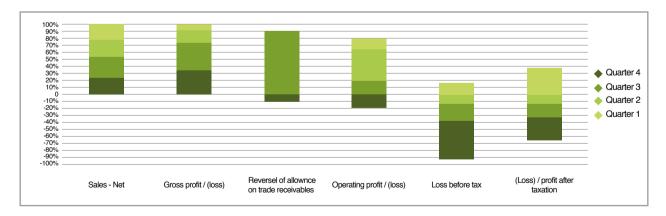






QUARTERLY PERFORMANCE

| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
|--|-------------|-------------|----------------|-------------|--------------|
| Particulars | | F | Rupees in '000 | | • |
| Clinker Production | 605,843 | 657,828 | 172,209 | 427,443 | 1,863,323 |
| Capacity Utilization (%) | 75% | 82% | 21% | 53% | 58% |
| Cement Production | 344,433 | 476,332 | 368,553 | 404,006 | 1,593,324 |
| Cement Dispatches | 614,733 | 650,119 | 494,270 | 363,828 | 2,122,950 |
| Sales - net | 4,113,790 | 5,162,217 | 4,072,919 | 4,145,952 | 17,494,878 |
| Cost of sales | (3,277,126) | (4,180,946) | (3,654,065) | (3,900,610) | (15,012,747) |
| Gross profit / (loss) | 836,664 | 981,271 | 418,854 | 245,342 | 2,482,131 |
| Selling and distribution expenses | (234,708) | (370,172) | (54,442) | (306,402) | (965,724) |
| Administrative expenses | (61,140) | (81,531) | (73,288) | (70,625) | (286,584) |
| Reversal of allowance on trade receivables | - | 40,321 | - | (4,041) | 36,280 |
| Other operating income/ (expenses) | (124,949) | 391,184 | 53,905 | (282,041) | 38,099 |
| | (420,797) | (20,198) | (73,825) | (663,109) | (1,177,929) |
| Operating profit / (loss) | 415,867 | 961,073 | 345,029 | (417,767) | 1,304,202 |
| Finance income | 1,332 | 1,500 | 2,484 | 2,791 | 8,107 |
| Finance costs | (639,096) | (679,089) | (781,100) | (543,650) | (2,642,935) |
| Finance costs - net | | | | | |
| | (637,764) | (677,589) | (778,616) | (540,859) | (2,634,828) |
| Loss before tax | (221,897) | 283,484 | (433,587) | (958,626) | (1,330,626) |
| Taxation | 31,490 | 187,362 | 159,937 | 507,891 | 886,680 |
| (Loss) / profit after taxation | (190,407) | 470,846 | (273,650) | (450,735) | (443,946) |



RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

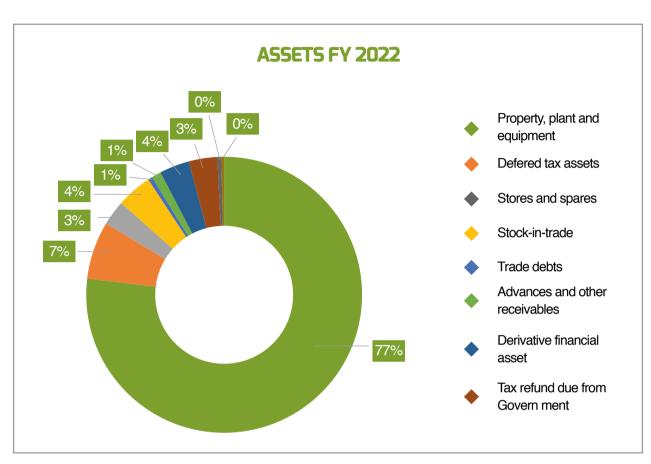
| Particulars | | | Interim Results | | | | | Annual Results | |
|--------------------------------|------------|---------------------------------|-----------------|-----------------|------------|--------------------------|-------------|----------------|--|
| Particulars | 3 months | 3 months period 6 months period | | 9 months period | | Year ended June 30, 2022 | | | |
| | Rs in '000 | % | Rs in '000 | % | Rs in '000 | % | Rs in '000 | % | |
| Net turnover | 4,113,790 | | 9,276,007 | | 13,348,926 | | 17,494,878 | | |
| Gross profit | 836,664 | 20.34% | 1,817,935 | 19.60% | 2,236,789 | 16.76% | 2,482,131 | 14.19% | |
| Operating profit / (loss) | 415,867 | 10.11% | 1,376,940 | 14.84% | 1,721,969 | 12.90% | 1,304,202 | 7.45% | |
| Loss before tax | (221,897) | -5.39% | 61,587 | 0.66% | (372,000) | -2.79% | (1,330,626) | -7.61% | |
| (Loss) / profit after taxation | (190,407) | -4.63% | 280,439 | 3.02% | 6,789 | 0.05% | (443,946) | -2.54% | |

CASH FLOW - DIRECT METHOD

| | 2022 | 2021 |
|---|---------------|--------------|
| | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 18,154,831 | 14,628,100 |
| Cash paid to suppliers and employees | (16,071,753) | (12,001,133) |
| Net Cash generated from operations | 2,083,078 | 2,626,967 |
| | | |
| Decrease in stores and spares | (175,764) | (334,683) |
| Decrease in stock-in-trade | (214,461) | (412,359) |
| Increase/(decrease) in trade debts | 77,914 | 107,102 |
| Increase in loans & other receivable | 885,018 | 690,153 |
| Decrease in trade deposits and prepayments | (14,033) | (16,371) |
| (Decrease)/increase trade & other payables | (321,770) | (854,453) |
| Income tax (paid) / recovered | (138,987) | (150,296) |
| Gratuity paid | (40,710) | (32,212) |
| Deposits paid | (32,021) | (18,179) |
| Financial charges paid | (2,612,170) | (3,144,326) |
| Net cash (used in)/generated from operating activities | (503,905) | (1,538,657) |
| | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure - Operations | (189,773) | (34,559) |
| Capital expenditure - Project Line III | | - |
| Interest received | 7,402 | 10,892 |
| Proceeds from disposal of fixed assets | 11,525 | 4,345 |
| Net cash used in generated from Investing | (170,846) | (19,322) |
| CACH ELOW EDOM EINANCINO ACTIVITIES | | |
| CASH FLOW FROM FINANCING ACTIVITIES | (771 404) | 000 100 |
| Acquisition of long term finance | (771,494) | 898,182 |
| Proceeds from issuance of ordinary shares other than rights issue | - | 79,924 |
| Proceeds from issue of preference shares | - | 1,648,894 |
| Expense incurred on issuance of preference shares | - (4.745.007) | (13,479) |
| Repayment of short-term financing - net | (4,745,997) | - |
| Contribution from associated undertakings | 7,000,000 | (000,004) |
| Repayment of loan from related party | (680,000) | (968,894) |
| Lease rentals paid | (15,090) | (13,718) |
| Net cash generated from/(used in) financing activities | 787,419 | 1,630,909 |
| Net increase/(decrease) in cash and cash equivalents | 112,668 | 72,930 |
| Cash and cash equivalents at the beginning | (244,894) | (317,824) |
| Cash and cash equivalents at the beginning | (132,226) | (244,894) |
| Casii aliu Casii Equivalellis al Eliu | (132,220) | (244,094) |

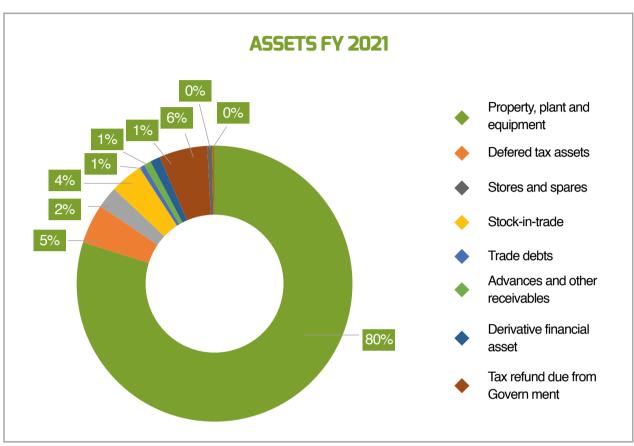
2022 2021

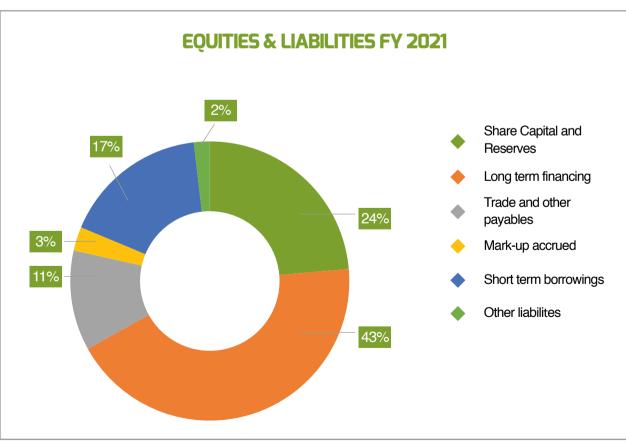
COMPOSITION OF BALANCE SHEET





105 A TOMORROW MADE OF CEMENT





COMPOSITION OF BALANCE SHEET

The Ordinary (POWER) and Preference Shares (POWERPS) of Power Cement Limited are traded on Pakistan Exchange.

Market price of the Company's Ordinary share experienced fluctuations between the highest of Rs. 9.93 to the lowest of Rs.5.17 per share with an average market price of Rs.6.62 per share. It's free float is 37% and market capitalization at of financial year stood at Rs. 5.655 billion as against Rs.10.215 billion last year, depicting a decline of 45%, whereas the PSX-100 index dropped from 47,356 points to 41,541 points at the end of the year, registering a decrease of 12.28% as compared to last year.

Market price of the Company's Preference share experienced fluctuations between the highest of Rs. 12 to the lowest of Rs.7.5 per share with an average market price of Rs.9.98 per share.

Share prices can be affected by variety of factors internal and external to the Company. However, performance of the Company and the economic environment in which it operates, are the two principal factors, affecting the share price.

Following are the major factors which might affect the share price of the Company in the stock exchange:

1) INCREASE IN DEMAND

Increase in demand of cement may result in increase in market price of bag which will contribute towards better profitability and Earning per Share (EPS), which will ultimately increase the share price.

2) INCREASE IN INPUT COSTS

An increase in the costs affects the margins and resultantly will impact the profits and EPS. Therefore, variation in cost may affect the share price.

3) CURRENCY RISK

The currency exchange rate fluctuations can have an adverse or favorable effect on the market share prices as the Company is involved in both export and import (exports of cement and import of fuel - coal).

4) CHANGE IN GOVERNMENT POLICIES

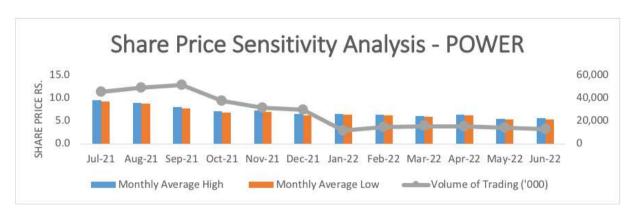
Any change in Government policies related to cement sector may affect the share price of the Company favorably or unfavorably.

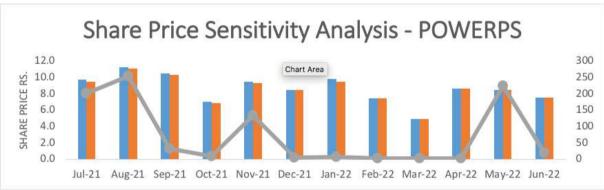
5) LAW AND ORDER SITUATION

Unstable law and order situation often result in disruption of business activities and hinder supply chain that negatively that impacts the Company's performance and also the confidence of stock market investors, impacting the share price of the Company.

Factors like devaluation of PKR, change in Government policies, uncertain law and order situation is evident from the Company's share price, and volume of trading as reflected in the table below:

| Year | Ordinary | Shares (PO) | WER) | Preference Shares (POWERPS) | | |
|------|----------|-------------|-----------|-----------------------------|------|---------|
| | High | Low | Volume | High | Low | Volume |
| 2021 | 11.8 | 6.3 | 2,568,662 | 13 | 9.25 | 15,601 |
| 2022 | 9.9 | 5.2 | 330,685 | 12 | 7.5 | 890,500 |





An analysis of changes in key factors (fluctuation of 10%) affecting share price and their impact is depicted in the

A 10 % increase / decrease in share price of the Company would have the following impact on its Market

Capitalization:

| Share price Sensitivity - POWER | Impact on Market Capitalization (Rs. Million) |
|---------------------------------|---|
| +10% | +1,048 |
| -10% | -1,048 |

| Share price Sensitivity - POWERPS | Impact on Market Capitalization (Rs. Million) |
|-----------------------------------|---|
| +10% | +266 |
| -10% | -266 |

MAJOR EVENTS DURING THE FINANCIAL YEAR 2020-21

2021

Board of Directors' Meeting was held on September 29, 2021. The Board approved the annual audited financial statements of the Company for the year ended June 30, 2020 and the Directors' Report



30th Annual General Meeting (AGM) of the Company was held on October 28, 2021 via video conference facility for approval of annual audited accounts for the year ended June 30, 2021.

Board of Directors' Meeting was held on October 29, 2021. The Board approved the condensed interim financial statements for the first quarter ended September 30, 2021 along with the Directors' Report thereon.



Board of Directors' Meeting was held on February 28, 2022. The Board approved the condensed interim financial statements for the half year ended December 31, 2021 along with the Directors' Report thereon.



Board of Directors' Meeting was held on April 28, 2022. The Board approved the condensed interim, financial statements for the third quarter ended March 31, 2022 along with the Directors' Report thereon.



The mandatory Corporate Briefing Session (CBS) was held on June 23, 2022.

Board of Directors' Meeting was held on June 25, 2022. The Board approved the Annual Budget for the financial year 2022-23.

A Looking Upwards, Forward Approach OUTLOOK Energized by Alternate Ambitions Our manufacturing systems are powered by sustainable means. A comprehensive 7MW solar powered generator supplements the plants power needs sustainably.

FORWARD LOOKING STATEMENT

We expect fiscal year 2023 to be challenging for Pakistan's economy, especially due to the high Current Account Deficit, which stood at \$17.4 Billion for FY 2022 versus \$2.8 Billion for FY 2021. The highest inflation rate combine with high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures and significant depreciation of the Pakistani Rupee against the US dollar, pose a threat to business demand, as well as profitability.

The nation witnessed an unprecedented spell of monsoon rains and floods which caused an economic loss of \$28 billion approx. with over a third of Pakistan came underwater, over 3.6 million acres of crops destroyed, over 750,000 livestock killed on top of loss of the precious human lives and more than 2 million houses have been impacted (partially and/or fully damaged), along with that over 410 bridges and 13,074km of road predicting a drop in manufacturing output in the first quarter of FY-23, which may well extend beyond second and third quarter of FY-23.

The Sindh government in collaboration with World Bank would introduce a housing project of Rs.110 billion of worth for the flood affectees. Along with the organic parameters, we also foresee strong demand & growth for the industry in coming quarters and years. This will be mostly fueled by the redevelopment of damaged infrastructure by the Federal & Provincial governments along with the partnered local and international relief agencies.

In order to boost liquidity and profitability, Company's management is focused on cost control measures and has devised strategies accordingly. Your company is working in all relevant areas including use of alternative fuels and optimized operations of the plant to reduce fixed costs. The Management is fully aligned with the rapid changes in regulatory regime and market dynamics. Efforts are being made to curtail the costs wherever possible and create a price efficient sales mix to maximize profitability, mitigate market risks, meet future challenges and maintain business growth.

SOURCES OF INFORMATION USED FOR PROJECTIONS OF FUTURE REVENUE

For the preparation of budget/projections of future revenue, internal meetings amongst Head Office, Site and Sales teams have been carried out for sharing/gathering of information and for determination of assumptions to be used for budget/projections.

Based on the information and assumptions used by the management for the preparation of budget/forecast, detailed budget exercise has been carried out and approved by the Board of Directors.

The Company is expecting increase in turnover due to increase in dispatches in upcoming years because of the aforesaid factors.

Based on management's best estimates, future financial forecasts are as follows:

| Financial Year | 2022-23 (Rs. In million) |
|------------------|--------------------------|
| Sales-Net | 31,772 |
| Profit after tax | 103 |

FINANCIAL PROJECTIONS

The Company's budget for the year 2023 sets production, sales and retention targets to bolster profitability and cash flows. The Company has taken a conservative approach by forecasting domestic sales at 1.70 million tons for FY 2023. The average retention prices are also expected to increase which would result in strengthening the cash flow position as well as profitability.

COMPANY PERFORMANCE AGAINST LAST YEAR PROJECTIONS

The total sales revenue of the Company witnessed a growth of around 20%. The Company has actively strived to minimize its cost by using a mix of local and imported coal, optimum usage of energy resources using WHRS, Solar Power and National Grid. The Company on an annual basis sets marketing, production and other targets in the form of a budget exercise which is duly approved by the Board of Directors. For liquidity and gearing, cash flows are monitored on a daily basis to achieve the targets.

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STAKEHOLDER RELATIONSHIP & ENGAGEMENT

STAKEHOLDER ENGAGEMENT BRIDGING THE GAP

The management of the Company takes pleasure in identifying and assessing the needs of all the stakeholders of the Company. Our stakeholders are all the people and corporations impacted by our business processes.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At Power Cement Limited, we believe in maintaining sound collaborative relationships with our stakeholders. In line with its vision, mission and values, the Company remains dedicated to understanding the concerns and expectations of its stakeholders and developing opportunities to create sustainable value. The frequency of engagements is based on business needs and corporate requirements as specified by the Listed Companies (CCG) Regulations, 2019 or as contracted, under defined procedures. Information regarding the types of stakeholders, modes of engagement and their effect and value are presented below:

STAKEHOLDERS ENGAGEMENT PROCESS:

| Stakeholders | Power Cement's Commitment | Effect and Value |
|------------------------------------|---|---|
| Shareholders/Investors Analysts | Power Cement acknowledges and honors the trust of our investors have put in us by providing a steady return on their investment. We try to keep ourselves transparent through open and honest communication during our Annual General Meetings, Analysts/Corporate briefings, and ongoing dialogue with analysts and investors. We kept our shareholders informed on a timely basis of all the ongoing activities of the Company. | The providers of capital allow the Company to achieve its: |
| Customers & Suppliers | Company's primary customers include dealers, distributors and institutions. Customer relationship management is beyond extending credit facilities and trade discounts. Our continuous and sustainable growth is also attributable to engaging reputed suppliers as business partners for supply of industrial inputs, equipment and machinery. Maintaining close relationship with our customers, through collecting consumer insights, in order to understand their needs. Various informal meetings are held with customers and suppliers to maintain effective Supply Chain System. | Customer's loyalty and effective supply chain is the key to the Company's sustainable business growth. |
| Banks and Lenders | Banks and other financial institutions are encouraged by the Company on regular basis in relation to negotiate of short term financing arrangements, deposits and investments. Banks are also consulted on issues linked with letter of credit and payments to suppliers, along with disbursements of operational nature. | Bank dealings are central to the Company's performance in terms of: • Access to better interest rates and financing terms; • Efficient customer services. |

| Stakeholders | Power Cement's Commitment | Effect and Value |
|--------------|---|---|
| Media | Statutory notices and other public announcements required by law are generally circulated through print media. Multiple mediums are also used for advertisements and marketing purposes. Retail prices of Cement are notified through an official notice to press. Furthermore, the website of the Company is also used for as a medium to communicate information to stakeholders from time to time. | Media communications of Company's achievements helps strengthen and brand image. It also helps the Company to attract potential and customers and investors. |
| Regulators | The Company abides by the laws and regulations of the Country and make sure that all requirements of the applicable and regulators are met in a timely manner. Various statutory forms and returns submitted as per the requirement of the laws. In addition, Company constantly liaisons with the Government authorities and Regulators in terms of matters related to energy. | Country's laws, regulations and other factors controlled by the Regulators set operating guidelines for the Company. |
| Employees | Company values its human resource as they are the most important and valued stakeholder. Company provides a nurturing and employee friendly environment while investing considerably on in-house and external trainings for employee. Besides monetary compensations, Company has also invested in health and fitness activities for its employees. | The employees are the backbone of the Company. Strategic, operational and tactical decisions of the Company taken by the management are effectively implemented by the employees to achieve the targeted results. |
| Community | In order to support the community, PCL promotes green energy and takes steps towards ecofriendly power generation, at Power Cement electricity is one of the major components of cost of production in cement manufacturing process. Company's management has always been mindful on this core area and the Waste Heat Recovery System (WHRS) was installed which is generating around 10MW. During the year, Company has taken new initiatives by embarking 16 Megawatt of Solar and Wind Power Projects. The 07 Megawatt Solar Power Plant successfully completed and commenced. Now working on 09 Megawatt Wind project is under process, which will be commenced on defined timelines. This will also help achieve self-sustainability in energy generation through partial switching on green energy, reducing carbon foot print and contributing to the ecological environment as well-being of the Community and Government by reducing reliance on national grid. | The Company is committed to save the community from carbon footprint and be generating clean green energy other CSR activities. |

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ENCOURAGEMENT OF MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

The Company disseminates annual report along with notice of annual and extraordinary general meetings to encourage all its shareholders including minority shareholders to attend general meetings and complies with all the regulatory requirements necessary to facilitate them to do so. This includes the introduction of a facility to attend meetings via video-conferencing as per SECP directives. Further, the notices are also published on the PSX portal. Company's website and printed in English and Urdu newspapers with nationwide circulation.

The Company always facilitates and ensures shareholders presence while entertaining their requests if feasible and viable. It values and honors their inputs, record their concerns, prepositions and suggestions in minutes and keep them abreast on the progress and subsequent actions. Company make sure that open platform available to all shareholders who wish to participate during general meetings in discussion on operations, objectives and future strategy of the Company. Shareholders can also participate in general meetings through proxies, proxy forms are also provided to shareholders.

INVESTOR RELATIONS SECTION ON WEBSITE

The corporate section is maintained and updated on regular and timely basis under applicable regulatory requirements to disseminate comprehensive and up to date information regarding financial highlights, investor information, pattern of shareholding, other requisite information and link to SECP's Service Desk Management System. The "Investors Relations" section is also maintained on the website of the Company for grievances and other queries registration.

ISSUES RAISED IN LAST AGM

30th Annual General Meeting was held virtually which was concluded successfully with passing of the following resolution -

- Approval of the Minutes of previous general meeting:
- Approval of annual audited financial statements together with Directors' and Auditors' reports thereon; and
- Appointment of M/s. A.F. Fergusons & Co. Chartered Accountants as external auditors for the financial year

Other than routine enquiries, no issues were raised by the shareholders, which require decision or implementation thereof.

STAKEHOLDERS ENGAGEMENT POLICY

The Company engages with its stakeholders through transparent and continued relationships. The Company also safeguards fair dealings with banks and lenders, improved risk management, compliance with laws and regulations, enhanced corporate recognition, improved commitment and participation of valued and competent human resource and places great emphasis on building on building excellent image in front of public at large. The Company endeavors to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Reports and website for all stakeholders.

CORPORATE BRIEFING SESSION

In pursuance of the requirement laid down by the PSX, The Company conducted a Corporate Briefing Session via video-link on June 23, 2022. The session was attended by various analysts and shareholders. The Chief Operating Officer of the Company gave e detailed presentation on the financial performance followed by Q&A session to answer the gueries of the attendees.

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HEALTH, SAFETY AND ENVIRONMENT



CORPORATE POLICY

As a fundamental responsibility to our employees, contractors, customers and the global community, as a Corporate Policy, Power Cement Limited is committed to:

- Minimizing our environmental impacts, limiting depletion of natural resources and preventing pollution
- Taking a proactive approach to eliminate hazards and reduce risks to ensure a safe and healthy work environment for employees, contractors, customers and stakeholders
- · Ensuring continual improvement in our environmental, and occupational health and safety performance

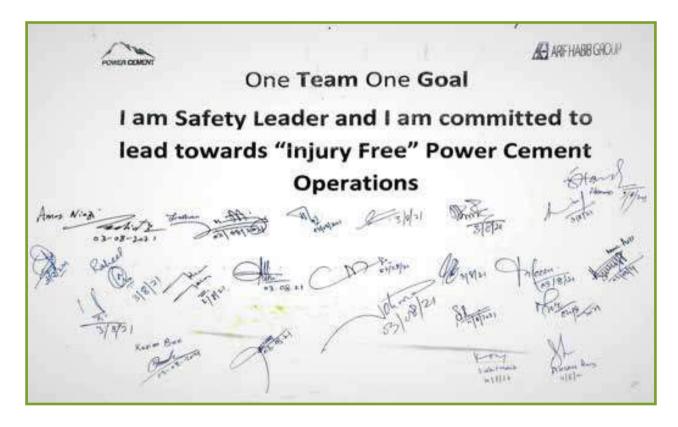
We believe that our long term success, and also that of the global cement industry, depends on sustainability in operations and supply chains.

The objectives and principles under which we shall guide our operations to assure compliance with the policy are to:

- Meet or exceed applicable legal environmental, health and safety requirements in Pakistan
- Conform with the applicable Performance Standards of the International Finance Corporation
- · Certification of compliance with ISO 14001 and ISO 45001.
- Adopt our own standards, where laws and guidelines do not exist, to protect the environment and human health
- Continually improve our environmental, health and safety performance through ongoing monitoring of performance results and periodic management reviews, as well as consultation and participation of workers
- · Provide sufficient resources and organization capacity to enable implementation of the policy
- · Communicate the policy effectively to all employees, contractors and stakeholders
- Establish an Environmental, Social & Governance Board Sub-Committee, with published Terms of Reference and chaired by a Board Member that will meet each quarter/6 monthly
- · Provide and publish an Environment, Health and Safety Annual Monitoring Report

The Board of Directors of Power Cement Limited is committed to the policy through our Director (Operations & Projects) who shall oversee the implementation of the policy and an integrated Environmental, Social, and Occupational Health and Safety Management System.

EFFECTIVE SAFETY LEADERSHIP



One Team -One Goal

Management commitment along with safety Leadership is prime indicator of a good safety culture.



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HOW WE REPORT

The HSE management system, data collection process and timely transparent reporting are important Elements of social, moral, legal and corporate responsibility of PCL.

PCL reports its HSE performance following International Finance Corporation (IFC) guidelines. We publish a stand-alone Annual Performance report for the Financial year2020.

HSE performance data is collected validated with the PCL HSE management system. This system provides all management levels throughout the company with necessary Information to take early action if deviations from targets or any non-compliance occur. Systems and processes are reviewed by third parties – international HSE audits for system implementation of ES-OHS-MS to ensure compliance with legal and PCL HSE standards.



HSE TRAININGS

Training and awareness is an integral part of our Company's HSE Management System and these trainings plays important role for Continual Professional Development. Capacity building of PCL employees is required to enable them for better identification of hazards and assessment of associated risks to which our Company employees are exposed at their work places especially during execution of various field activities.







HSE AWARENESS CAMPAIGN

At PCL We have reinitiated "Toolbox Talk (TBT) Program" which will be part of HSE awareness campaign.

HSE team members are visiting area by area along with Area In-charge and delivering general HSE information and specific safety instruction related to their jobs.



Main aim of this practice is to "Speak" about "Safety" in regular manner and improves the level of HSE awareness at our site.





INTERNAL AUDITS

Internal auditing is an independent, objective assurance and consulting activity designed to add value to and improve our operations. It helps accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

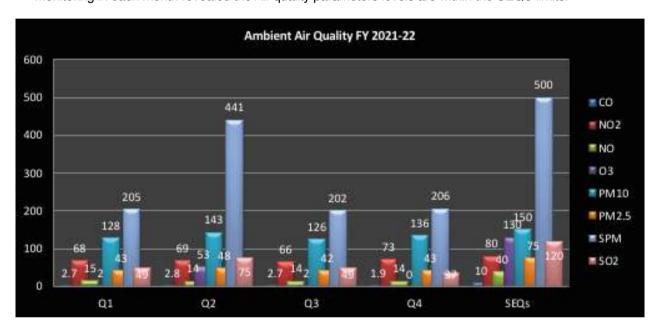
PCL HSE Has its own internal audit plan and internal audits being conducted by HSE along with Mechanical, Production and electrical area in charges the internal audit also include a complete walkthrough of the side and observed risk or hazards as noted by team is being shared with concerned departments for timely rectification.

ENVIRONMENT MONITORING AND RESULTS

The objective of the environmental monitoring is to assess the compliance of activities being undertaken at Power Cement with all applicable environmental rules and regulations, the commitment made by in the EIA report to implement the Environmental Management Plan with the conditions of approval granted by SEPA.

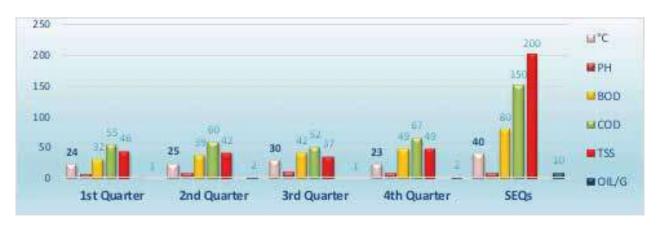
A) AMBIENT AIR QUALITY

Ambient air monitoring for each month was carried out in the 2022 at new line 3. Results of the ambient air monitoring in each month revealed the Air quality parameters levels are within the SEQS limits.



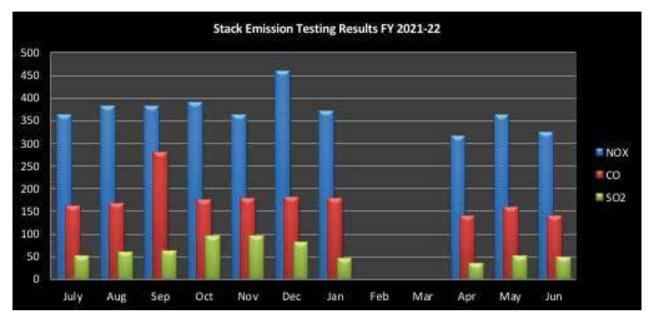
B) WASTEWATER MONITORING

Wastewater samples were taken from the septic tank every month throughout the year 2022 and analyzed by EPA approved laboratory (EHS-Services) results presented in graph below (Quarter wise)showed that wastewater parameters were in compliance with SEQS.



c) Stack Emission Monitoring

Stack emissions monitoring carried out in each month 2021-22, which showed that Stack emissions are in compliance with SEQS limits. Results of Stack emission monitoring are shown in the graph below



LEGAL COMPLIANCES

PCL is in full compliance with the Sindh Environmental Quality Standards (SEQS) for cement industry. The plant is equipped with 90 bag filters at the emission points in order to control the outlet emissions of particulate matters into environment.

EMISSION CONTROL SYSTEM

PCL has reduced emissions to meet the SEQS specified limits. Monthly environmental tests including stack emissions, Ambient Air, Noise are being performed by 3rd party monitoring consultants EHS Services Pakistan (Pvt.) Ltd. The results of the tests are within the SEQS Limits and the reports are submitted to SEPA Regional office Hyderabad. Online Air Pollution Monitoring Analyzer for major pollutants for Line 3 Operations have been installed and working properly.

FIREFIGHTING ARRANGEMENTS

PCL has its own state of the art firefighting system in place and is being maintained on regular basis in order to avoid or to extinguished any fire on time as per NFPA 1 fire code 2015, IFC Standards in line with Building Code of Pakistan-Fire Safety Provisions-2016.

Considering the above mentioned moral and legal requirements PCL has also developed and implemented a complete Emergency preparedness and response plan and an Emergency Fire Response plan in order to respond to emergency resulting from fire. Identify the roles, responsibilities and authorities to effectively facilitate the plant site's emergency preparedness and response. This procedure applies to all activities and process of at PCL.

ARRANGEMENTS INCLUDE

- 1. Different type of fire extinguishers readily available at all locations
- 2. State of the art Fire Tender Vehicle
- 3. Fire hydrant system, two pumps (1000 GPM) and Hydrant pillars at more than 80 locations
- 4. Water Sprinkler System installed inside Sack store
- 5. Automatic Clean agent fire suppression system installed in Server room
- 6. Foam system for Diesel Tank., Fire Alarm system in all key buildings.







VEHICLE INSPECTIONS

Emergency Vehicle Inspections

PCL has its own Emergency vehicles readily available at plant for 24/7 days use these includes

- 1. Fire tender
- 2. Three Ambulances







The Ambulance and fire tender are the emergency vehicles and required to be inspected every week. The inspection procedure and checklist are provided to check ambulance services with guidance to ensure that all Emergency vehicles and services are properly inspected and ready to use as required in case of any emergency

SHIFT VEHICLE INSPECTIONS

Monthly inspections of PCL shift vehicles is being carried out by PCL HSE Team in order to check and rectify if there is any fault, damage or hazard that may create difficulty while travelling to and from the company. The contract services is provided by SWVL.

EMERGENCY DRILLS AND RESPONSE

Drills are important and are mandatory to be conducted It gives you tools to prevent the situation from becoming worse. In some situations, if a patient doesn't receive basic first aid care immediately their situation will deteriorate – often rapidly. By being able to provide basic care you can stabilize a patient until emergency medical services arrives.





















CERTIFICATES





N° 2020/88495.1

AFNOR Certification certifies that the management system implemented by: *AFNOR Certification certifie que le système de management mis en place par :*

POWER CEMENT LIMITED

for the following activities: pour les activités suivantes :

MANUFACTURING OF CEMENT PRODUCTS.

has been assessed and found to meet the requirements of: a été évalué et jugé conforme aux exigences requises par :

ISO 14001: 2015

and is developed on the following locations: et est déployé sur les sites suivants :

Nooriabad Industrial Area, Kalo Kohar, District Jamshoro, Sindh, PAKISTAN

2020-10-16

2023-10-15



Julien NIZRI **Managing Director of AFNOR Certification**

Scan this QR code to check the validity of the certificate

11 rue Francis de Pressensé - 93571 La Plaine Saint-Denis Cedex - France - T. +33 (0)1 41 62 80 00 - F. +33 (0)1 49 17 90 00 SAS au capital de 18 187 000 € - 479 076 002 RCS Bobigny - www.afnor.org







N° 2020/88496.1

AFNOR Certification certifies that the management system implemented by: AFNOR Certification certifie que le système de management mis en place par

POWER CEMENT LIMITED

for the following activities: pour les activités suivantes :

MANUFACTURING OF CEMENT PRODUCTS.

has been assessed and found to meet the requirements of: a été évalué et jugé conforme aux exigences requises par :

ISO 45001:2018

and is developed on the following locations: et est déployé sur les sites suivants :

Nooriabad Industrial Area, Kalo Kohar, District Jamshoro, Sindh, PAKISTAN

This certificate is valid from (year/month/day) Ce certificat est valable à compter du (année/mois/jour)

2020-10-16

2023-10-15

Julien NIZRI Managing Director of AFNOR Certification

The electronic certificate only, available at www.alnor.org, aftersis in real-time that the company is certified. Soul le certificat electronique, consultable sur www.alnor.org, fait foil on temps réel de la certification de l'organism AFAQ is a registered trademark. AFAQ est une marque déposée. CERTI F 0956.9 — EN 07200.



Scan this QR code to

11 rue Francis de Pressensé - 93571 La Plaine Saint-Denis Cedex - France - T. +33 (0)1 41 62 80 00 - F. +33 (0)1 49 17 90 00 SAS au capital de 18 187 000 € - 479 076 002 RCS Bobigny - www.afnor.org







N° 2020/88494.1

AFNOR Certification certifies that the management system implemented by: AFNOR Certification certifie que le système de management mis en place par

POWER CEMENT LIMITED

for the following activities: pour les activités suivantes :

MANUFACTURING OF CEMENT PRODUCTS.

has been assessed and found to meet the requirements of: a été évalué et jugé conforme aux exigences requises par :

ISO 9001: 2015

and is developed on the following locations: et est déployé sur les sites suivants :

Nooriabad Industrial Area, Kalo Kohar, District Jamshoro, Sindh, PAKISTAN

This certificate is valid from (year/month/day) Ce certificat est valable à compter du (année/mois/jour)

2020-10-16

2023-10-15



Julien NIZRI Managing Director of AFNOR Certification
Directeur Général d'AFNOR Certification

Scan this QR code to

11 rue Francis de Pressensé - 93571 La Plaine Saint-Denis Cedex - France - T. +33 (0)1 41 62 80 00 - F. +33 (0)1 49 17 90 00 SAS au capital de 18 187 000 € - 479 076 002 RCS Bobigny - www.afnor.org



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Certificate PK22/00000011

The Energy management system of

POWER CEMENT LIMITED

Kalokohar, Noori Abad, M-9, Distt. Jamshoro Sindh, Pakistan

has been assessed and certified as meeting the requirements of

ISO 50001:2018

For the following activities

Manufacturing of Cement and using Compressor, WHRB, Powerhouse as sources of energy conversion.



EA Sector; 16
This certificate is valid from 14 January 2022 until 13 January 2025 and remains valid subject to satisfactory surveillance audits.

Issue 1, Certified since 14 January 2022.

SGS Italia S.p.A. Via Caldera, 21 20153 MILANO - Italy t + 39 02 73 93 1 - www.sgs.com



This document is issued by the Company subject to its General Conditions of Certification Services accessible at www.sgs.com/lems, and .conditions himi. Attention is drawn to the limitations of liability, indemnification and jurisdictional issues established therein. The authenticity of this document may be verified at http://www.sgs.com/en/certified-clients-and-products/certified-client-directory. Any unauthorized alteration, forgery or faistfication of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.











Subject to the provisions of the Standards Act, 2008.

(Act 8 of 2008), the relevant regulations made thereunder and the permit conditions contained in the under mentioned schedules, this permit authorizes

POWER CEMENT LTD Co Reg. SECP 0009067 SINDH, PAKISTAN

to apply the certification mark



in respect of the mark specification

SANS 50197-1:2013 TO: CEMENT PART 1: COMPOSITION, SPECIFICATIONS AND CONFORMITY CRITERIA FOR COMMON CEMENTS

This permit, including the schedules 1 to 3 which form an integral part thereof, is issued without alteration;
is identified by the applicable permit number;
is subject to any condition or limitation contained therein;
is waid subject to engoing compliance with permit conditions;
bears the embossed SABS Commercial seal. In the absence of the seal, the permit and the schedules shall be invalid, and
the permit may be authenticated by referring to the register of
"Certified Clients" on the SABS Commercial website (www.sable.co.za)
Scheme Type 5 permit applies to products that have been tested.

11475/17969 Permit Number 12 April 2022 Effective Date 11 April 2025

Date of Original Registration 12 April 2022

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COUNCIL FOR QUALITY AND ENVIRONMENT

Ankara Teknoloji Geliştirme Bölgesi Cyberpark Dilek Binası 1605, Cadde 06800 Bilkent/ANKARA TÜRKEY

CERTIFICATE OF CONSTANCY OF PERFORMANCE

Certificate No:

1784 - CPR - 0624

In compliance with Regulation (EU) 305/2011 of the European Parliament and of the Council of 9 March 2011 (the Construction Products Regulation or CPR), this certificate applies to the construction product

CEM I 42,5 N

Portland Cement

placed on the market under the name or trade mark of

POWER CEMENT LIMITED

Arif Habib Center 23, M. T. Khan Road, Karachi 74000 PAKİSTAN

and produced in the manufacturing plant(s)

POWER CEMENT LIMITED

Nooriabad Industrial Area, Kalo Kohar Distt. Jamshoroo, Sindh PAKİSTAN

This certificate attests that all provisions concerning the assessment and verification of constancy of performance described in Annex ZA of the

EN 197-1: 2011

under system 1+ for the performance set out in this certificate are applied and that the factory production control conducted by the manufacturer is assessed to ensure the

constancy of performance of the construction product.

This certificate was first issued on 10.03.2020 and will remain valid as long as neither the harmonised standard, the construction product, the AVCP methods nor the manufacturing conditions in the plant are modified significantly, unless suspended or withdrawn by the Council for Quality and Environment.

ANKARA /10.03.2020

Revision Date and Number/10.03.2020-0

Prof. Dr. F. Dilek SANIN Chairman of Council for Quality and Environment

lvay E. IĞREK Quality and Environment Director

BKY F01-A/08.02.2016-3



Address: Manak Bhavan,9 Bahadur Shah Zafar

Marg

New Delhi 110002

Phones: 91-11-23239382

91-11-23239382 Fax: E-mail: fmcs@bis.org.in

http://www.bis.org.in

FMCD

ATTACHMENT TO LICENCE NO. CM/L- 4008945

| CML NO | NAME OF THE LICENSEE WITH ADDRESS | PRODUCT | IS NO |
|---------|---|---------------------------|--------------|
| 4008945 | M/s Power Cement Ltd Nooriabad Industrial Area Kalo Kohar, Distt: Dadu Sindh, Nooriabad Pakistan. | Ordinary Portland Cement. | IS 269: 2015 |

ENDORSEMENT NO.

Dated 07 September 2021

Whereas, the licence was valid upto, Thirtieth September Two Thousand Twentyone

Now, consequent upon renewal, the validity of the licence given in schedule of the endorsement No 12 has been extended from First October Two Thousand Twentyone to Thirtieth September Two Thousand Twentythree.

Other conditions of the licence remain the same

(Shouvik Chanda) Sc. D (FMCD)







BUREAU OF INDIAN STANDARDS

Ministry of Consumer Affairs, Food & Public Distribution

AIRMAIL/SPEED POST

Our Ref: FMCD/L- 4008945

Date 07-09-2021

Subject: Renewal of certification marks licence no. CM/L-4008945 as per IS 269: 2015

M/s Power Cement Ltd Nooriabad Industrial Area Kalo Kohar, Distt: Dadu Sindh, Nooriabad Pakistan.

Dear Sir.

With reference to your application for renewal of the above mentioned Certification Marks Licence, we are pleased to inform you that it has been renewed from 01-10-2021 to 30-09-2023.

It may please be noted that your licence shall expire at the end of the above mentioned period. You are, therefore, requested to send your application along with fee for its renewal at least one month before the expiry of the licence.

It may also be noted that the Performance Bank Guarantee of US\$ 10,000.00 submitted by you is valid upto 31-03-2022. Since as per the revised guidelines the Bank Guarantee should have a validity of six months more than the validity of the licence therefore, you are advised to get the validity of the Bank Guarantee extended accordingly. You are directed to submit revised Performance Bank Guarantee before its validity date, failing which we may be constrained to take action such as stop marking/cancellation of the BIS licence as enshrined in the BIS (Conformity Assessment) Regulation, 2018. Please ensure extension of PBG as early as possible.

Please ensure that consignment details are regularly sent by the licensee through BIS Consignment module.

The endorsement sheet regarding renewal of licence is enclosed. This may be annexed to the original licence document available with you.

Thanking you.

Yours faithfully Brando 07/09/2021 (Shouvik Chanda) Sc. D (FMCD)

Encl: As above Copy to: Mr. Deepak Talwar Managing Director M/s CEE EM Exports Pvt Ltd 512, Deepshika, 8, Rajendra Place New Delhi - 110008.

मानक भवन, ९, बहादुरशाह ज़फर मार्ग, नई दिल्ली 110002 दूरमाष: 23230131, 23233375, 23239402 ई-मेल : info@bis.gov.in वेबसाईट : www.bis.gov.in

Manak Bhavan, 9, Bahadur Shah Zafar Marg, New Delhi-110002 Tel: 23230131, 23233375, 23239402 e-mail: Info@bis.gov.in Website: www.bis.gov.in

"For detailed information on BIS, consult the e-BIS Portal (www.manakonline.in) / Please use BIS CARE APP for verification of ISI-marked goods and hallmarked gold jewellery"

SABS

Permit number 11475/17969

Schedule 1

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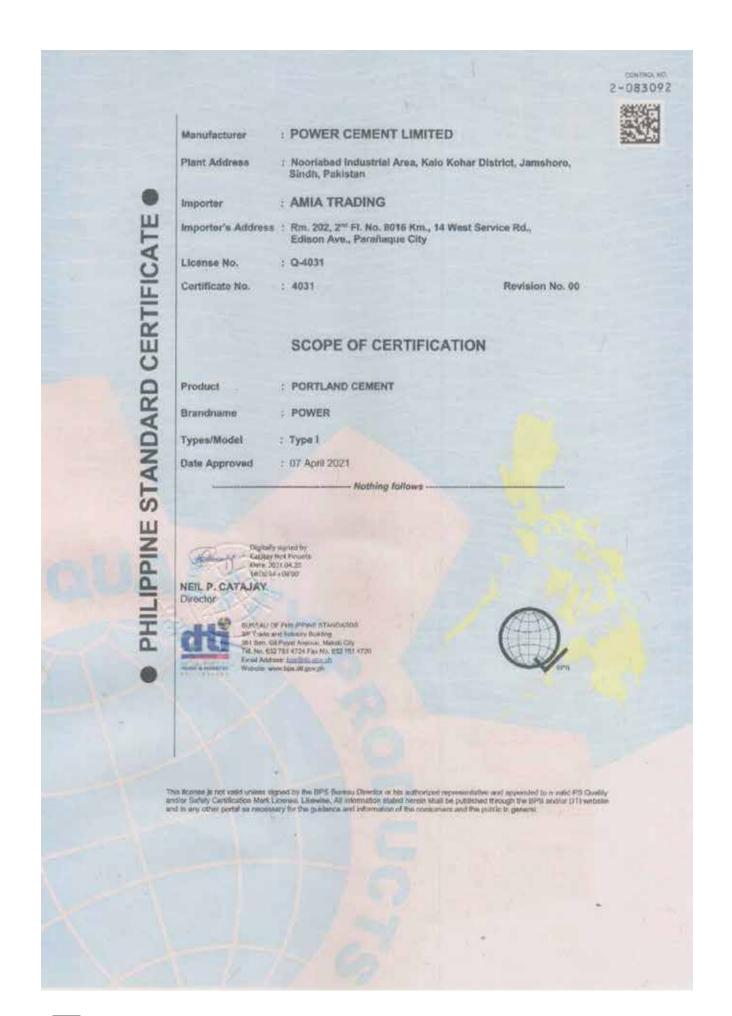
| 1. Permit holder 1.1 Name | Power Cement Ltd |
|--|--|
| 1.2 Name under which the business is conducted | Power Cement Ltd |
| 1.3 Registration or the identity number | SECP 0009067 |
| 2. Street address of factory at which the commodity is | Nooriabad Industrial Area Kalo Kohar District |
| manufactured | Jamshoroo SINDH |
| . Mark Specification with which the | SANS 50197-1 / SABS EN 197-1 |
| commodity is required to comply | Cement Part 1: Composition, specifications and conformity criteria for common cements |
| Description of commodity to which the certification mark may be applied, and Brand name or Trade mark which may be used in conjunction with the certification mark | Cement - composition, specifications and conformity criteria for common cements CEM I 52,5N CEM I 42,5N |
| 5. Quality management system with which consistent compliance is required | The quality management system relating to the production of the commodities identified in section 3 and 4 of this schedule must consistently meet the requirements of the nominated product specification, the requirements for a product certification system 5 certification scheme as per ISO 17067 and requirements of the general and specific permit conditions as detailed in schedules 2 and 3 of the permit |
| Record of amendme | ents to permit |

SCHEDULE TO PERMIT TO APPLY CERTIFICATION MARK

This permit is only applicable in respect of the permit holder, the factory, the mark specification, the

commodity and the trade name or trade mark referred to in this schedule

Original date of issue: 2022-04-12 Amendments



Pursuant to the provisions of Executive Order No. 101, Series of 1967, and in conjunction with the provisions of Republic Act No. 4109, Executive Order No. 913; Series of 1953 and

and their implementing rules and regulations,

The Bursau of Philippine Standards hereby grants the license to use the

Philippine Standard Quality Certification Mark



CERTIFIED **Product Quality**

(SYSTEM No. 5 as par ISO/IEC 17067:2013)

In favor of

POWER CEMENT LIMITED

Noorlabad Industrial Area Kalo Kohar District, Jamshoro, Sindh, Pakistan

And its Local Agent/Office:

AMIA TRADING

Rm. 202, 2nd Fl. No. 8016 Km. 14 West Service Rd., Edison Ave., Paraflaque City

Having been assessed and found conforming to the requirements of Department Administrative Order No. 4 series of 2008 and Department Administrative Order No. 17-06 series of 2017, their future amendments and revisions, PNS 07:2018 Amd. 1:2019 and their implementing guidelines, for its PORTLAND CEMENT covered in the scope of certification as described in the attached Certificate No. 4031.

Issued on 07 April 2021 at Makati City, Philippines

This license is valid until 06 April 2024 subject to the continuing conformity with the PS certification criteria and the Terms and Conditions of this PS License.

Catalay Neil Pinus Date: 2021,04,20

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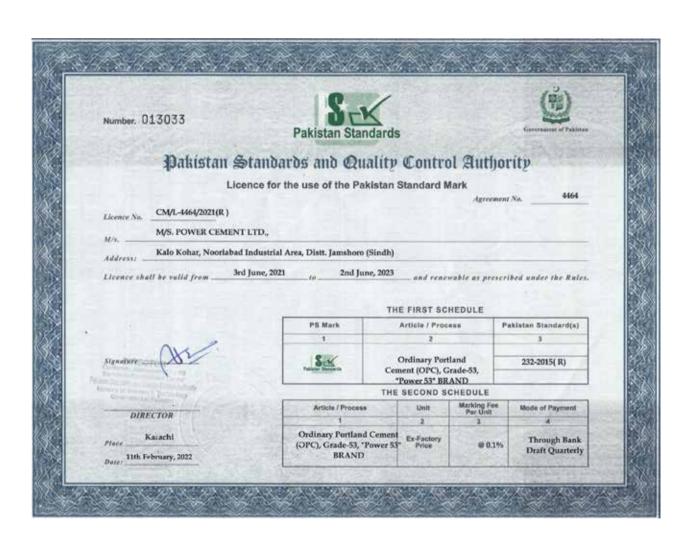
BURGALLOF PRIKATIVES STANDARDS 26 Touto and industry Humbry 361 fiers (26 Pryst America, Media City Yol, No. 802 751 4724 Fee No. 822 731 4720

This certificate is not valid unless signed by the BPS Bureau Director or his authorized representative and appended to a valid PS Certificate. Uniquetee, All information statud harrier shall be published through the BPS and/or DTI website and is any other portal as necessary for the guidance and information of the consumers and the public is periorial.

1-083091 Executive Order No. 133, Series of 1987

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MAJOR DEVELOPMENTS DURING THE YEAR

ACCA APPROVED EMPLOYER

- PCL have officially been registered as an ACCA Approved Employer Gold Category.
- Announced a three-years comprehensive trainee program for students and affiliates of ACCA with the aim to develop strategic and progressive thinking leaders for the nation.
- Conducted a recruitment drive at Al Hamd Academy in Hyderabad. In the session we interacted with the students by briefing on Cement industry and giving career advice to students.
- 7 ACCA Trainees have been inducted in first batch of our ACCA Trainee Program.



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INTERNSHIP PROGRAM

- · Internship Initiated with the title of Powership Program 2022.
- Close liaison with different Institutes/Universities (LUMS, IBA, SZABIST, CBM & Iqra) and finalized students after assessment interviews.
- On boarded 10 interns initially in different departments.
- Interns were taken for on-field visit at the plant where they were given a rundown of the operations and processes that take place at the plant.





TRANSPORT & COMMUTE UPGRADATION

Careem:

- Signed an agreement with Careem to provide its employees with an economical and safer option for transportation.
- Flexibility & availability of pool vehicles without additional investment.

SESSIONS WITH UNIVERSITY STUDENTS

- Conducted sessions & recruitment drives in different universities like (NED, Mehran & DUET).
- Sessions began by outlining the function and significance of higher education in Pakistan. Universities are an institution that greatly contributes to economic growth and development by stimulating innovation and raising higher skills, since they may be considered as a focal point of knowledge and its application.
- Total 10 Trainee Engineers inducted in our Graduate Trainee Program and total 6 in our Trainee Chemist Program.





CREATING CULTURE FOR SUCCESS

A business is only as successful as its employees – created a culture to achieve and celebrate.

Initiated scheme for employees by the name of JUSTUJU REWARD.

An incentive scheme has been developed by the management to motivate and reward employees towards achieving the Key Performance Indicators (KPIs).





SPORTS MINDSET IN SHAPING THE CULTURE

- · Inauguration ceremony for PCL Sports Gala.
- Sports Gala created chance to break down the corporate barriers and let your personality shine through.
- Culture that enables your staff to become more used to one another, improves concentration and productivity and contributes to making your workplace more enjoyable.







RENEWABLE ENERGY INITIATIVES

Electricity is one of the major components of cost of production in cement manufacturing process, accounting for around 20%. The Waste Heat Recovery System (WHRS) was installed in 2021 which is generating around 9-10MW of green electricity.

During the current year, your Company has taken new initiatives by embarking Solar and Wind Power Projects. Solar Power Project of 7MW went live in August 2022, generating clean and green energy while work on 9MW Wind project is in process.



This will not only strengthen cash flow position of the Company but will also help achieve self-sustainability in energy generation through partial switching on green energy, reducing carbon foot print and contributing to the ecological environment as well. With these sustainable initiatives the management eyes to reduce 21K ton carbon emissions in a year.

CO₂ Reduction from WHRS & Solar Plant

Clearer Air & Skies - reducing our carbon emission helps reverse the impact of global warning overall and more specificalty, benefits the overall air quality.

WHRS at average generation of 8MW will reduce 31.3k tons of CO₂ while, Solar average generation of 11k MWHrs will reduce 6k tons of CO₂.

WHRS units produced since its installation in are around 120k MWHrs reducing around 66k tons of CO₂.

Future Outlook of CO₂ Reduction

Solar

Average unit per Year = 11k MWH CO₂ Emission reduction per year = 6k ton Total CO₂ reduction in 20 Years= 120k tons

WHRS

8 MWH Average unit for days = 57k MWH CO2 Emission reduction per year = 31k ton Total CO2 reduction in 20 Years= 620k tons

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AWARDS

Awards

ICAP / ICMAP BEST CORPORATE **REPORT AWARD**

The Company has secured overall 3rd position based on Annual Report 2021 in the Best Corporate Report Awards competition conducted by the joint committee of Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.



11TH ANNUAL FIRE AND SECURITY **AWARD 2021**

Power Cement limited has achieved 11th Annual fire and security award 2021, organized by National forum for Environment and Health (NFEH) and fire protection association of Pakistan. OHSMS-ISO 45001 & EMS-ISO 14001external surveillance audit completed successfully and PCL retained the certifications of both standards without any minor or major non-conformance. PCL efficaciously got SEPA approval for usage TDF (Tyre Derived Fuel) & RDF (Refused Derived Fuel) to run the kiln on alternative and environment friendly waste fuels.





STATEMENT OF ADOPTION AND **ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK**

Building and retaining the trust of the Company's internal and external stakeholders is essential to our Company's continued business success. The Company's primary objective under the subject is to enhance shareholder' and stakeholders' awareness for better understanding and valued decision making. We always strive to achieve our objective through excellence in corporate governance and human resource practices. Power Cement Limited has been continuously working towards transparency of the information presented to its stakeholders.

It has taken into account various transformations to adapt to a changing corporate environment and the need for additional information beyond the basic financial statements. This information includes management commentary, governance disclosures, performance analysis, forward outlook and footnotes to the financial statement, to better reflect the corporate reporting for information needs of different stakeholders. The Company is working with a strategy for generating value creation for the organization and its stakeholders.

We hope that this Integrated Report will help our stakeholder understand how we create value through our business model. Since, Integrated Reporting is at its early stages of development, we are looking forward to make it more useful for our shareholders. The Company has included the following content elements for the users of this report:

- · Organizational overview and external environment
- Strategy and resource allocation
- Risks and opportunities
- Governance
- Performance and position
- Outlook
- Stakeholders' relationship and engagement
- Sustainability and corporate social responsibility
- Business model
- Excellence in corporate reporting

The adoption of integrated reporting requires involvement and support of the Board of Directors and the leadership team. Henceforth, Management of the Company provides guidance to achieve the objectives by advising, assessing, and monitoring business strategies; ensuring the execution and modification of strategies; and evaluating their own effectiveness and contribution in these activities. Reporting is being monitored and it is ensured that the relevant information is shared in the most suited way for the stakeholders of the Company. We will continue to improve the information produced to make it even easier to understand, while taking into account the opinion of stakeholders reading this report.

Unreserved Compliance with International Financial Reporting Standards Issued by International **Accounting Standards Board**

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/ IFRS issued by International Accounting Standards Board (IASB) vital to true and fair preparation and presentation of financial information.

Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status is in detail is explained in notes of the annual financial statements.





INDEPENDENT AUDITOR'S REPORT

To the members of Power Cement Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the annexed financial statements of Power Cement Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

*KARACHI*LAHORE * ISLAMABAD



A-F-FERGUSON&CO.

| Following are the Key audit matters: | | | | | | | |
|--------------------------------------|--|--|--|--|--|--|--|
| S. No. | Key audit matters | How the matters were addressed in our audit | | | | | |
| (i) | Revenue from contract with Customers (Refer notes 2.21 & 30 to the financial statements) The Company recognizes revenue from the sale of cement to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process. | Our audit procedures amongst others included the following: - evaluated management controls over revenue and checked their validation; - performed verification of sales on sample basis with underlying documentation including sales orders, sales invoices and delivery challans; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; and - ensured that presentation and disclosures related to revenue are being addressed appropriately. | | | | | |
| (ii) | Inventories (Refer notes 2.9 & 9 and to the financial statements) Inventories include: - raw materials comprising limestone, clay, shale, gypsum, bauxite; and - work-in-progress mainly comprising clinker and raw meal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter. | The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existance of inventory included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - Obtained samples of items to determaine the nature / characteristics of the inventory. Such samples were than sent to the Company's laboratory to determine the nature of the inventory and other parameters; | | | | | |



A.F.FERGUSON&CO.

| S. No. | Key audit matters | How the matters were addressed in our audit |
|-----------|---|--|
| | | obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis; and ensured that presentation and disclosures related to inventory are being addressed appropriately. |
| (iii) | Deferred tax | |
| | (Refer notes 2.13 & 7 to the financial statements) | |
| | The Company has booked net deferred tax asset of Rs. 3.14 billion as at June 30, 2022 that mainly include carry forward losses. Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognized in the statement of financial position at each reporting period. Recognition of deferred tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilized. The future taxable profits are based on approved management's projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses and tax credits. Valuation of deferred tax asset is considered a key audit matter because the amounts involved are material, the complexities of the calculation of future taxable profits and the inherent uncertainty involved in forecasting taxable profits available in future periods. | Our audit procedures included the following: considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance 2001 that apply to the utilisation of tax losses; determined the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilization; considered whether the tax balances were calculated using appropriate and substantively enacted tax laws and rates; obtained financial projections from the Company's management; obtained understanding of the Company's process of preparing financial projections; evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and ensured that presentation and disclosures related to deferred tax are being addressed appropriately. |

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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





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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co. Chartered Accountants Karachi

Date: October 7, 2022

UDIN: AR202210073RFz8QBuiS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

| Property, plant and equipment 3 35,647,052 36,270,530 37,086 11,149,511 1,233,616 275,250 1,149,511 233,616 275,250 1,240,003 2,058 1,004,003 1, | | Note | 2022 | 2021 |
|--|---------------------------------------|------|------------|------------|
| Property, plant and equipment Right-of-use asset Ri | ASSETS | | (Rupees | in '000) |
| Right-of-use asset | Non-current assets | | | |
| Long-term investments | Property, plant and equipment | 3 | 35,647,052 | 36,270,530 |
| Current assets | Right-of-use asset | 4 | 24,725 | 37,086 |
| Current assets | Intangible asset | 5 | 423 | 2,958 |
| Current assets 9 1,363,972 1,149,511 Stores, spares and loose tools 10 1,924,299 1,748,535 Trade receivables - considered good 11 233,616 275,250 "Advances and other receivables 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | · · | | 25,578 | 24,873 |
| Current assets Inventories 9 1,363,972 1,149,511 Stores, spares and loose tools 10 1,924,299 1,748,535 Trade receivables - considered good 11 233,616 275,250 "Advances and other receivables - unsecured, considered good" 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 53,9865 20,63,361 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,009,055 | | | 3,138,307 | |
| Current assets Inventories 9 1,363,972 1,149,511 Stores, spares and loose tools 10 1,924,299 1,748,535 Trade receivables - considered good 11 233,616 275,250 "Advances and other receivables - unsecured, considered good" 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,009,055 | Long-term deposits | 8 | | |
| Inventories 9 1,363,972 1,149,511 1,748,535 1,00 1,924,299 1,748,535 1,748,535 1,00 1,924,299 1,748,535 1,00 1,924,299 1,748,535 1,00 1,924,299 1,748,535 1,00 1,924,299 1,748,535 1,00 1,0 | | | 38,910,444 | 38,482,623 |
| Stores, spares and loose tools 10 1,924,299 1,748,535 Trade receivables - considered good 11 233,616 275,250 "Advances and other receivables 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | Current assets | | | |
| Trade receivables - considered good 11 233,616 275,250 "Advances and other receivables - unsecured, considered good" 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | | | | |
| "Advances and other receivables 12 523,905 385,427 Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | · | | | |
| Taxation - payments less provision 509,231 512,210 Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | <u> </u> | 11 | 233,616 | 275,250 |
| Derivative financial asset 13 1,621,753 529,816 Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | <u> </u> | 12 | | * |
| Trade deposits and short-term prepayments 77,473 63,440 Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | · | | | |
| Tax refunds due from government - sales tax 14 1,039,865 2,063,361 Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | | 13 | | |
| Short-term investments 15 26,399 26,399 Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | | | | |
| Cash and bank balances 16 217,775 255,106 7,538,288 7,009,055 | S S S S S S S S S S S S S S S S S S S | | | , , |
| 7,538,288 7,009,055 | | | | * |
| | Cash and bank balances | 16 | | |
| 1 otal assets 45,491,678 | | | | |
| | lotal assets | | 46,448,732 | 45,491,678 |

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive Director **STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2022

| EQUITY AND LIABILITIES Share Capital And Reserves Share Capital Ordinary shares Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve Accumulated loss | Note 17 18 19 17.4 | 2022 (Rupees 11,118,705 2,082,433 13,201,138 7,000,000 | 2021 in '000) 10,634,144 2,445,853 13,079,997 - |
|--|------------------------|---|--|
| Share Capital Ordinary shares Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 18 | 11,118,705 2,082,433 13,201,138 7,000,000 | 10,634,144 2,445,853 |
| Share Capital Ordinary shares Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 18 | 2,082,433 13,201,138 7,000,000 | 2,445,853 |
| Share Capital Ordinary shares Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 18 | 2,082,433 13,201,138 7,000,000 | 2,445,853 |
| Ordinary shares Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 18 | 2,082,433 13,201,138 7,000,000 | 2,445,853 |
| Cumulative preference shares Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 19 | 2,082,433 13,201,138 7,000,000 | 2,445,853 |
| Contribution from associated undertakings Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 19 | 13,201,138 7,000,000 | |
| Reserves Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 19 | 7,000,000 | 13,079,997 |
| Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | | 739,493 | |
| Capital Reserve Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | | 739,493 | |
| Share premium Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | | 739,493 | |
| Difference on conversion of cumulative preference shares into ordinary shares Hedging reserve Revenue Reserve | 17.4 | | 739,493 |
| Hedging reserve Revenue Reserve | 17.4 | | |
| Revenue Reserve | | (121,141) | - |
| | 20 | - | - |
| Accumulated loss | | | |
| / todamalatou 1000 | | (3,536,035) | (3,074,575) |
| LIABILITIES | | 17,283,455 | 10,744,915 |
| Niew or words to be that on | | | |
| Non-current liabilities | 21 | 17,510,223 | 18,403,048 |
| Long-term financing - secured Long-term trade payables | 22 | 522,828 | 10,403,040 |
| Long-term trade payables Long-term lease liability | 23 | 17,327 | 31,675 |
| Deferred grant income | 20 | - | 1,997 |
| Staff retirement benefits | 24 | 136,270 | 108,96 |
| | | 18,186,648 | 18,545,68 |
| Current liabilities | | | |
| Trade and other payables | O.E. | 4 404 005 | E 070 001 |
| Trade and other payables Unclaimed dividend | 25 | 4,421,035 126 | 5,272,881 126 |
| Accrued mark-up | 26 | 1,383,274 | 1,258,520 |
| Loan from related party | 27 | - | 680,000 |
| Short-term financing - secured | 28 | 2,783,927 | 7,679,924 |
| Current portion of long-term lease liability | 23 | 14,348 | 11,755 |
| Current portion of long-term financing | 21 | 2,375,919 | 1,297,872 |
| | | 10,978,629 | 16,201,078 |
| Total liabilities | | 29,165,277 | 34,746,760 |
| Contingencies and commitments | 29 | | |
| Total equity and liabilities | | 46,448,732 | 45,491,678 |

Chief Financial Officer Chief Executive Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 | 2021 |
|--|------|--------------|--------------|
| | | (Rupees | in '000) |
| Revenue from contracts with customers | 30 | 17,494,878 | 14,220,613 |
| Cost of sales | 31 | (15,012,747) | (11,130,976) |
| Gross profit | | 2,482,131 | 3,089,637 |
| Selling and distribution expenses | 32 | (965,724) | (1,195,573) |
| Administrative expenses | 33 | (286,584) | (254,537) |
| Other income | 34 | 38,099 | 355,989 |
| Other operating expenses | | - | (30,892) |
| Reversal / (Loss) allowance on trade receivables | | 36,280 | (36,393) |
| Profit from operations | | 1,304,202 | 1,928,231 |
| Finance income | | 8,107 | 12,014 |
| Finance costs | | (2,642,935) | (2,611,453) |
| | 35 | (2,634,828) | (2,599,439) |
| Loss before income tax | | (1,330,626) | (671,208) |
| Taxation | 36 | 886,680 | 1,029,567 |
| (Loss) / profit after taxation | | (443,946) | 358,359 |
| Other comprehensive (loss) / income: | | | |
| Items that are or may be reclassified subsequently to profit or loss | S | | |
| Changes in fair value of cash flow hedges - net of tax | | (828,889) | 71,555 |
| Adjustment for amounts transferred to profit or loss | | 828,889 | (71,555) |
| Items that will not be reclassified to profit or loss | | - | - |
| Actuarial loss on remeasurement of defined benefit obligations | | (23,072) | (5,845) |
| Related deferred tax | | 5,558 | 1,237 |
| | | (17,514) | (4,608) |
| Other comprehensive loss for the year - net of tax | | (17,514) | (4,608) |
| Total comprehensive (loss) / income for the year | | (461,460) | 353,751 |
| | | (Ru | pees) |
| (Loss) / earnings per share - basic and diluted | 37 | (0.62) | 0.17 |
| | | | |

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer Chief Executive Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 | 2021 |
|--|------|-------------|-------------|
| | | (Rupees | in '000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 40 | 2,319,983 | 1,837,249 |
| Gratuity paid | 24.7 | (40,710) | (32,212) |
| Income tax paid | | (138,987) | (150,296) |
| Deposits paid | | (32,021) | (18,179) |
| Finance cost paid - Islamic | | (2,388,890) | (2,677,610) |
| Finance cost paid - Conventional | | (223,280) | (466,716) |
| Not each used to executive estimates | | (2,823,888) | (3,345,013) |
| Net cash used in operating activities | | (503,905) | (1,507,764) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure - operations | | (189,772) | (65,452) |
| Interest received | | 7,402 | 10,892 |
| Proceeds from sale of property, plant and equipment | | 11,525 | 4,345 |
| Net cash used in investing activities | | (170,845) | (50,215) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long-term financing | | (1,263,506) | (758,938) |
| Proceeds from long-term financing | | 492,012 | 1,657,120 |
| Lease rental paid | 23 | (15,090) | (13,718) |
| Expenses incurred on issuance of preference shares | | ` | (13,479) |
| Repayment of short-term financing - net | | (4,745,997) | 79,924 |
| Proceeds from issue of preference shares | | - | 1,648,894 |
| Proceeds of contribution from associated undertakings | 18 | 7,000,000 | - |
| Repayment of loan from related party | | (680,000) | (968,894) |
| Net cash generated from financing activities | | 787,419 | 1,630,909 |
| Net increase in cash and cash equivalents | | 112,669 | 72,930 |
| Cash and cash equivalents at the beginning of the year | | (244,894) | (317,824) |
| Cash and cash equivalents at the end of the year | 41 | (132,225) | (244,894) |

The annexed notes from 1 to 45 form an integral part of these financial statements.

| Chief Financial Officer | Chief Executive | Director |
|-------------------------|-----------------|----------|

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

| | Share Capital | Advance against | Difference on conversion of | Capital R | eserve | Revenue Reserve | Contribution from | Total Equity |
|---------------------------------------|---|---------------------------|--|--------------------|------------------|--------------------|---|-----------------|
| | Issued, subscribed and paid up capital | preference right issue | cumulative preference shares into ordinary shares (note 17.4) | Hedging Reserve | Share Premium | Accumulated loss | associated undertakings (note 18) | |
| | | | | (Rupees | in '000) | | | |
| Balance as at July 1, 2020 | 10,634,144 | 523,754 | - | - | 749,063 | (3,428,326) | - | 8,478,635 |
| Total comprehensive loss for the year | r | | | | | | | |
| Profit for the year | - | - | - | - | - | 358,359 | - | 358,359 |
| Issuance cost of preference | | | | | | | | |
| shares net of tax | - | - | - | - | (9,570) | - | - | (9,570) |
| Preference shares issued | 2,445,853 | (523,754) | - | - | - | - | - | 1,922,099 |
| Other comprehensive loss | _ | _ | _ | - | - | (4,608) | - | (4,608) |
| | 2,445,853 | (523,754) | - | - | (9,570) | 353,751 | - | 2,266,280 |
| Balance as at June 30, 2021 | 13,079,997 | | - | | 739,493 | (3,074,575) | - | 10,744,915 |
| Loss for the year | - | - | | - | - | (443,946) | - | (443,946) |
| Cumulative preference shares of | | | | | | | | |
| Rs.10 each converted into 1.333 | | | | | | | | |
| Ordinary Shares of Rs. 10 each during | 9 | | | | | | | |
| the year. | 121,141 | - | (121,141) | - | - | - | - | - |
| Contribution received | - | - | - | - | - | - | 7,000,000 | 7,000,000 |
| Other comprehensive loss | _ | _ | | _ | _ | (17,514) | - | (17,514) |
| | 121,141 | - | (121,141) | | - | (461,460) | 7,000,000 | 6,538,540 |
| Balance as at June 30, 2022 | 13,201,138 | - | (121,141) | - | 739,493 | (3,536,035) | 7,000,000 | 17,283,455 |

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer Chief Executive Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. THE COMPANY AND ITS OPERATIONS

Power Cement Limited (the Company) was incorporated in Pakistan as a private limited company on December 1, 1981 and was converted into a public limited company on July 9, 1987. The Company is also listed on Pakistan Stock Exchange. The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi and its undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh).

The Company began commercial production from its new Clinker Production Plant on July 1, 2020.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

2.1.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 Accounting convention

These financial statements have been prepared under the historical cost convention, as modified by re-measurement of certain financial assets and financial liabilities (including derivative financial instruments) at fair value and recognition of certain staff retirement and other service benefits at present

2.1.3 Critical accounting estimates & judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Income tax payable / refundable

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

Staff retirement benefits

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

FOR THE YEAR ENDED JUNE 30, 2022

(iii) Inventories

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

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

iv) Property, plant and equipment

The useful lives, residual values and depreciation methods are reviewed on a regular basis. The effect of any changes in estimates is accounted for on a prospective basis.

v) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

vi) Derivative financial instruments and hedge accounting

Estimates made with respect to derivative financial instruments and hedge accounting are disclosed in note 2.19 to these financial statements.

vii) Deferred taxation

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

viii) Contribution from associated undertakings

The classification of the contribution from associated undertakings in Equity involves estimates in relation to the timing of payment of principal and profit since the payment of principal and profit is as per the discretion of the Company.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

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

2.1.4 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention unless specifically disclosed in accounting policy below.

2.3 Foreign currencies

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

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

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

These are stated at cost less accumulated depreciation and impairment losses, if any, except for leasehold land, which is stated at cost less impairment, if any.

Cost of leasehold land is not amortised since the lease is renewable at a nominal price at the option of the lessee.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.

Maintenance and normal repairs are charged to the statement of profit or loss and other comprehensive income as and when incurred.

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

Depreciation on plant and machinery is charged using units of production method. The units of production method results in depreciation charge based on the actual use or output.

Depreciation other than plant and machinery is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in note 3.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month prior to disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceed and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

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FOR THE YEAR ENDED JUNE 30, 2022

Capital work-in-progress (CWIP)

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating assets as and when assets are available for use.

Capitalisable stores and spares

Spare parts, stand-by equipment and servicing equipment which qualify as property, plant and equipment when an entity expects to use them for more than one year are classified as fixed assets under the category of capitalisable stores and spares and are stated at cost.

2.5 Lease liability and right-of-use asset

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

liarah

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 – 'ljarah' requires the recognition of 'ijarah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss and comprehensive income on a straight-line basis over the ijarah term.

2.6 Intangible asset

These have probable economic benefit beyond one year and are recognised as intangible assets with finite useful lives at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged using the straight line method over asset's estimated useful life after taking into account residual value, if any.

Research and development expenditure is charged to 'administrative and general expenses' in the statement of profit or loss and other comprehensive income, as and when incurred.

Amortisation on additions is charged from the month the assets are put to use while no amortisation is charged in the month in which the assets are disposed off.

Gains or losses on disposal of such assets, if any, are included in the statement of profit or loss and other comprehensive income.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cashflows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts, short-term investments and finance under mark-up arrangements. The statement of cash flows is prepared using the indirect method.

2.8 Dividends and appropriations

Dividends and reserve appropriations are recognized in the period in which these are declared / approved.

2.9 Inventories

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

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

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

2.10 Trade receivables, advances and other receivables

Trade receivables, advances and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using effective interest rate method less loss allowance. Refer note 2.17 for a description of the Company's impairment policies.

FOR THE YEAR ENDED JUNE 30, 2022

2.11 Borrowings and their cost

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

2.12 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised

The Company accounts for liability in respect of un-availed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn gross salary.

2.13 Taxation

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

Deferred b)

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

2.14 Staff retirement benefits

Defined benefit plan

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contribution are made to the fund in accordance with actuarial recommendations. The latest actuarial valuation of the scheme has been carried out as at June 30, 2022 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in statement of profit or loss and other comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2.15 Provisions

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

2.16 Contingencies

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

2.17 Financial instruments

Initial recognition

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

FOR THE YEAR ENDED JUNE 30, 2022

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

2.18 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

2.19 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge are taken to profit or loss.

The fair value of derivative financial instruments is determined by reference to market values for similar instruments or by using discounted cash flow method.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company intends to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that these actually have been highly effective throughout the financial reporting periods for which such were designated.

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Derivative financial instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative financial instrument is separated into a current portion and non current portion only if a reliable allocation can be

Fair value hedges

Fair value hedge is a hedge of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

The change in the fair value of a hedging derivative is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss. When the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Cash flow hedges

Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. Where the hedged item is the cost of a non financial asset or non financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability. If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

2.20 Offsetting of financial assets and liabilities

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

2.21 Revenue recognition

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

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

Revenue is measured at fair value of consideration received or receivable, excluding discounts, commission, rebates and government levies.

No element of financing is deemed present as the sales are made with a credit term of up to 14 days. which is consistent with the market practice.

Income from sale of scrap is recorded on delivery of scrap to the customers.

Profit on bank deposits is recorded on effective interest basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30. 2022

Gain / (loss) on sale of fixed assets is recorded when title is transferred in favour of transferee.

2.22 Government grants

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

| 3. | PROPERTY, PLANT AND EQUIPMENT | Note | 2022 | 2021 |
|----|---------------------------------|------|------------|------------|
| | | | (Rupees | s in '000) |
| | Operating assets | 3.1 | 35,306,841 | 35,926,941 |
| | Capital work-in-progress | 3.4 | 88,090 | - |
| | Capitalisable stores and spares | 3.5 | 252,121 | 343,589 |
| | | | 35,647,052 | 36,270,530 |

Operating assets

| | Land lease hold | Factory building on leasehold land | Non factory building on lease hold land | Lease hold improvements | Plant and machinery | Factory and laboratory equipments | Quarry Equipment | Office equipment | Computer and peripherals | Furniture and future | Vehicles | Total |
|--|--------------------|--|---|-------------------------|------------------------|---|---------------------|---------------------|--------------------------------|-------------------------|----------|------------|
| | | estraturion x- | 92002-000001294 | | | (Rupees in 10) | 00) | | MILOROPOLICES | | | |
| Year ended June 30, 2022 | | | | | | | | | | | | |
| Opening netbook value | 112,425 | 319,157 | 1,333,820 | 15,258 | 34,010,679 | 48,037 | 943 | 24,301 | 10,086 | 29,328 | 22,907 | 35,926,941 |
| Additions / transfer (at cost) | 1.5 | 8 | 9,459 | 55 | 166,093 | 9,148 | | 3,669 | 3,144 | 345 | 1,292 | 193,150 |
| Disposals at NBV | ÷ | \$ } | 20 | 25 | 147 | (80) | | - | | | (468) | (548 |
| Depreciation charge - Note 3.2 | 22 | (10,082) | (133,461) | (1,518) | (647,947) | (5,453) | (142) | (2,618) | (3,851) | (2,946) | (4,684) | (812,702 |
| Closing net book value | 112,425 | 309,075 | 1,209,818 | 13,740 | 33,528,825 | 51,652 | 801 | 25,352 | 9,379 | 26,727 | 19,047 | 35,306,841 |
| Gross carrying value basis At June 30, 2022 | | | | | | | | | | | | |
| Cost | 112,425 | 731,756 | 1,512,696 | 33,299 | 36,594,489 | 97,185 | 12,528 | 41,677 | 40,586 | 52,420 | 56,868 | 39,285,929 |
| Accumulated depreciation | 3.0 | (422,681) | (302,878) | (19,559) | (3,065,664) | (45,533) | (11,727) | (16,325) | (31,207) | (25,693) | (37,821) | (3,979,088 |
| Net book value | 112,425 | 309,075 | 1,209,818 | 13,740 | 33,528,825 | 51,652 | 801 | 25,352 | 9,379 | 26,727 | 19,047 | 35,306,841 |
| Year ended June 30, 2021 | | | | | | | | | | | | |
| Opening net book value | 112,425 | 346,787 | 113,616 | 16,935 | 12,634,595 | 51,001 | 1,128 | 24,799 | 8,987 | 32,092 | 29,007 | 13,371,372 |
| Additions / transfer (at cost) | 3 | 22,982 | 1,368,164 | - | 22,170,999 | 2,380 | | 2,108 | 4,169 | 473 | 1,768 | 23,573,043 |
| Disposals at NBV | * | *0 | *8 | • | | | * | *2 | | | (1,493) | (1,493 |
| Write off Depreciation charge - Note | 3.5 | (30,892) | *5 | * | | 37 | 85 | ** | | • | 100 | (30,892 |
| 32 | 74 | (19,720) | (147,960) | (1,677) | (794,915) | (5,344) | (185) | (2,606) | (3,070) | (3,237) | (6,375) | (985,089) |
| Closing net bok value | 112,425 | 319,157 | 1,333,820 | 15,258 | 34,010,679 | 48,037 | 943 | 24,301 | 10,086 | 29.328 | 22,907 | 35,926,941 |

FOR THE YEAR ENDED JUNE 30, 2022

Gross carrying value basis At June 30, 2021 112,425 731,756 1,503,237 33,299 36,428,396 88,140 12,528 38,008 37,442 52,075 56,801 39,094,107 Accumulated depreciation (412,599) (169,417) (18,041) (2,417,717) (40,103) (11,585) (13,707) (27,356) (22,747) (33,894) (3,167,166) 112,425 319,157 1,333,820 15,258 34,010,679 48,037 943 24,301 10,086 29,328 22,907 35,926,941 Net book value Units of 5% 10% 15% Rate of degreciation % 10% 10% production

- 3.1.1 The fair value of property, plant and equipment is valued at Rs 47.37 billion.
- **3.2** Depreciation charge for the year has been allocated as follows:

| | Note | 2022 | 2021 |
|---|----------------|---------------------------------------|---------------------------------------|
| | | (Rupees | s in '000) |
| Cost of sales Selling and distribution expenses Administrative expenses | 31 32 33 | 799,341 2,742 10,619 812,702 | 968,124 4,241 12,724 985,089 |

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

| Usage of Immovable Property | Location | Total Area (acres) | Covered Area (acres) |
|--------------------------------|--|--------------------|-------------------------|
| Manufacturing plant | Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh) | 267 | 150 |

3.4 Capital work in progress

Advance against land

- note 3.4.1

| 2022 | | | | |
|-------|-----|---|---|---|
| 71177 | • | ^ | - | |
| | - 2 | u | / | 1 |

| Cost as at 1 July 2021 | Additions | Transferred to operating fixed assets | Cost as at 30 June 2022 |
|------------------------------|-----------|---|-------------------------------|
| • | (Rupe | es in '000) ———— | → |
| | 88,090 | | 88,090 |
| | 88,090 | | 88,090 |

3.4.1 This represents advance paid for the acquisition of land in Nooriabad Industrial Estate, District Jamshoro (Sindh) having estimated area of 218 acres.

| | | | 2021 | |
|----------------------------|------------------------|-----------------|---|-------------------------------|
| | Cost as at 1 July 2020 | Additions (Rupe | Transferred to operating fixed assets es in '000) | Cost as at 30 June 2021 |
| Civil Works | 1,368,164 | 2 | (1,368,164) | - |
| Plant and Machinery | 20,285,040 | - | (20,285,040) | - |
| Waste Heat Recovery System | 1,760,338 | - | (1,760,338) | - |
| | 23,413,542 | 2 | (23,413,542) | 2 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

3.5 Capitalisable stores and spares

| Opening balance Additions during the year Transferred to property, plant and equipment Closing balance | |
|--|--|
| | |

RIGHT-OF-USE ASSET

| | 2022 | 2021 |
|----------------------|----------|------------|
| | (Rupees | s in '000) |
| Opening balance | 37,086 | 48,194 |
| Modification | - | 1,255 |
| Depreciation expense | (12,361) | (12,363) |
| As at June 30, 2022 | 24,725 | 37,086 |
| | | |

This Right of use asset is booked on rented office premises.

INTANGIBLE ASSET

| | Note | 2022 | 2021 |
|---|------|------------------------------|--------------------------------|
| | | (Rupees | in '000) |
| Cost Accumulated amortisation | | 7,606 (7,183) 423 | 7,606 (4,648) 2,958 |
| Carrying amount at the beginning of the year Additions during the year Amortisation during the year Carrying amount at the end of the year | 33 | 2,958 - (2,535) 423 | 5,493 - (2,535) 2,958 |
| Rate of amortisation | | 33.33% | 33.33% |

- Intangible asset comprises of computer software.
- The amortisation expense for the year has been charged off to administrative expenses.

LONG-TERM INVESTMENTS

| | Note | 2022 | 2021 |
|------------------------------|------|---------|------------|
| | | (Rupees | s in '000) |
| Amortised cost | | | |
| Defence savings certificates | 6.1 | 17,404 | 16,199 |
| Term deposit receipts | 6.2 | 8,174 | 8,674 |
| | | 25,578 | 24,873 |

2022 2021

437,638

10,379

(104,428)

343,589

(Rupees in '000)

343,589

252,121

17,775 (109,243)

FOR THE YEAR ENDED JUNE 30, 2022

- 6.1 These Defence Savings Certificates (DSCs) are for a period of 10 years having maturity in 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh as disclosed in note 29.1.
- 6.2 These include term deposit certificates placed with local banks and carry profit at declared rates of 7.20% 10% (2021: 4.07% 7.20%) per annum having maturity ranging from 2028 to 2031.

7. DEFERRED TAX ASSET

Deferred tax asset comprises of deductible / (taxable) temporary differences in respect of the following:

| | 2022 | 2021 |
|--|-------------|-------------|
| | (Rupees | s in '000) |
| Deductible temporary differences | | |
| Deferred liability - provision for gratuity | 32,827 | 24,332 |
| Loss allowance on trade receivables | 23,352 | 28,664 |
| Lease liability | 7,630 | 9,698 |
| Provision for stores, spares and loose tools | 4,575 | 3,019 |
| Unwinding of transaction cost | - | 2,366 |
| Provision for leave encashment | 9,179 | 8,548 |
| Exchange loss on hedged loan | 92,867 | 43,056 |
| Minimum Tax | 452,888 | 401,299 |
| Carry forward tax losses | 6,605,730 | 4,630,028 |
| | 7,229,048 | 5,151,010 |
| | | |
| Taxable temporary differences | | |
| Accelerated tax depreciation | (4,035,290) | (3,035,410) |
| Gain on modification of long-term payables | (49,495) | - |
| Deferred exchange gain | | (2,481) |
| Right-of-use assets | (5,956) | (8,281) |
| | (4,090,741) | (3,046,172) |
| Deferred Tax Asset | 3,138,307 | 2,104,838 |

- 7.1 The deferred tax asset on unabsorbed depreciation and minimum tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.
- 7.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. In addition as per Finance Act, 2022, companies operating in certain sectors, including cement, are liable to pay super tax upto 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, the Company has recorded deferred tax at 33% in accordance with applicable accounting and reporting standards.
- 7.3 Deferred tax asset has been restricted to 73% (2021: 77%) of the total deferred tax asset based on the assumptions that export sales will continue to fall under Final Tax Regime and the Company will be able to achieve its export target as per expectation.
- 7.4 Taxable and deductible differences are booked in profit and loss except for, Actuarial loss on remeasurement of defined benefit obligations amounting to Rs. 5.86 million (2021: Rs. 1.24 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

8. LONG-TERM DEPOSITS

| | Note | 2022 | 2021 |
|---|------|---------------------------|---------------------------|
| | _ | (Rupees | s in '000) |
| Hyderabad Electric Supply Company First Credit and Investment Bank Others | 8.1 | 24,159 6,200 44,000 | 24,159 6,200 11,979 |
| | | 74,359 | 42,338 |

8.1 These includes security deposit paid to Burj Solar Energy (Private) Limited under the equipment rental agreement (the agreement) in respect of procurement of electricity on a fixed tariff amounting to Rs. 31 million.

9. INVENTORIES

| | Note | 2022 | 2021 |
|---------------------|------|-----------|------------|
| | | (Rupees | s in '000) |
| Raw material | | 71,690 | 107,618 |
| Packing material | | 95,548 | 147,619 |
| Semi-finished goods | 9.1 | 768,548 | 735,330 |
| Work-in-process | | 21,978 | 12,615 |
| Finished goods | | 406,208 | 146,329 |
| - | | 1,363,972 | 1,149,511 |

9.1 These include clinker held at port for export amounting to Rs. 152.81 million (2021: Rs. 420.26 million).

10. STORES, SPARES AND LOOSE TOOLS

| | Note | 2022 | 2021 |
|------------------------------------|------|-----------|------------|
| | | (Rupees | s in '000) |
| Stores | | 697,916 | 433,566 |
| Coal | 10.1 | 465,207 | 752,461 |
| Spares | | 771,638 | 567,372 |
| Loose tools | | 8,529 | 8,655 |
| | | 1,943,290 | 1,762,054 |
| Less: Provision for net realisable | | | |
| value write down | 10.2 | (18,991) | (13,519) |
| | | 1,924,299 | 1,748,535 |

10.1 This includes coal-in-transit amounting to Rs. Nil (2021: Rs. 646.94 million).

10.2 Provision for net realisable value write down .

| | Note | 2022 | 2021 |
|----------------------------------|------|---------|------------|
| | | (Rupees | s in '000) |
| Balance at beginning of the year | | 13,519 | 13,519 |
| Charge for the year | | 5,472 | - |
| Balance at end of the year | | 18,991 | 13,519 |

FOR THE YEAR ENDED JUNE 30, 2022

11. TRADE RECEIVABLES - considered good

| | Note | 2022 | 2021 |
|---|-------------|----------|------------|
| | | (Rupees | s in '000) |
| Secured | | 404 | 1,636 |
| Due from related parties - unsecured | 11.1 & 11.2 | - | 51,780 |
| Due from other parties - unsecured | | 325,297 | 350,199 |
| | | 325,701 | 403,615 |
| Less: Loss allowance on trade receivables | 11.3 | (92,085) | (128,365) |
| | | 233,616 | 275,250 |

11.1 The related parties from whom the receivables are due are as under:

| | 2022 | 2021 |
|-----------------------------|---------|------------|
| | (Rupees | s in '000) |
| Javedan Corporation Limited | - | 8,954 |
| Safe Mix Concrete Limited | - | 42,826 |
| | - | 51,780 |
| | | |

11.2 The balances due from related parties are mark-up free. The aging analysis of these balances is as follows:

| | 2022 | 2021 |
|--|-------------|--------------------------|
| | (Rupees | s in '000) |
| 1-30 days 31-60 days 61 days to 365 days | - - - | 3,411 5,871 11,989 |
| Over 365 days | - | 30,509 |
| | - | 51,780 |
| | | |

11.2.1 Maximum aggregate due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 48 million (2021: Rs. 65 million).

11.3 Loss allowance on trade receivables

| | 2022 | 2021 |
|---|---------------------|------------------|
| | (Rupees | in '000) |
| Balance at beginning of the year (Reversal) / charge for the year | 128,365 (36,280) | 91,972 36,393 |
| Balance at end of the year | 92,085 | 128,365 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

12. ADVANCES AND OTHER RECEIVABLES - unsecured, considered good

| | Note | 2022 | 2021 |
|------------------------------|-------------|---------|----------|
| | | (Rupees | in '000) |
| To employees | 12.1 & 12.2 | 43,668 | 44,603 |
| To contractors and suppliers | 12.2 | 111,415 | 78,799 |
| Against letter of credit | | 102,164 | 70,767 |
| Rebate receivable | | 7,618 | 7,713 |
| Excise duty receivable | 12.3 | 182,604 | 182,604 |
| Others | | 76,436 | 941 |
| | | 523,905 | 385,427 |

12.1 These include personal and car loan advances to executives amounting to Rs. 41.77 million (2021: Rs. 43.46 million). Maximum amount outstanding against advances to employees during the year was Rs. 45.13 million (2021: Rs. 43.46 million). The amount is payable on demand and is secured against retirement benefit entitlement of the employees.

| | 2022 | 2021 |
|---|----------|------------|
| | (Rupees | s in '000) |
| Movement in advances to executives during the year: | | |
| Balance at beginning of the year | 43,460 | 39,654 |
| Disbursed during the year | 24,585 | 13,633 |
| Repayments during the year | (26,276) | (9,827) |
| Balance at end of the year | 41,769 | 43,460 |

- 12.2 These advances to employees and contractors / suppliers are non-interest bearing.
- 12.3 From 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs.182.6 million.

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated 19 March 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated 24 January 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the Learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated 23 May 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated 19 March 2009 and order number 02 of 2009 dated 24 January 2009 were set aside by ATIR and appeal was allowed. Based on the decision by ATIR and the tax adviser's opinion that the refund claim is allowed to the Company, the Company recorded the refund claim receivable with a corresponding credit to the profit or loss account. The matter has been challenged by the tax department in the High Court of Sindh vide its reference application 252/2012 dated September 2012 on the grounds that the Company has failed to discharge the burden of proof to the effect that incidence of duty has not been passed on to the customer of the Company. The hearing of the case is pending since September 2012. The management is confident of a favourable outcome based on its legal advisor's opinion and has therefore considered the balance recoverable. The Company is actively pursuing the matter for the settlement of the said refund claim.

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FOR THE YEAR ENDED JUNE 30, 2022

13. DERIVATIVE FINANCIAL ASSET

Balance at beginning of the year Gain / (loss) arising during the year Balance at end of the year

| 2022 | 2021 |
|-----------|------------|
| (Rupees | s in '000) |
| 529,816 | 630,597 |
| 1,091,937 | (100,781) |
| 1,621,753 | 529,816 |

- 13.1 The Company has entered into multiple cross currency swap arrangements with commercial banks in connection with foreign currency borrowings as disclosed in notes 21.5. Pursuant to the agreements, the Company's foreign currency borrowings up to USD 19.88 million (2021: USD 24.29 million) and EUR 8.52 million (2021: EUR 10.41 million) were converted into hedged Pakistan Rupee amount and the interest rate accruing thereon is payable to the hedging bank at 6 months KIBOR + spread ranging from positive 415 to 549 basis points.
- **13.2** The above hedge of exposures arising due to variability in cash flows owing to currency risks have been designated as cash flow hedges.

14. TAX REFUNDS DUE FROM GOVERNMENT - SALES TAX

The Company has challenged the levy of sales tax on import of 7,700 TPD on Plant in Sindh High Court. The Court allowed an interim relief to the Company against submission of Bank Guarantee with the Nazir of the Court. A Bank Guarantee of Rs. 528 million had been submitted with the Nazir. The Company has a strong case in this matter, even in worst case if the matter is decided against the Company, the resultant sales tax will be paid and it will be treated as input sales tax and accordingly will be adjusted against the output sales tax of the Company.

15. SHORT-TERM INVESTMENTS

| | | 2022 | 2021 |
|-----------------------|------|---------|------------|
| | | (Rupees | s in '000) |
| At Amortised Cost | | | |
| Term deposit receipts | 15.1 | 26,399 | 26,399 |

15.1 These are placed with local banks and carry profit at declared rates of 7.2% - 10% (2021: 4.07% - 7.2%) per annum and will mature in June 2023 (2021: June 2022).

16. CASH AND BANK BALANCES

| CASH AND DANK DALANCES | | | |
|---------------------------|------|---------|------------|
| | | 2022 | 2021 |
| | | (Rupee: | s in '000) |
| Cash at bank Conventional | | | |
| - In current accounts | | 29,231 | 14,211 |
| - In savings accounts | 16.1 | 7,565 | 7,599 |
| | | 36,796 | 21,810 |
| Islamic | | | |
| - In current accounts | | 87,587 | 131,855 |
| - In savings accounts | 16.2 | 91,358 | 98,402 |
| | | 178,945 | 230,257 |
| - Term deposit receipts | 16.3 | 1,100 | - 2,100 |
| | | 180,045 | 232,357 |
| Cash in hand | | 934 | 939 |
| | | 217,775 | 255,106 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

- 16.1 The mark-up rate on the savings and deposit accounts included in cash and bank balances ranges from 6% 8% (2021: 3.5% 5%) per annum.
- 16.2 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 6% 8% (2021: 3.5% 5%) per annum.
- 16.3 This includes term deposit certificates placed with local banks and carry profit at declared rates of 7.2% 10% (2021: 4.07% 7.2%) per annum.

17. SHARE CAPITAL

| 17.1 | Authorised share c | apital | | | |
|--------|--------------------|--|--|------------|------------|
| | 2022 | 2021 | | 2022 | 2021 |
| | (Number o | f Shares) | | (Rupees | in '000) |
| | | | Ordinary and Cumulative Preference | | |
| | 1,390,000,000 | 1,310,000,000 | Shares of Rs. 10 each | 13,900,000 | 13,100,000 |
| 17.2 | Issued subscribed | and paid-up share | capital | | |
| 17.2.1 | Ordinary Shares | | | | |
| | 2022 | 2021 | | 2022 | 2021 |
| | (Number o | f Shares) | | (Rupees | in '000) |
| | | | Fully paid ordinary shares of Rs. 10 each issued: | | |
| | 1,051,234,846 | 1,051,234,846 | For cash | 10,512,348 | 10,512,348 |
| | 840,000 | 840,000 | For consideration other than cash | 8,400 | 8,400 |
| | 11,339,588 | 11,339,588 | Bonus shares | 113,396 | 113,396 |
| | 48,456,054 | 170 | Converted from preference shares during the year | 484,561 | |
| | 1,111,870,488 | 1,063,414,434 | . during the year | 11,118,705 | 10,634,144 |
| 17.2.2 | Cumulative prefere | nce shares | | | |
| | 2022 | 2021 | | 2022 | 2021 |
| | (Number of | f Shares) | | (Rupees in | (000) |
| | | | Fully paid Cumulative Preference | | |
| | 244,585,320 | 244,585,320 | Shares of Rs. 10 each | 2,445,853 | 2,445,853 |
| | (36,342,043) | ************************************** | Converted to ordinary shares during the year | (363,420) | • |
| | 208,243,277 | 244,585,320 | 3 | 2,082,433 | 2,445,853 |

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17.3 The shareholders of the Company in their extraordinary general meeting held on June 20, 2020 approved the issue of 23% right shares in terms of Cumulative Preference Shares at par value of Rs. 10 each. 244,585,320 Cumulative Preference Shares have been issued in the ratio of 23 Cumulative Preference Shares for every 100 Ordinary Shares held by the existing shareholders.

The terms and conditions of such Right Issue are as follows:

- the rate of preferential dividend shall be six month KIBOR plus 1.5% per annum. The entitlement of dividend shall not lapse if no dividend is paid during that year and shall be carried forward to subsequent years;
- the preference shareholders will have the right to vote;
- Preference Shares will be convertible at the option of the preference shareholders into Ordinary Shares of the Company. The conversion option can be exercised upon the expiry of 12 months from the issue date by giving a thirty days notice in advance to the issuer. However, the accumulation of preference dividends will cease at the time of filing of conversion notice with the Company's Registrar;
- conversion ratio is to be determined by dividing the aggregate face value of Preference Shares plus the outstanding balance of any accumulated / accrued Preferred Dividend (if not paid till conversion) by Rs. 7.5;
- the Preference Shares are non-redeemable and convertible into Ordinary Shares of the Company;
- there will be no change / revision in the rate of preferred dividend in case of accumulation;
- there is no upper limit of maximum accumulations of preferred dividend;
- cash dividends in priority over any dividend to ordinary shareholders and holders of any subsequent issues / series of preference shares;
- in case of liquidation the preference shareholders shall be entitled to preferred liquidation rights prior to ordinary shareholders; and
- the preference shareholders shall not be entitled to bonus or rights shares, in case the Company / Directors decide to increase the capital of the Company by issue of further shares except for the adjustment in conversion ratio provided hereinabove referred terms and conditions.

If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors. As at June 30, 2022 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 405.83 million (2021: 175.08 million).

- 17.4 Under the terms and conditions of conversion of such right issue, during the year, 36,342,043 preference shares of Rs. 10 each have been converted into 48,456,054 ordinary shares of Rs. 10 each resulting in a difference on conversion of cumulative preference shares into ordinary shares amounting to Rs. 121.14 million. The unpaid cumulative dividend on such preference shares amounting to Rs. 38.21 million will be distributed in subsequent year(s) out of the available profits subject to the approval of the Board of Directors.
- 17.5 Shares held by the associated undertakings as at the statement of financial position date were 875,573,507 (2021: 867,543,689) and Mr. Arif Habib is the ultimate beneficial owner of the Company on the basis of effective shareholding.

NOTES TO THE FINANCIAL STATEMENTS

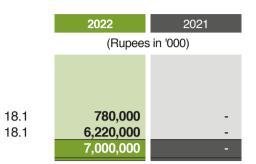
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CONTRIBUTION FROM ASSOCIATED

UNDERTAKINGS

- Contribution from associated undertaking - unsecured

- Contribution from sponsor - unsecured



- During the year, effective from July 1, 2021, the Company transmuted the original agreement and entered in a new Musharakah agreement with Mr. Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors') for collective investment of Rs. 7,000 million on the following terms and
- The repayment of the principal amount and profit shall be at the sole and absolute discretion of the Company (taking into consideration the availability of its cash flows). However, in the event of liquidation, the Company shall purchase the investors share at mutually agreed price at that time before discharging any obligation
- The financing shall carry profit at the rate of 3 month KIBOR + 1.75%. However, the payment of the profit shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payments of profit to the Investors.

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long Term Musharakah arrangement is classified as equity in these financial statements. The unpaid profit as at June 30, 2022 in respect of the above mentioned agreement amounts to Rs. 270.57 million.

SHARE PREMIUM

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

HEDGING RESERVE

The hedging reserve comprises the spot element of forward contract. The amount represents an effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges. The net change in fair value of the hedging instrument, deferred in equity, has been recycled to profit or loss to the extent that the hedged item (foreign currency loan) impacts profit or loss.

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21. LONG-TERM FINANCING - secured

| | | 2022 | 2021 |
|-----------------------|-------------|-------------|------------|
| | | (Rupees | in '000) |
| Local currency loan | | | |
| Syndicated loan | 21.1 & 21.2 | 13,051,307 | 13,041,227 |
| Term loan | 21.3 | 842,012 | 581,996 |
| Refinance scheme | 21.4 | 101,133 | 192,538 |
| | | 13,994,452 | 13,815,761 |
| Current maturity | | (1,447,538) | (369,491) |
| Foreign currency loan | | 12,546,914 | 13,446,270 |
| Syndicated loan | 21.5 | 5,891,690 | 5,885,159 |
| Current maturity | | (928,381) | (928,381) |
| | | 4,963,309 | 4,956,778 |
| | | 17,510,223 | 18,403,048 |

21.1 This includes funded / Musharaka contribution amount drawn (from a syndicate of 16 local banks / Development Financial Institutions (DFIs) under the long-term syndicate finance facility of Rs. 16,200 million, for the expansion project of 7,700 TPD, led by National Bank of Pakistan as Investment Agent (June 30, 2021: Rs. 16,200 million). The said facility has been structured in Islamic mode of financing (Diminishing Musharaka) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million. The facility carries mark-up at the rate of 6 months KIBOR plus 2.25% (2021: 6 months KIBOR plus 2.25%) per annum calculated on daily product basis with mark-up and principal repayment falling due on semi-annual basis. The facility is secured through first pari passu charge over current and fixed assets of the Company amounting to Rs. 1,333 million along with additional collaterals. This loan is payable through semi annual instalments in 10 years time starting from July 2018.

However, during the year ended June 30, 2021, senior lenders of the Company have revised the terms of the existing Syndicate Term Finance Facility (STFF) to include, inter alia, the following:

- Downward revision of profit rate from 2.25% to 1.5% per annum; and
- Enhancement of grace period for principal repayments from January 2021 to July 2022, therefore, current maturity has been presented in these financial statement in accordance with the revised terms.

The restructuring of the liability has not resulted in the derecognition of the original liability.

- 21.2 This also includes loan of Rs.1,000 million structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The facility carries mark-up of Kibor plus 1.5% per annum. This loan is payable through semi-annual instalments starting from July 2022. The security includes first pari passu charge on all fixed and current assets along with other collaterals and personal guarantees of the Company's related party.
- 21.3 This includes term loans obtained from commercial banks for a period of 3 to 5 years at the rate of 6 months KIBOR plus 1.5% and 6 months KIBOR plus 1.25% with guarterly and semi-annual repayments. The loans were disbursed on December 10, 2020 and September 15, 2021 respectively.
- 21.4 This represents long-term loan agreements with Bank of Punjab under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loans are repayable in eight equal quarterly instalments, starting from March 2021. The loan carries mark-up of 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loan is secured by way of first pari passu hypothecation charge on the fixed assets of the Company along with additional collaterals.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

21.5 This represents 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.357 million, USD 11.357 million, USD 15.143 million disbursed by Deutsche Investitions-und Entwickilingsgeselischaft mbH (DEG) through Arif Habib Equity (Private) Limited (AHEPL), OPEC Fund for International Development (OFID) and Islamic Corporation Development (ICD) respectively for the expansion project of Line III. The Company has executed cross currency swaps with Habib Bank Limited at the exchange rate of PKR 139.5 and PKR 141.4 per USD and Faysal Bank Limited through AHEPL at the exchange rate of PKR 162 and PKR 164.5 per EURO to hedge the Company's foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% with mark-up / principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first parri passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

LONG-TERM TRADE PAYABLES

Local currency payables Current maturity

Foreign currency payables Current maturity

| 2022 | 2021 |
|-----------|------------|
| (Rupee: | s in '000) |
| 577,214 | - |
| (106,318) | - |
| 470,896 | - |
| 64,329 | - |
| (12,397) | - |
| 51,932 | - |
| 522,828 | - |
| | |

22.1 In 2017, the Company had entered into a construction contract with CEEC Tianiin (Pakistan) Electric Power Construction (Private) Limited for the construction of Line III. During the year, the companies entered into an extension of payment contract for settlement of the amount. As per the terms of the contract, the Company is liable to pay a revised amount of Rs. 847.68 million alongwith USD 0.4 million over a period of 4 years. The revised amount has been discounted using a market rate of 12.96% resulting in a gain of Rs. 264.30 million which has been recorded in other income.

23. LONG-TERM LEASE LIABILITY

Balance at beginning of the year Modification Finance cost on lease Payment Balance at end of the year

Less: Current maturity shown under current liability

| 2022 | 2021 |
|----------|------------|
| (Rupees | s in '000) |
| 43,430 | 52,804 |
| - | 1,255 |
| 3,335 | 3,089 |
| (15,090) | (13,718) |
| 31,675 | 43,430 |
| | |
| (14,348) | (11,755) |
| 17,327 | 31,675 |
| | |

FOR THE YEAR ENDED JUNE 30, 2022

23.1 The maturity analysis of lease liabilities is as follows:

| | Future minimum lease payments | Interest | Present value of future minimum lease payments |
|---------------------------|--|----------------|---|
| | (Ru | ipees in '000) | |
| Less than one year | 16,599 | 2,251 | 14,348 |
| Between two to five years | 18,259 | 932 | 17,327 |
| More than five years | | • | January S. |
| | 34,858 | 3,183 | 31,675 |

24. STAFF RETIREMENT BENEFITS

| | | | 2022 | 2021 |
|------|--|------|---------|------------|
| | | | (Rupees | s in '000) |
| | Provision for gratuity | 24.5 | 136,270 | 108,965 |
| 24.1 | Number of employees covered under scheme | | 480 | 489 |

- 24.2 As stated in note 2.14, the Company operates approved funded gratuity scheme for all management and non management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2022.
- 24.3 Plan assets held in trust are governed by local regulations which mainly includes Trust Act,1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.
- **24.4** The latest actuarial valuation of the Plan as at June 30, 2022 were carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:
- **24.5** Balance sheet reconciliation as at June 30

| | | 2022 | 2021 |
|---|--------------|--------------------------------|-------------------------------|
| | | (Rupees | s in '000) |
| Present value of defined benefit obligation Fair value of plan assets Deficit | 24.6 24.7 | 189,543 (53,273) 136,270 | 155,118 (46,150 108,968 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

24.6 Movement in the defined benefits obligations

| | (Rupees in '000) | |
|---|---|---|
| Present value of defined benefits obligation as at July 01 Current service cost for the year Interest cost for the year Benefits paid during the year Remeasurements: | 155,115 35,860 14,187 (33,403) | 124,565 33,701 10,117 (11,092) |
| Experience adjustments Present value of defined benefits obligation as at June 30 | 17,784 189,543 | (2,176) 155,115 |

24.7 Movement in fair value of plan assets

| | 2022 | 2021 |
|---|----------|------------|
| | (Rupees | s in '000) |
| Fair value of plan assets as at July 01 | 46,150 | 29,634 |
| Contribution during the year | 40,710 | 32,212 |
| Expected return on plan assets | 5,104 | 3,417 |
| Benefits paid during the year | (33,403) | (11,092) |
| Actuarial loss on plan assets | (5,288) | (8,021) |
| Fair value of plan assets as at June 30 | 53,273 | 46,150 |

24.8 Expenses recognized in the statement of Profit or loss and other comprehensive income

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| | (Rupees | s in '000) |
| Current service cost Interest cost | 35,860 14,187 | 33,701 10,117 |
| Return on plan assets | (5,104) 44,943 | (3,417) 40,401 |

24.9 Remeasurements recognised in other comprehensive income

| | 2022 | 2021 |
|--|-----------------|------------------|
| | (Rupees | in '000) |
| Experience adjustments | 17,784 | (2,176) |
| Actuarial loss on plan assets | 17,784 5,288 | (2,176) 8,021 |
| Total Remeasurements chargeable in Other Comprehensive Income | 23,072 | 5,845 |

FOR THE YEAR ENDED JUNE 30, 2022

24.10 Net recognized liability

| | 2022 | 2021 |
|---|------------------|----------|
| | (Rupees in '000) | |
| Balance as at July 01 | 108,965 | 94,931 |
| Charge for the year | 44,943 | 40,401 |
| Remeasurements chargeable in other comprehensive income | 23,072 | 5,845 |
| Contribution during the year | (40,710) | (32,212) |
| | | |
| Balance as at June 30 | 136,270 | 108,965 |

24.11 Composition of plan assets

| | 20 | 22 | 20 |)21 |
|------------------------|-------------------------------|------------|-------------------------------|------------|
| | Amount (Rupees in '000) | Percentage | Amount (Rupees in '000) | Percentage |
| Cash and / or deposits | 324 | 0.61% | 2,355 | 5.10% |
| Loans to members | 52,949 | 99.39% | 43,795 | 94.90% |
| | 53,273 | 100.00% | 46,150 | 100.00% |
| | | | | |

24.12 Significant actuarial assumptions

| | 2022 | 2021 |
|---|--------------------------------------|--------------------------------------|
| | (Rupees | s in '000) |
| Financial assumptions | | |
| Discount rate Expected rate of eligible salary increase in future years | 13.25% 12.25% | 10.25% 9.25% |
| Average expected remaining working life time of employees | 15.43 Years | 15.43 Years |
| Demographic assumptions | | |
| Mortality rate Withdrawal rate Retirement assumption | SLIC 2001-2005 Moderate Age 60 | SLIC 2001-2005 Moderate Age 60 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

24.13 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities.

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

Investment risks - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

24.14 Sensitivity analysis for the year ended June 30, 2022

| | 2022 | |
|--|---|----------------------------|
| | PV of defined benefit obligation (Rupees in '000) | Rate effect |
| Discount rate effect | | |
| Original liability 1% increase 1% decrease | 189,543 177,181 203,786 | 13.25% 14.25% 12.25% |
| Salary increase rate effect | | |
| Original liability 1% increase 1% decrease | 189,543 205,525 175,474 | 12.25% 13.25% 11.25% |
| Withdrawal rate effect | | |
| Original liability 10% increase 10% decrease | 189,543 190,144 188,876 | |
| Mortality rate effect | | |
| Original liability +1 year -1 year | 189,543 189,493 189,611 | |

FOR THE YEAR ENDED JUNE 30, 2022

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

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

24.16 Maturity profile

The average duration of defined benefit obligation is 7.42 years.

- **24.17** As per actuarial advice, the Company is expected to recognise a service cost of Rs. 57.71 million in 2023 (2022: Rs. 46.82 million)
- **24.18** The weighted average service duration of employees is 4.52 years.
- 24.19 Expected maturity analysis of undiscounted retirement benefit payments is as follows:

| | Less than a year | Between 1-2 years | Between 2-5 years Rupees in 0 | Over 5 years | Total |
|-----------------------------|------------------|----------------------|-------------------------------------|--------------|---------|
| Retirement benefit payments | 24,557 | 25,132 | 85,248 | | 280,828 |

24.20 Analysis of present value of defined benefits obligations and fair value of plan assets.

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---------------------------|----------|----------|-----------------|----------|----------|
| | | (| Rupees in '000) | | |
| Present value of defined | | | | | |
| obligations | 189,543 | 155,115 | 124,565 | 116,026 | 91,721 |
| Fair value of plan assets | (53,273) | (46,150) | (29,634) | (18,935) | (12,939) |
| Deficit | 136,270 | 108,965 | 94,931 | 97,091 | 78,782 |

24.21 Experience adjustments

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-----------------------|---------|---------|-----------------|---------|---------|
| | | (1 | Rupees in '000) | | |
| Experience adjustment | 17,784 | (2,176) | 1,399 | (216) | 8,901 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30. 2022

25. TRADE AND OTHER PAYABLES

| | | 2022 | 2021 |
|--|-------------|-----------|------------|
| | | (Rupees | s in '000) |
| Trade creditors | 25.1 | 1,432,854 | 890,839 |
| Project Line III creditors | | - | 948,083 |
| Payable against Waste Heat Recovery System | | - | 214,161 |
| Bills payable | | 13,851 | 828,653 |
| Bills payable Line III | 25.1 | - | 921,098 |
| Accrued liabilities | 25.1 & 25.2 | 861,762 | 370,083 |
| Royalty payable on raw material | 25.3 | 351,614 | 9,752 |
| Excise duty payable on raw material | | 7,017 | 6,859 |
| Advances from customers | 25.4 | 1,224,700 | 606,381 |
| Retention money payable | | 1,130 | 1,130 |
| Federal Excise Duty payable | | 425,477 | 380,267 |
| Workers' Welfare Fund (WWF) | | 5,012 | 5,012 |
| Withholding tax payable | | 56,577 | 39,241 |
| Current portion of deferred Income - government grar | nt | 1,997 | 11,484 |
| Leave encashment payable | | 38,103 | 38,279 |
| Loan from previous sponsors | | 735 | 735 |
| Others | | 206 | 824 |
| | | 4,421,035 | 5,272,881 |

- **25.1** Creditors, Bills payable line III and accrued liabilities include Rs. 39.77 million, Nil and Rs. 0.36 million (2021: Rs. 69.96 million, Rs. 921.09 million and Rs. 1.50 million) respectively in respect of amounts due to related parties.
- 25.2 The Company filed petitions against the imposition of Quarter Tariff/ Distribution Margin Charges levied through its electricity bills. Interim reliefs were granted to the Company against these levies by the High Court of Sindh (SHC). Subsequent, to the balance sheet date the matter was decided against the Company by the SHC and hence the Company has now become liable to pay Rs. 621.09 million to Hyderabad Electricity Supply Company (HESCO).

A provision of Rs. 164.24 million (pertaining from February 2020 to June 2020) was already booked by the Company in the previous years while an additional liability of Rs. 456.85 million (pertaining from July 2020 to June 2022) has been booked during the current year.

- 25.3 This includes accrual amounting to Rs. 340.42 million in respect of royalty on extraction of limestone and shale, payable to the Government of Sindh, due to revised rates as per amendment in Sindh Mining concession rules 2002, with effect from July 1, 2021. During 2021, the Company filed a petition in Sindh High Court against the increase in rates and the Company is paying royalty on previous applicable rates.
- **25.4** Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.21 is satisfied.

| Opening balance |
|------------------------------------|
| Advance received during the year |
| Revenue recognised during the year |
| Closing balance |
| |

| 2022 | 2021 |
|--|--|
| (Rupees | s in '000) |
| 606,381 2,820,139 (2,201,820) 1,224,700 | 274,131 3,149,541 (2,817,291) 606,381 |
| <u> </u> | |

FOR THE YEAR ENDED JUNE 30, 2022

26. ACCRUED MARK-UP

On long-term financing On loan from related parties On short-term financing

| 2022 | 2021 |
|--|--|
| (Rupees | s in '000) |
| 947,106 310,377 125,791 1,383,274 | 832,114 296,828 129,578 1,258,520 |

27. LOAN FROM RELATED PARTY

(Rupees in '000)

Loan from associated company - unsecured

27.1 This represents financing provided by an associated company. Rotocast Engineering (Private) Limited in the Company under modaraba arrangement. Return at the rate of 1% of gross profit (excluding the depreciation charge for the year) is payable after dividing the gross profit as per the respective capital ratios provided in the modaraba agreement. During the year, the Company repaid the outstanding amount of the finance including return.

SHORT-TERM FINANCING - secured

| | | 2022 | 2021 |
|--|------|------------------|-----------|
| | | (Rupees in '000) | |
| Conventional | | | |
| Running finance | 28.1 | 350,000 | 250,000 |
| Short-term borrowing under money market scheme | | - | 299,000 |
| Export Refinance Facility (ERF) | 28.2 | 200,000 | - |
| | | 550,000 | 549,000 |
| Islamic | | | |
| Istisna / Running Musharaka | 28.3 | | |
| Maturity within three months | | - | 250,000 |
| Maturity after six months | | 1,233,927 | 6,180,924 |
| Islamic Export Refinance Facility (IERF) | 28.3 | 1,000,000 | 700,000 |
| | | 2,233,927 | 7,130,924 |
| | | 2,783,927 | 7,679,924 |

- 28.1 This represents short-term running finance facilities from the different commercial banks amounting to Rs. 350 million (2021: Rs. 250 million). These carry applicable mark up at the rate of 1 months KIBOR plus 1.5% (2021: 3 months KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 467 million.
- 28.2 This represents facility of State Bank of Pakistan's (SBP) Export Refinance Scheme (ERF) aggregating to Rs.200 million repayable with a maximum tenure of 180 days from the date of disbursement. The ERF facility availed during the year carry markup at the rate of 3.5% to 7.5% per annum. These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. Nil. These are secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 267 million.

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FOR THE YEAR ENDED JUNE 30, 2022

28.3 This represents Istisna / Musharaka / Murabaha facilities aggregating to Rs. 7,050 million (2021: Rs.7,150 million) repayable with a maximum tenure of 180 days from the date of disbursement. The IERF facility availed during the period carry markup at the rate of 3.5% to 7.5% per annum while other working capital facilities carry applicable profit at the rates ranging from KIBOR plus 1% to KIBOR plus 2% (2021: KIBOR plus 0.75% to KIBOR plus 2%). These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. 4,816 million (2021: Rs. 20.07 million) These are secured by first pari passu charge against current and fixed assets of the Company.

CONTINGENCIES AND COMMITMENTS

Contingencies

- 29.1 In 2017, the Company filed a suit 2269/2016 dated October 27, 2016; in the Sindh High Court (SHC); against CoscoSaeed Karachi Private Limited and others challenging its detention of the Company's cargo for the want of certain charges. On November 3, 2016; the Court ordered the release of the Company's cargo against deposit of Defence Saving Certificates amounting Rs. 11.65 million with the Nazir of the Court, Accordingly, the Company's cargo was released upon deposit of the requisite security. Legal counsel of the Company believes that the Company has a good arguable case on merits while next date of hearing of the same is awaited.
- 29.2 In October 2019, an ex-labourer lodged a claim in the office of the Commissioner Workmen Compensation & Authority, on account of certain damages and unpaid dues, amounting to Rs. 5.50 million.

The Company, based on certain legal grounds of legislative competence, still contributes EOBI calculated at the minimum wage of Rs 8,000/-. No demand has been established against the Company in this regard.

In June 2021, an ex-labourer lodged a claim in the office of the Commissioner Workmen Compensation & Authority, on account of certain damages and unpaid dues, amounting to Rs.0.96 million.

All above matters are pending at the mentioned forum and the management is confident based on its legal advisor's opinion that the outcome of these cases will be in favour of the Company hence no provision is made in these financial statements.

- 29.3 A case was initiated on October 03, 2017 via suit 1129 of 2017 in the Court of Senior Civil Judge, Hyderabad against the Company for recovery of advertisement fees, the Company had engaged a legal counsel for that but the appellants have not produced any calculations in their appeal and hence the documents filed by them in the courts don't claim any specific amount. The case was dismissed by the Court and the appellants have preferred an appeal there against. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- 29.4 M/s.Popular Cement Industries approached the SHC seeking an order restraining the Company from excavating limestone from one of its quarries / mines - the prayer of the applicant was granted by the Court through its order dated February 25, 2019 passed under suit no. 349 of 2019, barring the Company from excavation of limestone from a mining lease. The matter is pending and a favourable outcome is expected by the Company's legal counsel.
- 29.5 A Constitutional Petition C.P No. 4374/2019 was filed by the Company on June 27, 2019 to challenge the levy of Sindh Infrastructure Development Cess. An interim relief was granted by the Court through its order dated July 26, 2019. On June 06, 2021, the SHC decided in its judgement that the submitted bank guarantees be encashed and paid to the collectorate. On August 31, 2021, the Supreme Court of Pakistan has suspended the judgement passed by the SHC and stay the encashment of bank guarantees. As at June 30, 2022, amount involved in the matter is Rs. 31 million against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

FOR THE YEAR ENDED JUNE 30, 2022

29.6 The Competition Commission of Pakistan (the CCP) took Suo Moto action under Competition Commission Ordinance, 2007 and issued a Show Cause Notice on October 28, 2008 for increase in prices of cement across the country. Similar notices were also issued to All Pakistan Cement Manufacturers Association (APCMA) and its member cement manufacturers. The Company filed a writ petition before the Honourable Lahore High Court (LHC) and the LHC vide its order dated August 24, 2009 allowed the CCP to issue its final order. The CCP accordingly passed an order on August 27, 2009 and imposed a penalty of Rs. 87 million on the Company. The LHC vide its order dated August 31, 2009 restrained the CCP from enforcing its order against the Company for the time being. The High Court of Lahore has heard the arguments of all the parties and has reserved its judgement on the matter on July 17, 2020.

During the financial year ended June 30, 2009, the Company has filed an appeal before the Honourable Supreme Court of Pakistan (SCP) and LHC against the Order of the CCP dated August 27, 2009. The petition filed by the Company and other cement manufacturers before the LHC are pending for adjudication meanwhile order passed by the LHC on August 31, 2009 is still operative. Management, based on the legal advice, believes that there are good legal grounds and is hopeful that there will be no adverse outcome for the Company, accordingly no provision has been made in these financial statements.

Consequent to changes in the legislation, the SCP has remanded the matter to the CCP Tribunal. The Company via Constitutional Petition (CP) # 'D-8444' has challenged the formation of the Competition Commission of Pakistan (CCP) Tribunal on certain grounds. The CP has been filed before the SHC which through its order dated December 12, 2017 has restrained the CCP Tribunal from issuance of a final order, however, the proceedings on the matter may be continued by the CCP Tribunal as per its discretion.

During the year ended 2021, LHC decided the case against the Company and other cement manufacturers for which the Company has decided to prefer an appeal before the Supreme Court of Pakistan.

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

- 29.7 During 2008, a customer has filed claim of Rs. 1.20 million before the Court of District & Session Judge Karachi (East), for recovery of financial loss due to sub-standard supply of cement via appeal no. 14/2008 and appeal no. 16/2013. The Honourable Judge has decided the order in favour of the customer. Thereafter, the Company filed a revision application against the order before the SHC. The management based on the advice of the lawyer is confident that the outcome of the case would be in favour of the Company and hence no provision is made in these financial statements.
- **29.8** During the year ended June 30, 2013, the Company reversed liability amounting to Rs. 115.93 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

The management of the Company was taken over by purchasing controlling shareholding during the year 2005. One of the condition of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and / or unrecorded liabilities. However, due to dispute regarding existence of certain assets and / or unrecorded liabilities, the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous sponsors. The amount outstanding as at June 30, 2012 amounted to Rs. 115.93 million i.e. Rs. 234.08 million net off with unavailable stores and spares of Rs. 118.15 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

In 2013, the arbitrator decided in favour of the Company vide order dated August 6, 2012 and determined an amount of Rs. 0.74 million to be paid by the Company. The award has been sent to the Registrar High Court of Sindh for making the award a rule of Court. The management, based on its lawyers' advice is of the opinion that despite of objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability in 2013 with a corresponding credit in the profit or loss account. However, as previous sponsors have filed objections to the award, the matter has been disclosed as a contingent liability in these financial statements. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

29.10 SALES TAX MATTERS

29.10.1 The Company received an order from Central Excise and Land Custom on October 28, 1992 alleging that the Sales tax and Central Excise Duty (CED) amounting to Rs. 15.21 million and Rs. 30.31 million respectively, were not paid on certain sales. Penalty of the Rs.45.52 million was also levied in the said order on account of non payment of above amount. The Company has however disputed the same on grounds of lack of jurisdiction as well as on the merits, the matter is sub-judice. The Honourable High Court of Sindh has granted stay against the said order and the case is currently pending with the Appellate Tribunal Inland Revenue, Karachi. During 2015, the Company received a notice from FBR raising demand of Rs. 60.62 million and Rs. 15.21 million under CED and Sales Tax including penalty respectively. The SHC has granted stay against the said demand notice. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

29.102 During 2015, the Company received a show cause notice on January 22, 2015 from Deputy Commissioner Inland Revenue (DCIR) alleging that the Company is evading Sales tax and Federal Excise Duty (FED) which was calculated by comparing consumption of energy and coal of cement industry with the Company and also considering the grinded slag as cement on which FED is payable. DCIR alleged the Company for evading an amount of Rs. 551.86 million and Rs. 168.28 million in respect of Sales tax and FED respectively. Subsequently, physical verification of manufacturing premises was conducted on February 10, 2015 u/s 38 and 40B. Hearing was fixed on February 23, 2015 and demand notice was received on March 03, 2015 (dated February 26, 2015) for the recovery of Rs. 333.95 million and Rs. 101.26 million. The management of the Company filed an appeal with Commissioner Inland Revenue (CIR) Appeals on March 17, 2015 along with the application for urgent hearing, challenging the order on the grounds of judicial impartiality, lack of legal grounds under Sales Tax Act 1990 and Federal Excise Act, validity of order based on presumptions and lack of basic knowledge of cement industry. Simultaneously, application of stay was filed with CIR Appeals on March 17, 2015 and reference petition was filed with High Court of Sindh requesting a stay from legal action on the impugned order dated February 26, 2015, against which stay was granted to the Company by the High Court of Sindh on April 02, 2015. The Commission Inland Revenue (CIR) has preferred an appeal before the Appellate Tribunal Inland Revenue against order #41 of 2017 passed by CIR (Appeals -II) on 27 September 2017.

In 2015, a demand notice of Rs. 440 million was issued to the Company for recovery of FED and sales tax. The Company simultaneously approached CIR (Appeals) and SHC for relief. Stay was granted by the SHC on 2 April 2015. In 2018, CIR (Appeals-II) also decided the matter in favour of the Company and hence the stay granted by the High Court of Sindh became redundant and the Suit thereof was withdrawn during the period. The concerned tax authority has preferred an appeal against the order of CIR (Appeals-II), before ATIR, which is pending for hearing.

Management of the Company based on its tax advisors opinion is confident that the outcome of the case will be in favour of the Company.

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FOR THE YEAR ENDED JUNE 30, 2022

29.10.3 The Company received a show cause notice from DCIR on June 13, 2015 alleging that the Company has adjusted inadmissible input tax on diesel purchased and consumed in the rented vehicles of the transporter of the Company under Sales Tax Act, 1990. The Company replied through a consultant via letter dated June 22, 2015 explaining that a Company has adjusted a valid input tax under the provision of Sales Tax Act, 1990. Subsequently, demand notice for recovery was received dated July 13, 2015 for an amount of Rs.17.36 million for adjusting invalid input tax with a penalty of Rs. 0.87 million against which the Company filed an appeal with CIR Appeals on August 04, 2015, along with application for the grant of stay. Hearing for the same was fixed on August 21, 2015.

On September 10, 2015, the case was decided in favour of the Company vide order no. 17 of 2015 issued by Commissioner Inland Revenue (Appeals), however an appeal has been preferred against the same by CIR in Appellate Tribunal.

- 29.10.4 DCIR issued impugned order containing discrepancies as a result of purchases from black listed supplier who at the time of purchase were active tax payers, these relate to various months from 2009 to 2014 involving amount of Rs. 2.43 million in aggregate. The Company filed appeal under section 45-B of the Sales Tax Act, 1990 before Honourable Commissioner (Appeals) who through order dated August 31, 2016 set aside the DCIR's order in favour of the Company. The department preferred to appeal the said order of Honourable Commissioner (Appeals) before the Appellate Tribunal Inland Revenue Karachi which is pending for hearing. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- 29.10.5 Appeal before Appellate Tribunal Inland Revenue [ATIR] is preferred by the Company against Commissioner Inland Revenue (CIR) Appeal's order No 27 dated July 18, 2018 where DCIR imposed default surcharge and penalty for dual claim of input tax suffered on the purchase of electricity from HESCO amounting to Rs 0.50 million being default surcharge and Rs 0.95 million being penalty. Basis for appeal against the impugned Order-in-Original (ONO) is that learned DCIR failed to establish existence of mens rea on part of the Company. The case has been heard by the ATIR and judgement has been reserved. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- 29.10.6 During the year ended June 30, 2020, the Company received show-cause notice u/s 11(2) of the Act dated September 05, 2019 covering transactions of input tax claimed during tax periods from July 2018 to June 2019 alleging an amount of Rs. 946 million as inadmissible under the Act, the DCIR passed order vide no. 01/06/2020 dated August 06, 2020. The Company filed an appeal u/s 45B of the Act which was pending for hearing as on the date of this letter. On September 29, 2020, CIR (Appeals-I) has granted a stay, through order # 2020/211, against the mentioned DCIR's order.

During the year ended June 30, 2021, CIR (Appeals-I) decided the case via order number STA/161/LTU/2021/08 dated February 11, 2021 partly in favour of the Company by vacating Rs. 461.91 million and remanding back Rs. 484.53 million to decide the matter afresh. The company received notice for remand back proceedings from the learned DCIR as instructed by the learned CIR-Appeals vide his order reference STA/161/LTU/2021/08 dated February 11, 2021.

During the year the management of the Company replied to the notice of DCIR. During the hearing the learned DCIR started proceedings for the whole amount as contained in original show case notice i.e., Rs 946 million which was against the CIR-Appeals order as mentioned, therefore the management of the company challenged the actions of DCIR before Hon'ble Sindh High Court who granted stay order against the proceedings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

- **29.10.7** Appeal before ATIR is preferred by the department against CIR-Appeal's order no. 9 dated August 25, 2017 which was decided in favour of the Company (earlier CIR-Appeals had deleted this sales tax demand of Rs. 12.8 million).
- **29.10.8** A Special Sales Tax Reference Application No. 413/2019 was filed by the Commissioner Inland Revenue Zone –II on November 23, 2018 against the Appellate Tribunal Order decided in favour of the Company amounting to Rs 0.34 million. The case pertained to claim of input sales tax on certain communication expenses. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- 29.10.9 Appeal before CIR-Appeals is preferred by the Company against Order-in-Original (ONO) # 19/07/2019 dated April 30, 2019 creating demand of Rs 45.24 million including penalty of Rs 2.15 million. CIR-Appeals through its order no.12 dated February 06, 2020 deleted demand of Rs. 42.08 million and corresponding penalty as well. The Company has filed before Appellate Tribunal Inland Revenue (ATIR) against disallowance of Rs.1.35 million which is pending for hearing. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- **2210.10** The DCIR passed order vide no. 05/07/2020 dated December 27, 2019 creating demand of Rs.13.05 million along with penalty of Rs. 0.65 million. The Company filed appeal u/s 45B of the Act. The CIR-Appeals vide its order vacated the demand created to the extent of Rs.1.55 million. The Company paid Rs.4.82 million and filed appeal against the remaining disallowance before ATIR hearing of this is pending till the date of this order.

During the year ended June 30, 2021, the DCIR initiated the remand back proceedings and concluded exercise by creating a demand of Rs 1.55 million along with the penalty of Rs 0.078 million. The learned DCIR while passing the aforesaid order failed to consider the reply filed by the Company, recognizing the mistake apparent on records the Company filed application for rectification of mistake u/s 57 of the Act on July 26, 2021, no action by the office of learned DCIR has yet been made on the Company's application till date. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

29.11 INCOME TAX MATTERS

The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

29.11.1 Section 113(2)(c) was interpreted by a Divisional Bench of the SHC in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated May 7, 2013, whereby it was held that the benefit of carry forward of minimum tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than minimum tax. Therefore, where there is no tax payable, interalia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability.

The Company has carried forward minimum tax of previous years amounting to Rs. 9.25 million at the reporting date and the Company expects to adjust the amount against the future taxable profits. The Company's legal counsel is of the opinion that the Company has strong arguable case and at an appropriate stage the matter can be agitated before Supreme Court of Pakistan in case the adjustment is challenged by the tax authorities. In the above view, the management of the Company is confident that the ultimate outcome in this regard would be favourable.

FOR THE YEAR ENDED JUNE 30, 2022

- 29.11.2 The Company has challenged the applicability of Alternate Corporate Tax (ACT) via Constitutional Petition and filed Income Tax Return of TY 2016 based on Minimum Tax and accordingly no effect of (ACT) is taken in the tax liability and an interim order dated September 25, 2019 has been granted by the High Court of Sindh that no coercive action is to be taken against the Company till the pendency of the Constitutional Petition. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.
- 29.11.3 The Finance Act, 2017 had introduced tax on every public company at the rate of 7.5% of its profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Liability in this respect, if any, is recognized when the prescribed time period for distribution of dividend expires. The Finance Act 2018 amended the Section 5A of the Ordinance whereby the prescribed amount of distribution of profit as dividend reduced from 40% to 20% and the levy of tax on profit in case where companies do not distribute the prescribed amount reduced from 7.5% to 5%. The SHC decided in favour of the Company against which the department has preferred an appeal in the Supreme Court of Pakistan. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

29.12 Commitments

| | Note | 2022 | 2021 |
|--|---------|-----------|------------|
| | | (Rupees | s in '000) |
| Commitments against open letter of credit for: | | | |
| Coal | 29.12.1 | - | 1,840,596 |
| Stores and spares | 29.12.1 | - | 157,248 |
| | | - | 1,997,844 |
| | | | |
| Commitments against letter of guarantees | 29.12.2 | 7,557,880 | 6,702,700 |
| ljarah rentals | 29.12.3 | 83,789 | 51,874 |
| | | 7,641,669 | 6,754,574 |
| | | | |
| Total Commitments | | 7,641,669 | 8,752,418 |

29.12.1 The amount utilized in respect of these facilities is Rs. 3.77 billion (2021: Rs. 2.78 billion).

29.12.2 This includes Corporate Guarantee of Rs. 6,498 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's long-term financing as disclosed in Note 21.

29.12.3 ljarah rentals

| Note | 2022 | 2021 |
|---|---------|------------|
| | (Rupees | s in '000) |
| Total of future ljarah payments under the agreement are as follows: | | |
| Not later than one year | 32,472 | 23,417 |
| Later than one year but not later than five years | 51,317 | 28,457 |
| | 83,789 | 51,874 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

30. REVENUE FROM CONTRACTS WITH CUSTOMERS

| | | 2022 | 2021 |
|-------------------------|------|-------------|-------------|
| | | (Rupees | s in '000) |
| Local | | 20,140,505 | 15,660,775 |
| Sales tax | | (3,276,716) | (2,735,181) |
| Federal excise duty | | (2,440,578) | (2,444,812) |
| | | (5,717,294) | (5,179,993) |
| | | | |
| Commission | | (66,092) | (51,918) |
| Net local sale of goods | | 14,357,119 | 10,428,864 |
| | | | |
| Export sales | 30.2 | 3,492,578 | 4,041,280 |
| Freight | | (354,819) | (249,531) |
| | | 3,137,759 | 3,791,749 |
| | | 17,494,878 | 14,220,613 |
| | | | |

- 30.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, two (2021: two) of the Company's customers contributed towards 36.13% (2021: 30.89%) of the net revenue during the year amounting to Rs. 6.47 billion (2021: Rs. 4.49 billion).
- 30.2 Export sales comprise of sales made in following regions:

| | 2022 | 2021 |
|---|---|--|
| | (Rupees | s in '000) |
| Srilanka China Malta Madagascar Qatar Yemen Bangladesh KEPZ Somalia Seychelles Tanzania West Africa | 1,041,345 1,018,713 469,584 419,526 284,895 175,301 59,056 24,158 - - - - 3,492,578 | 400,091 1,255,790 662,614 - 591,592 725,227 14,990 88,769 30,698 13,443 258,066 4,041,280 |
| | | |

COST OF SALES

| | | 2022 | 2021 |
|------------------------------------|------|------------|------------|
| | | (Rupees | in '000) |
| Salaries, wages and other benefits | | | |
| including retirement benefits | 31.1 | 526,930 | 484,714 |
| Raw materials consumed | | 1,417,879 | 970,745 |
| Packing material consumed | | 880,290 | 864,442 |
| Stores, spares and loose tools | | 488,387 | 561,106 |
| Fuel and power | | 10,037,780 | 7,178,591 |
| Insurance | | 76,451 | 54,705 |
| Repairs and maintenance | | 272,924 | 275,450 |
| Depreciation | | 799,341 | 968,124 |
| Other production overheads | | 97,428 | 95,308 |
| | | 14,597,410 | 11,453,185 |
| | | | |

FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | 2021 |
|---|------------|------------|
| | (Rupees | s in '000) |
| Work-in-process and semi-finished goods | | |
| Opening | 747,945 | 310,723 |
| Purchases | 717,797 | - |
| Closing | (790,526) | (747,945) |
| | 675,216 | (437,222) |
| Cost of goods manufactured | 15,272,626 | 11,015,963 |
| Finished goods | | |
| Opening | 146,329 | 261,342 |
| Closing | (406,208) | (146,329) |
| | (259,879) | 115,013 |
| | 15,012,747 | 11,130,976 |
| | | |

31.1 These include Rs. 27.63 million against staff retirement benefits (2021: Rs. 23.96 million).

SELLING AND DISTRIBUTION EXPENSES

| | | 2022 | 2021 |
|---|------|--|--|
| | | (Rupees | s in '000) |
| Salaries, wages and other benefits including retirement benefits | 32.1 | 79,554 | 87,646 |
| Export expenses Depreciation Marking fee Advertisement and sales promotion Others | | 660,304 2,742 12,496 200,205 10,423 965,724 | 843,043 4,241 6,899 245,119 8,625 1,195,573 |

32.1 These include Rs. 10.30 million (2021: Rs. 8.95 million) against staff retirement benefits.

ADMINISTRATIVE EXPENSES

| | | 2022 | 2021 |
|------------------------------------|------|---------|----------|
| | | (Rupees | in '000) |
| Salaries, wages and other benefits | | | |
| including retirement benefits | 33.1 | 113,741 | 82,241 |
| Travelling and conveyance | | 6,528 | 1,145 |
| Printing and stationery | | 4,086 | 5,500 |
| Repair and maintenance | | 15,754 | 15,027 |
| Legal and professional charges | | 30,604 | 29,201 |
| Auditor's remuneration | 33.2 | 3,324 | 3,022 |
| Rent, rates and taxes | | 2,354 | 1,296 |
| Postage and telephone | | 3,265 | 2,987 |
| Entertainment | | 12,015 | 11,724 |
| ljarah payments | | 21,092 | 19,860 |
| Fees and subscription | | 27,631 | 39,504 |
| Depreciation | 33.3 | 22,980 | 25,087 |
| Amortisation | 5 | 2,535 | 2,535 |
| Charity and donations | | 3,083 | 4,027 |
| Others | | 17,592 | 11,381 |
| | | 286,584 | 254,537 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

33.1 These include Rs. 8.90 million (2021: Rs. 7.49 million) against staff retirement benefits.

33.2 Auditor's remuneration

| | 2022 | 2021 |
|--|--------------|--------------|
| | (Rupees | in '000) |
| Audit Services | | |
| Audit fee Half yearly review fee | 1,923 440 | 1,748 400 |
| Out of pocket expenses | 628 | 572 |
| | 2,991 | 2,720 |
| Fee for review of compliance with Code of Corporate Governance | 250 | 227 |
| Certifications for regulatory purposes | 83 | 75 |
| | 3,324 | 3,022 |
| | | |

33.3 This incudes depreciation charged on right of use asset.

34. OTHER INCOME

| Gain on disposal of fixed assets | |
|--|------|
| Grant income | |
| Scrap sales | |
| Exchange (loss) / gain - net | 34.1 |
| Gain on modification of long-term trade payables | 22.1 |
| | |

| 2022 | 2021 |
|-----------------------------|-----------------|
| (Rupees | s in '000) |
| 10,977 11,484 | 2,852 16,967 |
| 302 (248,965) 264,301 | 211 335,959 |
| 38,099 | 355,989 |

34.1 This includes gain amounting to Rs. 179.33 million (2021: Rs. 77.99 million) on principal repayment of foreign loan realised during the year.

35. FINANCE INCOME / (COST) - NET

Finance income: Income from PLS Savings account and term deposit- Islamic Income from defence savings certificates Finance costs: Mark-up on short-term borrowings Mark-up on loan from related parties Mark-up on long-term trade payables Unwinding of transaction cost Mark-up on long-term financing Mark-up on lease liability Bank charges and commission

| 2022 | 2021 |
|-------------|-------------|
| (Rupee: | s in '000) |
| | |
| 6,743 | 10,892 |
| 1,364 | 1,122 |
| 8,107 | 12,014 |
| | |
| (716,203) | (673,485) |
| (19,587) | (22,267) |
| (43,476) | - |
| (10,082) | (10,597) |
| (1,797,277) | (1,835,405) |
| (3,335) | (3,089) |
| (52,975) | (66,610) |
| (2,642,935) | (2,611,453) |
| (2,634,828) | (2,599,439) |
| | |

FOR THE YEAR ENDED JUNE 30, 2022

36. TAXATION

| - 0,460) 0,027 0,567 |
|-------------------------------|
| |
| (802 |
| 650 |
| 160) |
| 377 |
| 67 |
| 0, |

- 36.2 For contingencies relating to taxation, please refer note 29.11.
- 36.3 The tax returns have been filed up to tax year 2021 (corresponding to financial year ended June 30, 2021) which are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.
- 36.4 Current tax charge has been calculated taking into account tax credit available under section 65 E of the Income Tax Ordinance, 2001.

37. (Loss) / earnings per share

| | 2022 | 2021 |
|--|------------------------|----------------------|
| | (Rupees | in '000) |
| Basic | | |
| (Loss) / profit after taxation attributable to ordinary shareholder Adjustment for cumulative preference share dividend (Loss) / profit after taxation for calculation | (443,946) (230,747) | 358,359 (175,084) |
| of basic (loss) / earning per share | (674,693) | 183,275 |
| Ordinary shares at July 1 Effect of conversion of cumulative preference shares | 1,063,414 31,156 | 1,063,414 |
| Weighted average number of ordinary shares outstanding at June 30 (in thousands) | 1,094,571 | 1,063,414 |
| (Loss) / earnings per share in rupee - basic | (0.62) | 0.17 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Diluted

Diluted earning per share has not been presented for year ended June 30, 2022 as it has anti-dilutive effect on earning per share.

The effect of dividend of Cumulative Preference Shares is not accounted for in calculation of weighted average number of potential ordinary shares.

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Financial assets and liabilities by category and their respective maturities

| | | 2022 | | | 2021 | |
|--|-------------------------------|----------------------------|-----------|-------------------------------|----------------------------|-----------|
| | Maturity up to one year | Maturity after one year | Total | Maturity up to one year | Maturity after one year | Total |
| | • | | —— (Rupe | es '000) — | | |
| Financial assets | | | | | | |
| At amortised cost | | | | | | |
| Long term investments | •5 | 25,578 | 25,578 | | 24,873 | 24,873 |
| Long term deposits | | 74,359 | 74,359 | | 42,338 | 42,338 |
| Trade debts | 233,616 | 2₹ | 233,616 | 275,250 | 1 4 | 275,250 |
| Advances and other receivables | 120,104 | 85 | 120,104 | 45,544 | | 45,544 |
| Trade deposits and short term prepayments | 30,135 | | 30,135 | 23,828 | | 23,828 |
| Short-term investment | 26,399 | 25 | 26,399 | 26,399 | | 26,399 |
| Cash and bank balances | 217,775 | 2.5 | 217,775 | 255,106 | 95 | 255,106 |
| At fair value through profit or loss | | | | | | |
| Derivative financial asset | 1,621,753 | 嫖 | 1,621,753 | 529,816 | <i>a</i> 7 | 529,816 |
| | 2,249,782 | 99,937 | 2,349,719 | 1,155,943 | 67,211 | 1,223,154 |

FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | | | 2021 | | | |
|--|----------------------------|-------------------------------|--|-------------------------------|----------------------------|-----------------------------|--|
| | Maturity up one year | to Maturity after one year | er Total | Maturity up to one year | Maturity after one year | Total | |
| Financial liabilities | • | | (Ru | ipees '000) ——— | | - | |
| At amortised cost | | | | | | | |
| Long-term financing | 9. | 17,510,223 | 17,510,223 | * | 18,403,048 | 18,403,048 | |
| Current portion of long term financing | 2,375,919 | * | 2,375,919 | 1,297,872 | | 1,297,872 | |
| Trade and other payables | 2,193,820 | * | 2,193,820 | 4,187,090 | | 4,187,090 | |
| Long-term trade payables | 118,715 | 522,828 | 641,543 | | | | |
| Unclaimed Dividend | 126 | - | 126 | 126 | | 126 | |
| Mark-up accrued | 1,383,274 | 20 | 1,383,274 | 1,258,520 | | 1,258,520 | |
| Long-term lease liability | | 17,327 | 17,327 | | 31,675 | 31,675 | |
| Current portion of Lease liability | 14,348 | - | 14,348 | 11,755 | | 11,755 | |
| Short-term borrowings | 2,783,927 | 23 | 2,783,927 | 7,679,924 | | 7.679,924 | |
| 10 | 8,870,129 | 18,050,378 | 26,920,507 | 14,435,287 | 18,434,723 | 32,870,010 | |
| On statement of financial position date gap | (6,620,347) | (17,950,441) | (24,570,788) | (13,279,344) | (18,367,512) | (31,646,856) | |
| Net financial (liabilities) / asset | | | | | | | |
| Interest bearing Non-interest bearing | (6,431,046) (70,586) | (17,950,441) | (24,381,487) (70,586) | (10,113,571) (3,165,773) | (18,367,512) | (28,481,083) (3,165,773) | |
| 20 | (6,501,632) | (17,950,441) | (24,452,073) | (13,279,344) | (18,367,512) | (31,646,856) | |
| | | | THE PARTY OF THE P | | | | |

38.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary).

The maximum exposure to credit risk at the reporting date is:

Long-term deposits
Trade receivables
Advances and other receivables
Trade deposits
Bank balances

| 2022 | 2021 |
|---|---------------------------------------|
| (Rupees | s in '000) |
| 74,359 233,616 120,104 30,135 216,841 | 42,338 275,250 45,544 23,828 |
| 675,055 | 254,167 641,127 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of Banks with which balances are held or credit lines available:

| Bank | Rating | Rat | Rating | | |
|-------------------------------------|---------|------------|-----------|--|--|
| Dalik | Agency | Short-term | Long-term | | |
| Allied Bank Limited | PACRA | A1+ | AAA | | |
| Al Baraka Bank Limited | JCR-VIS | A1 | A+ | | |
| Askari Bank Limited | PACRA | A1+ | AA+ | | |
| Bank Alfalah Limited | PACRA | A1+ | AA+ | | |
| Bank Al-Habib Limited | PACRA | A1+ | AAA | | |
| Bank Islami Pakistan Limited | PACRA | A1 | A+ | | |
| Bank of Khyber | PACRA | A1 | Α | | |
| Bank of Punjab | PACRA | A1+ | AA+ | | |
| Dubai Islamic Bank Pakistan Limited | JCR-VIS | A1+ | AA | | |
| Faysal Bank Limited | PACRA | A1+ | AA | | |
| Habib Bank Limited | JCR-VIS | A1+ | AAA | | |
| Habib Metropolitan Bank Limited | PACRA | A1+ | AA+ | | |
| JS Bank Limited | PACRA | A1+ | AA- | | |
| National Bank of Pakistan | PACRA | A1+ | AAA | | |
| Samba Bank Limited | PACRA | A1 | AA | | |
| Summit Bank Limited | PACRA | A-3 | BBB- | | |
| Soneri Bank Limited | PACRA | A1+ | AA- | | |
| United Bank Limited | PACRA | A1+ | AAA | | |
| Meezan Bank Limited | PACRA | A1+ | AAA | | |

38.2.1 The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

| | 2022 | 2021 |
|---------------------|---------|------------|
| | (Rupees | s in '000) |
| Domestic (Pakistan) | 325,297 | 401,979 |
| Exports | 404 | 1,636 |
| | 325,701 | 403,615 |
| | | |

38.2.2 The maximum exposure to credit risk for trade debts at the reporting date by the type of customers is as follows:

| | 2022 | 2021 |
|--|-------------------|--------------------|
| | (Rupees | s in '000) |
| Dealers / distributors End-user customers / exports | 54,145 271,556 | 125,443 278,172 |
| | 325,701 | 403,615 |

FOR THE YEAR ENDED JUNE 30, 2022

38.2.3 Expected Credit Loss (ECL)

The aging of trade receivables at the reporting date was:

| | 2022 | 202 | 1 | |
|---------------|-----------------------|---------|-------------------|---------|
| | Gross ECL receivables | | Gross receivables | ECL |
| | (Rupees in | n '000) | (Rupees i | n '000) |
| 1-30 days | 187,223 | 7,647 | 194,526 | 9,798 |
| 31-60 days | 35,303 | 1,442 | 18,907 | 668 |
| 61-365 days | 35,824 | 15,645 | 56,061 | 14,287 |
| Over 365 days | 67,351 | 67,351 | 134,121 | 103,612 |
| 7-9 | 325,701 | 92,085 | 403,615 | 128,365 |

38.2.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

38.3 Liquidity risk

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

| | 2022 | | | | | | | |
|--------------------------------|------------------|------------------------|--------------------|----------------------------|--------------------------|----------------------|--|--|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to five years | More than five years | | |
| | (Rupees in '000) | | | | | | | |
| Financial liabilities | | | | | | | | |
| Long-term financing - | | | | | | | | |
| secured | 19,886,142 | (19,663,816) | (1,274,587) | (1,397,590) | (16,991,638) | :50 | | |
| Long-term trade payables | 522,828 | (854,620) | (119,485) | (54,000) | (681,135) | - | | |
| Trade and other payables | 4,421,035 | (4,421,035) | (4,421,035) | | The second of the second | | | |
| Accrued mark-up | 1,383,274 | (1,383,274) | (1,383,274) | | 2 | | | |
| Short-term financing - secured | 2,783,927 | (2,783,927) | (2,783,927) | • | * | | | |
| Lease liabilities | 31,675 | (34,858) | (8,300) | (8,300) | (18,258) | | | |
| Unclaimed dividend | 126 | (126) | (126) | 1.0. | | | | |
| | 29,029,007 | (29,141,656) | (9,990,734) | (1,459,890) | (17,691,031) | - | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

| | 2021 | | | | | | |
|--------------------------------|--------------------|------------------------|--------------------|----------------------------|---|----------------------|--|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to five years | More than five years | |
| | (Rupees in '000) | | | | | | |
| Financial liabilities | | | | | | | |
| Long-term financing - secured | 19,700,920 | (19,663,816) | (1,274,587) | (1,397,590) | (16,991,638) | | |
| Trade and other payables | 5,272,881 | (5,272,881) | (5,272,881) | | | 10 | |
| Accrued mark-up | 1,258,520 | (1,258,520) | (1,258,520) | | - | - 8 | |
| Short-term financing - secured | 7,679,924 | (7,679,924) | (7,679,924) | | 12 | | |
| Lease liabilities | 43,430 | (49,948) | (7,545) | (7,545) | (34,858) | | |
| Loan from related party | 680,000 | (680,000) | (680,000) | 1000000000 | *************************************** | • | |
| Unclaimed dividend | 126 | (126) | (126) | 1.5 | | • | |
| | 34,635,801 | (34,605,215) | (16,173,584) | (1,405,135) | (17,026,496) | • | |

38.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

38.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on export sales and import purchases in a currency other than Rupees. Further, the Company regularly avails foreign currency loans which also exposes it to the currency risk. However the Company has hedged its foreign currency exposure by entering into cross currency swap.

The Company's exposure to foreign currency risk is as follows:

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| | 2022 | | | 2021 | | |
|------------------------------------|---------------------|------------------------|-----------------|---------------------|------------------------|-----------------|
| • | (Rupees in '000) | (US Dollars in'000) | (EUR in'000) | (Rupees in '000) | (US Dollars in'000) | (EUR in'000) |
| Trade and other payables in USD | • | * | ÷ | (1,042,814) | (6,588) | 185 |
| Trade and other payables in EUR | ¥ | 2 | ¥ | (921,098) | 4 | (4,881) |
| Long-term trade payables | (86,300) | (400) | | ŝ | | • |
| Trade receivables | 404 | 2 | ā | 1,636 | 10 | (2) |
| Foreign currency loan | | | | | | |
| - denominated in EUR | (1,837,759) | | (8,518) | (2,039,894) | 27 | (10,410) |
| - denominated in USD | (4,094,456) | (19,876) | 6 | (3,845,265) | (24,291) | (3) |
| Gross exposure | (6,018,111) | (20,274) | (8,518) | (7,847,435) | (30,869) | (15,291) |
| Hedging arrangement | 4,177,713 | 19,876 | 8,518 | 5,106,033 | 24,291 | 10,410 |
| Net exposure | (1,840,398) | (398) | - | (2,741,402) | (6,578) | (4,881) |

The Company's exposure relating to Bills payable will be settled at the rate prevailing at the settlement date for which there is no forward cover. However, the Company has hedged its foreign currency exposure on foreign currency loan by entering into cross currency swap and any changes in exchange rate thereon will have no effect on profit or loss or equity.

| | Average rates | | Reporting | date rate |
|------------|---------------|--------|-----------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rupe | ees | Rup | ees |
| US Dollars | 179.74 | 161.80 | 206.00 | 158.30 |
| EURO | 201.84 | 191.52 | 215.75 | 188.71 |

Sensitivity analysis

A ten percent strengthening or weakening of the Rupee against USD and EUR as at the year end would have increased or decreased the equity and profit or loss by an amount shown in the table below. This analysis assumes that all other variables, in particular the interest rates, remain constant. The analysis was performed on the same basis for 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Effect on profit or loss on 10% weakening of Rupee

Effect on profit or loss on 10% strengthening of Rupee

| 2022 | 2021 |
|-----------|------------|
| (Rupees | s in '000) |
| (184,040) | (274,140) |
| 184,040 | 274,140 |

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from long-term loan, bank balances, lease liability and short-term running finance. Other risk management procedures are same as those mentioned in the credit risk management.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

| | 2022 | 2021 |
|----------------------------------|------------------|------------|
| | (Rupees in '000) | |
| Fixed rate instruments | | |
| Financial assets - Term deposits | | |
| | 35,673 | 37,173 |
| Variable rate instruments | | |
| Financial assets - Bank balances | | |
| | 98,923 | 106,001 |
| Financial liabilities | | |
| - Short term borrowings | 2,783,927 | 7,679,924 |
| - Long term financing | 19,886,142 | 19,700,920 |
| | 22,670,069 | 27,380,844 |

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net decreased the profit or loss of the Company as at June 30, 2022 by Rs. 226.70 million (2021: Rs. 266.02 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

c) Price risk

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

At present the company is not exposed to any other price risk.

FOR THE YEAR ENDED JUNE 30, 2022

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

| | 2022 | | | | | |
|---|--|--------------------------|--------------------|----------------------------|-------------|--|
| | Short term borrowings used for cash management purpose | Long term Borrowings | Hedging Reserve | Loan from related party | Total | |
| D-1 | 7.000.500 | a service morning of the | Rupees in '000) | | 00 040 004 | |
| Balance as at 1 July 2021 | 7,809,502 | 20,533,034 | | 976,828 | 29,319,364 | |
| Changes from financing cash flows Proceeds of long term loan | | 492,012 | | | 492,012 | |
| Repayment of long term loan | 1 62 1 | (1,263,506) | 2 | | (1,263,506) | |
| Proceeds from related party loan | 0.00 | (1,200,000) | | 1,000,000 | 1,000,000 | |
| Repayment of related party loan | 7.0 | | 2 | (1,680,000) | (1,680,000) | |
| Total changes from financing activities | • | (771,494) | | (680,000) | (1,451,494) | |
| Other changes - interest cost | | | | | | |
| Interest expense | 716,203 | 1,797,277 | | 19,587 | 2,533,067 | |
| Interest paid - note 38.4.1 | (719,990) | (1,672,204) | | (6,038) | (2,398,232) | |
| Exchange gain / (loss) on hedged loan | 112111 | 946,635 | * | | 946,635 | |
| Changes in short-term financing | (4,895,997) | | | | (4,895,997) | |
| Total loan related other changes | (4,899,784) | 1,071,708 | | 13,549 | (3,814,527) | |
| Total equity related other changes | | | | | | |
| Balance as at 30 June 2022 | 2,909,718 | 20,833,248 | ş | 310,377 | 24,053,343 | |
| | | | 2021 | | | |
| | Short term borrowings used for cash | Long term Borrowings | Hedging Reserve | Loan from related party | Total | |

2,196,660

1.560,000

(2,802,099)

(1,242,099)

22,267

22,267

976 828

30,582,250

1.657.120

(812.185)

1.560,000

(2,802,099)

(397, 164)

2,531,157 (3,049,783) (276,934)

(70, 162)

(865,722)

29,319,364

| | management purpose | | |
|---|---|---------------|---------------|
| | 200100000000000000000000000000000000000 | (Ruj | nees in '000) |
| Balance as at 1 July 2020 | 7,882,599 | 20,502,991 | 987 |
| Changes from financing cash flows Proceeds from long term loan | | 1,657,120 | - |
| Repayment of long term loan | [| (812,185) | 3 |
| Proceeds from related party loan | • | 1122-011/2011 | : I |
| Repayment of related party loan | | - | • |
| Total changes from financing activities | | 844,935 | |
| Other changes - interest cost | | | |
| Interest expense | 673,485 | 1,835,405 | - 22 |
| Interest paid - note 38.4.1 | (676,420) | (2,373,363) | : · |
| Exchange gain on hedged loan | *** O | (276,934) | 97 |
| Changes in short-term financing | (70,162) | | |
| Total loan related other changes | (73,097) | (814,892) | 1- |
| Total equity related other changes | | | |
| Balance as at 30 June 2021 | 7,809,502 | 20,533,034 | 19 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

38.4.1 This includes mark-up paid under Islamic mode of financing amounting to Rs. 2.39 billion (2021: 2.68 billion).

38.5 Hedging activities and derivatives

The Company uses derivatives to hedge some of its foreign currency transactions exposures. These include cross currency swaps which are designated as cash flow hedge and qualify for hedge accounting (note 2.19)

Cash flow hedges

During the year, the Company had held cross currency swaps with commercial banks, designated as cash flow hedges of expected future principal repayments of loan from foreign lenders. The cross currency swaps were being used to hedge the currency risk in respect of long-term financing as stated in notes 21.5 to these financial statements.

The critical terms of the cross currency swap contracts have been negotiated to match the terms of the aforementioned financial liability (note 13). Therefore an economic relationship exists.

Hedge ratio is based on hedging instrument with the same notional amount in foreign currency terms as the underlying exposure this results in hedge ratio of 1:1 or 100%.

The following potential sources of ineffectiveness are identified:

- The fair value of the hedging instrument on the hedge relationship designation date (if not zero);
- Changes in the contractual terms or timing of the payments on the hedged item; and
- a change in the credit risk of the Company or the counter party to the cross currency swap.

38.6 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distribution to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

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

Total borrowings - note 21, 27 & 28
Cash and bank - note 16
Net debt

Equity

Total capital
Debt to capital ratio

| 2022 | 2021 | | | | |
|---------------------------------------|---------------------------------------|--|--|--|--|
| (Rupees | (Rupees in '000) | | | | |
| 22,670,069 (217,775) 22,452,294 | 28,060,844 (255,106) 27,805,738 | | | | |
| 17,283,455 | 10,744,915 | | | | |
| 39,735,749 | 38,550,653 | | | | |
| 57% | 72% | | | | |
| | | | | | |

FOR THE YEAR ENDED JUNE 30, 2022

39. 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2022, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for derivatives which are carried at level 2 of fair value hierarchy.

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

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

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

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

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

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

The valuation technique used is as follows:

Level 2: 'Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2022:

| 75 | 20 | 22 | |
|------------|-----------|-------------------------|------------------|
| Level 1 | Level 2 | Level 3 | Total |
| | (Rupees | in '000) | |
| <u>. P</u> | 1,621,753 | - | 1,621,753 |
| | Level 1 | Level 1 Level 2 (Rupees | (Rupees in '000) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

40. CASH GENERATED FROM OPERATIONS

| | 2022 | 2021 |
|---|-------------|------------|
| | (Rupees | s in '000) |
| Loss before taxation | (1,330,626) | (671,208) |
| Adjustment for: | | |
| Depreciation and amortisation | 827,598 | 999,987 |
| Finance cost on short-term financing - Islamic | 682,103 | 592,070 |
| Finance cost on short-term financing - Conventional | 87,075 | 148,025 |
| Mark up on lease liability | 3,335 | 3,089 |
| Finance cost on long-term financing - Islamic | 1,636,567 | 1,587,944 |
| Finance cost on long-term financing - Conventional | 160,710 | 247,461 |
| Mark-up on long-term trade payables | 43,476 | 2-17,-101 |
| Asset written off | | 30,892 |
| Unwinding of gain on modification of loan | 10,082 | 10,597 |
| Exchange loss / (gain) - net | 248,965 | (335,959 |
| Gain on modification of liability | (264,301) | (000,000 |
| Gain on disposal of property plant and equipment | (10,977) | (2,852 |
| Grant income | (11,484) | (16,967 |
| Finance income | (8,107) | (12,014) |
| (Reversal) / loss allowance on trade receivables | (36,280) | 36,393 |
| Provision for gratuity | 44,943 | 40,401 |
| Tovicion for gradary | 3,413,705 | 3,329,067 |
| | | |
| Operating profit before working capital changes | 2,083,079 | 2,657,859 |
| Changes in working capital | | |
| (Increase) / decrease in current assets | | |
| Inventories | (214,461) | (412,359 |
| Stores, spares and loose tools | (175,764) | (334,683) |
| Trade receivables | 77,914 | 107,102 |
| Advances and other receivables | 885,018 | 690,153 |
| Trade deposits and short-term prepayments | (14,033) | (16,371) |
| Trade deposits and short-term prepayments | 558,674 | 33,842 |
| Decrease in current liabilities | 330,074 | 00,042 |
| Decrease in trade and other payables | (321,770) | (854,452) |
| | (021,110) | 1,837,249 |

41. CASH AND CASH EQUIVALENTS

Cash and bank balances Short-term financing

- Running finance
- Istisna

| 2022 | 2021 | | | |
|------------------|-------------------------------------|--|--|--|
| (Rupees in '000) | | | | |
| 217,775 | 255,106 | | | |
| (350,000) | (250,000) (250,000) (244.894) | | | |
| (102,223) | (277,007) | | | |

NOTES TO THE FINANCIAL STATEMENTS

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ANNUAL PRODUCTION CAPACITY

| | | 2022 | 2021 |
|-----------------------------|------|-----------|------------|
| | | (Rupees | s in '000) |
| Production capacity | | | |
| - Clinker | | 3,210,000 | 3,210,000 |
| - Cement | | 3,370,500 | 3,370,500 |
| Actual production - Clinker | 42.1 | 1,863,323 | 2,333,980 |
| - Cement | 42.2 | 1,593,324 | 1,809,737 |

- 42.1 Clinker production capacity utilization is 58.05% (2021: 72.71%) of total installed capacity.
- 42.2 Cement production capacity utilization is 47.27% (2021: 53.69%) of total installed capacity. Actual production is less than the installed capacity in response to market demand.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Amounts due to related parties are shown under respective note to the financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

| Name of the related party | Relationship and percentage shareholding | Transactions during the year and year end balances | 2022 (Rupees in | 2021 |
|-----------------------------|---|--|--------------------|--------|
| Aisha Steel Mills Limited | Associated company by | - Sale of goods | 581 | 854 |
| | virtue of | - Payment received | 571 | 660 |
| | common directorship | - Advance from customer | (62) | (71) |
| Safe Mix Concrete Limited | Associated | - Sale of goods | 155,509 | 73,660 |
| | company by virtue of | - Payment received | 205,227 | 71,395 |
| | common directorship | - (Advance) / receivable from customer | (6,892) | 42,826 |
| Javedan Corporation Limited | Associated | - Sale of goods | 37,696 | 10,530 |
| company by virtue of | - Payment received | 66,622 | 27,742 | |
| | common | - (Advance) / receivable from customer | (20,011) | 8,915 |
| | directorship | - Other receivable | 39 | 39 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

| ame of the related party | Relationship and percentage shareholding | Transactions during the year and year end balances | 2022 (Rupees in | 2021 |
|------------------------------------|---|--|--------------------|----------------|
| Rotocast Engineering Company | Associated | - Services received | 13,693 | 13,442 |
| (Private) Limited | company by virtue of | - Lease rental | 15,090 | 13,718 |
| | common | - Contribution / loan received | 780,000 | 1,560,000 |
| | directorship | - Loan repaid | 680,000 | 880,000 |
| | | - Mark-up accrued | 1,581 | 2,843 |
| | | - Payments made | 31,273 | 24,025 |
| | | - (Advance) / Amount payable against services received | (1,377) | 1,114 |
| Arif Habib Corporation Limited | Associated | - Loan received | 1,000,000 | 462,000 |
| | company by | - Loan repaid | 1,000,000 | 462,000 |
| | virtue of common | Mark-up accrued | 19,587 | 921 |
| | directorship | - Mark-up paid | 3,407 | 921 |
| | | - Mark-up payable | 16,179 | |
| | | - Guarantee commission accrued | 872 | 1,967 |
| | | - Guarantee commission paid | 1,037 | 2,037 |
| | | - Guarantee commission payable | 212 | 376 |
| | ********** | - Guarantee commission payable | | 370 |
| Arif Habib Equity (Private) | Associated company by | Amount received against shares | | 730,000 |
| Limited | virtue of | - Loan repaid | 308,890 | 154,445 |
| common directors | TENTO DE LA COLOR | - Mark-up accrued | 223,483 | 227,232 |
| | unectorship | - Mark-up paid | 221,998 | 296,719 |
| | | - Shares issued | | 730,000 |
| | | Loan payable (including mark-up) | 1,491,314 | 1,798,719 |
| Memon Health & Education | Associated | - Sale of goods | 8,374 | 4,860 |
| Foundation | company by virtue of | - Payment received | 8,511 | 5,009 |
| | common directorship | - Advance from customer | (286) | (149 |
| Mr. Arif Habib | Substantial | | | 400.000 |
| | shareholder | - Contribution / Loan received | 6,220,000 | 420,000 |
| | | - Repayments made | | 2,068,895 |
| | | - Mark-up accrued | | 19,424 |
| | | - Shares subscribed | | 796,959 |
| | | - Mark-up payable on previous loans | 293,985 | 293,985 |
| Allied Rental Modraba | Associated | - Services received | 364 | 26,494 |
| | company by virtue of | - Payments made | 350 | 26,144 |
| | common directorship | Amount payable against services received | 364 | 350 |
| EFU Life Assurance Limited | Associated | - Services received | 5,410 | 3,001 |
| | company by virtue of | - Payments made | 6,082 | 3,001 |
| | common directorship | - Advances paid | (672) | |
| Pakistan Stock Exchange Limited | Associated company by virtue of common directorship | - Services received - Payments made | 3,580 | 5,772 5,772 |
| | Associated | | | 506,731 |
| Fatima Packaging Limited | | - Purchase of goods | 443,381 | 000,731 |
| Fatima Packaging Limited | company by virtue of | Purchase of goods Payments made | 443,381 | 503,908 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

| Name of the related party | Relationship | Transactions during the year | 2022 | 2021 |
|-------------------------------|-------------------------------------|-----------------------------------|------------|---------|
| | and percentage shareholding | and year end balances | (Rupees in | 000) |
| FLSmidth A/S | Related party | - Purchase of goods | 163,308 | 20 |
| | by virtue of nominee | - Payment made | 1,117,560 | 25 |
| | director | - Amount payable / (Advance) | (33,154) | 921,098 |
| Fatima Fertilizer Company | Associated | - Purchase of goods | 7,283 | 3,661 |
| Limited | company by | - Payments made | 7,258 | 3,686 |
| | virtue of common directorship | - Amount advance | | (25 |
| Pakarab Fertilizer Company | Associated | - Purchase of goods | 7,521 | 43 |
| Limited | company by | - Payments made | 5,830 | |
| | virtue of common directorship | - Amount payable | 1,691 | 7) |
| All members of Company's | Key | - Remuneration and other benefits | 267,450 | 240,993 |
| Management Team | management | - Advances disbursed to employees | 24,585 | 13,633 |
| | | - Advances repaid by employees | 26,276 | 9,827 |
| Staff retirement benefit fund | Other related | - Charge during the year | 44,943 | 40,401 |
| party | party | - Contribution during the year | 40,710 | 32.212 |

43.1 Following are the related parties with whom the Company had entered into transactions during the year or have arrangements / agreement in place:

| S.No. | Name of Related Party | Relationship | Direct |
|-------|---|---|--------------|
| | | | Shareholding |
| | | | % |
| 1 | Aisha Steel Mills Limited | Associated Company(Common directorship) | Nil |
| 2 | Safe Mix Concrete Limited | Associated Company(Common directorship) | Nil |
| 3 | Javedan Corporation Limited | Associated Company(Common directorship) | Nil |
| 4 | Rotocast Engineering Company (Pvt) Ltd. | Associated Company(Common directorship) | Nil |
| 5 | Mr. Arif Habib | Sponsor / Substantial Shareholder | 29.74% |
| 6 | Fatima Fertilizer Company Limited | Associated Company(Common directorship) | Nil |
| 7 | Pakistan Stock Exchange Limited | Associated Company(Common directorship) | Nil |
| 8 | Memon Health & Education Foundation | Associated Company(Common directorship) | Nil |
| 9 | Arif Habib Corporation Limited | Associated Company(Common directorship) | 1.42% |
| 10 | Arif Habib Equity (Private) Limited | Associated Company(Common directorship) | 21.27% |
| 11 | EFU Life Assurance Limited | Associated Company(Common directorship) | Nil |
| 12 | FLSmidth A/S | Related Party (Nominee director) | 1.83% |
| 13 | Allied Rental Modraba | Associated Company(Common directorship) | Nil |
| 14 | Fatima Packaging Limited | Associated Company(Common directorship) | Nil |
| 15 | Pakarab Fertilizers Limited | Associated Company(Common directorship) | Nil |
| 16 | Staff retirement benefit fund | Other Related Party | Nil |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

- 43.2 Outstanding balances with related parties have been separately disclosed in trade debts, other receivables and trade and other payables respectively. These are settled in ordinary course of business.
- 43.3 Remuneration of Chief Executive, Directors and Executives

| Chief Exe | cutive | Direct | ors | Execut | ives |
|-----------|-----------------|------------------------------|--|--|--|
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| 4 | | (Rupees | (000) | | → |
| | | | | | |
| 19,200 | 12,600 | | | 248,250 | 228,393 |
| 1,600 | 1,050 | | * | 20,687 | 47,446 |
| | • | 575 | 625 | • | - |
| 20,800 | 13,650 | 575 | 625 | 268,937 | 275,839 |
| 1 | 1 | 6 | 6 | 72 | 60 |
| | 19,200 1,600 | 19,200 12,600 1,600 1,050 | 2022 2021 2022 (Rupees 19,200 12,600 - 1,600 1,050 - 575 | 2022 2021 2022 2021 (Rupees '000) ————————————————————————————————— | 2022 2021 2022 2021 2022 (Rupees '000) 19,200 12,600 248,250 1,600 1,050 20,687 575 625 - 20,800 13,650 575 625 268,937 |

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

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year. The certain executives of the Company are provided with free use of cars.

43.4 Directors' Fee paid to 2 (2021: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.575 million (2021: Rs. 0.625 million).

NUMBER OF EMPLOYEES

2022 2021 (Rupees in '000) The detail of number of employees are as follows: Number of employees as at June 30 - factory 409 - office 71 480 Average number of employees during the year 424 77 501

- factory

- office

DATE OF AUTHORIZATION FOR ISSUE

These financial information has been authorized for issue on October 05, 2022 by the Board of Directors.

Chief Financial Officer Chief Executive Director

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415

74

489

421

75

496

PATTERN OF SHAREHOLDING

As at June 30, 2022 Categories of Shareholders Ordinary Shares

| Categories of Shareholders | No. of Shareholders | No. of Shares Held | Percentage (%) |
|--|---------------------------------|--|--|
| Directors, Chief Executive and their spouse(s) and minor children Mr. Nasim Beg Mr. Mohammad Kashif Habib Mr. Samad A. Habib Mr. Javed Kureishi Ms. Saira Nasir | 1 1 1 1 1 | 5,243 2,623,082 2,621 1 1 70,662,119 | 0.00 0.24 0.00 0.00 0.00 |
| Syed Salman Rashid | 6 | 73,293,067 | 6.36 6.59 |
| Associated Companies, Undertakings and Related Parties Mr. Muhammad Arif Habib Arif Habib Limited Arif Habib Equity (Private) Limited Arif Habib Limited – MF FLSMIDTH A/S IFU Investment Partners K/S The Investment Funds for Developing Countries Rehana Salman | 1 1 1 1 1 1 1 | 312,856,652 22,315,500 207,778,060 13,500 24,152,000 40,253,335 40,253,335 | 28.14 2.01 18.69 0.00 2.17 3.62 3.62 0.44 |
| Heriana Saiman | 8 | 4,920,000 652,542,382 | 58.69 |
| Banks Development Financial Institutions, Non-Banking Financial Institutions Bank Al Habib Limited National Bank of Pakistan The Bank of Punjab Escorts Investment Limited Summit Bank Limited | 1 1 1 1 1 | 411,000 1,054 253,000 1,000 18,870,416 | 0.04 0.00 0.02 0.00 1.70 |
| | 5 | 19,536,470 | 1.76 |
| Insurance Companies Premier Insurance Limited State Life Insurance Corp. of Pakistan Adamjee Life Assurance Limited-IMF Adamjee Life Assurance Company Limited | 1 1 1 1 | 320,830 676,169 1,800,000 400,000 | 0.03 0.06 0.16 0.04 |
| | 4 | 3,169,999 | 0.29 |
| Modarabas and Mutual Funds First Equity Modaraba First UDL Modaraba First Alnoor Modaraba B.R.R. Guardian Modaraba CDC – Trustee First Capital Mutual Fund CDC – Trustee Golden Arrow Stock Fund | 1 1 1 1 1 | 1,350,000 404,826 58,500 1,533,168 112,500 500,000 | 0.12 0.03 0.01 0.14 0.01 0.04 |
| | 7 | 3,958,994 | 0.36 |
| General Public Local Foreign | 10,783 955 | 303,632,968 2,355,731 | 27.31 0.21 |
| Foreign Companies Others | 11,738 16 99 11,883 | 305,988,699 1,929,608 51,424269 1,111,870,488 | 27.52 0.17 4.63 100 |
| | , | , , , | |

PATTERN OF SHAREHOLDING

As at June 30, 2022 Ordinary Shares

| No. of Shares | Shareh | Total Shares Held | |
|---------------|-------------|-------------------|-------------------|
| Shareholders | From | То | Total Shares Held |
| 725 | 1 | 100 | 19,301 |
| 2,910 | 101 | 1,000 | 2,045,641 |
| 3,550 | 1001 | 5,000 | 10,752,581 |
| 1,538 | 5,001 | 10,000 | 12,510,984 |
| 2,169 | 10,001 | 50,000 | 51,855,150 |
| 477 | 50,001 | 100,000 | 35,781,077 |
| 406 | 100,001 | 500,000 | 88,541,679 |
| 49 | 500,001 | 1,000,000 | 35,002,957 |
| 43 | 1000,001 | 5,000,000 | 90,231,446 |
| 7 | 5,000,001 | 10,000,000 | 47,988,255 |
| 5 | 10,000,001 | 50,000,000 | 145,844,586 |
| 2 | 50,000,001 | 100,000,000 | 155,799,771 |
| 1 | 100,000,001 | 207,780,000 | 207,778,060 |
| 1 | 227,715,001 | 227,720,000 | 227,719,000 |
| 11,883 | То | tal | 1,111,870,488 |

"Statement Showing Shares Bought and Sold by Directors, CEO, CFO, CS and their Spouses and Minor Children from July 1, 2021 to June 30, 2022"

| Name | Designation | Shares Sold | Date |
|---------------|-------------|-------------|-------------|
| Mr. Nasim Beg | Chairman | 100,000 | 15-Sep-2021 |

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PATTERN OF SHAREHOLDING

As at June 30, 2022 Categories of Shareholders Preference Shares

| Categories of Shareholders | No. of Shareholders | No. of Shares Held | Percentage (%) |
|---|------------------------|-----------------------|-------------------|
| Directors, Chief Executive and their spouse(s) and minor children | | | |
| Mr. Nasim Beg | 1 | 603,308 | 0.29 |
| Mr. Mohammad Kashif Habib | 1 | 1,205 | 0.00 |
| Mr. Samad A. Habib | 1 | 602 | 0.00 |
| | 3 | 605,115 | 0.29 |
| Associated Companies, Undertakings and | | | |
| Related Parties Mr. Muhammad Arif Habib | 1 | 79,695,831 | 38.27 |
| Arif Habib Corporation Limited | 1 | 18,766,114 | 9.01 |
| Arif Habib Equity (Private) Limited | 1 | 73,000,000 | 35.06 |
| | 3 | 171,461,945 | 82.34 |
| Modarabas and Mutual Funds | | | |
| First Alnoor Modaraba | 1 | 7,130 | 0.01 |
| B.R.R. Guardian Modaraba | 1 | 756,990 | 0.36 |
| | 2 | 3,958,994 | 0.37 |
| General Public | | | |
| Local | 421 | 30,761,031 | 14.77 |
| Foreign | 12 | 15,340 | 0.01 |
| | 433 | 30,776,371 | 14.78 |
| Others | 12 | 4,635,726 | 2.23 |
| | 453 | 208,243,277 | 100 |

Pattern of Shareholding as at June 30, 2022 Preference Shares

| No. of Shares | Shareh | Total Shares Held | |
|---------------|------------|-------------------|-------------------|
| Shareholders | From | То | Total Shares nelu |
| 41 | 1 | 100 | 883 |
| 165 | 101 | 1,000 | 68,864 |
| 126 | 1001 | 5,000 | 282,975 |
| 37 | 5,001 | 10,000 | 259,795 |
| 48 | 10,001 | 50,000 | 1,105,751 |
| 12 | 50,001 | 100,000 | 886,356 |
| 7 | 100,001 | 500,000 | 2,439,400 |
| 10 | 500,001 | 1,000,000 | 7,797,047 |
| 2 | 1000,001 | 5,000,000 | 6,190,000 |
| 1 | 5,000,001 | 10,000,000 | 5,616,687 |
| 2 | 10,000,001 | 50,000,000 | 30,899,688 |
| 2 | 50,000,001 | 100,000,000 | 152,695,831 |
| | То | tal | 208,243,277 |

| ئىمبر(ممبرز)،رجسٹر ۋفوليو/ى ۋى ئى اكائونشىنمبر كےمطابق | | ، پرائيوٺ لميڻڙڪ | میں/ہم |
|--|--------------------------|------------------|--------------|
| ای طرح | _ عام خصص (شیئرز) کےحامل | | |
| | <u> </u> | | |
| | | | |
| تاريخ | | | نام اورد شخط |

سمپنی جمبران کوویڈ لیکا نفرنس کی سہولت کے مقام کے بارے میں سالانہ عمومی اجلاس کی تاریخ نے کم از کم پانچ ((05روز قبل مطلع کرے گی اوراس کے ساتھ اس طرح کی سہولت تک رسائی حاصل کرنے کے لیکمل ضروری معلومات فراہم کرے گی۔

سی بھی سوال/مسکلہ معلومات کے کیے ممبران درج ذیل ہتے پر ہمارے شیئر رجسٹرارے رابطہ کر سکتے ہیں۔

ی ڈی ی شیئر رجسٹرار سروسر لمیٹڈ سی ڈی سی ہاؤس، B- ، S.M.C.H.S مین شاہراہ فیصل، کراچی

كمپنيزا يك 2017 كيشن (3)166 كے تحت بيان

۔ آزاد ڈائر کیٹران کاانتخاب کمپنیزا یکٹ 2017 سے کیشن 159 کے مطابق ڈائر کیٹران کے انتخاب کے ممل کے ذریعے کیا جائے گا۔

مدمقانل اپنے نوٹس/انتخابات میں کھڑے ہونے کاارادہ دائر کرنے کے بعد بمپنی خودمخار ڈائر کیٹر کے طور پر تقرری کے انتخاب کے لیے درج ذیل معیارات کااطلاق کرے گی:

- پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورنس ((PICG کے زیرا نظام ڈیٹا مینک میں آزاد ڈائز مکٹران کے نام کوشامل کرنا جو کہ SECP کے ذریعے جازہے۔
 - انتخابی امیدواروں کی متعلقہ قابلیت ، تنوع ،مہارت ،ملم اور تجربے کا جائز ولیا جائے گا۔
- سمپنی ڈیٹا بینک سے کسی ایشے خص کو منتخب کرنے سے پہلے پوری مستعدی سے کام کرے گی کہ مقابلہ کرنے والا کمپنیزا یکٹ، 2017 کے سیشن (2) 166 میں بیان کردہ آزادی کے معیار پر پورااتر تا ہے۔

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توٹ

.1 حصص کی منتقلی کے کھا توں کی بندش:

کمپنی کی قصص کی منتقلی کے کھاتے 21 اکتوبر 2022 سے 28 اکتوبر 2022 تک بندر ہیں گے (بشمول دونوں دن)۔20 اکتوبر 2022 کوکار وبار کے اختتام تک کمپنی کے قصص رجسٹرار میں میں میں اور میں کہتا ہے۔ 8 میں اجلاس کے مقصد کے مقصد کے مقصد کے بیار دستر میں کہتے گا۔ لیے بروقت سمجھا جائے گا۔

.2ویڈیولنک کی سہولت کے ذریعے سالانہ عمومی اجلاس کی کارروائی میں شرکت:

سمپنی سیکیورشیزاینڈ ایکیچنج کمیشن آف پاکستان (SECP کی طرف ہے مطلع کردہ سرکلرز کے مطابق ویڈیولنگ کی سہولت کے ذریعے اپنے جھسے یافتنگان کوشرکت کی سہولت بھی فراہم کرتی ہے۔ اس سہولت کے ذریعے سالانہ عمومی اجلاس میں شرکت کے خواہشمند ممبران/ پراکسیز سے درخواست کی جاتی ہے کہ وہ ذیل میں معلومات مطابق COP اور مصرف علی استعمار کی ایا سیورٹ کی درست کا پی کے ساتھ فراہم کریں۔

| حصص يافتگان كانام | فوليو/سي ڈي سي نمبر | قومی شاختی کار ڈنمبر | مو بائل فون نمبر | رجسٹرڈای میل ایڈ ریس |
|-------------------|---------------------|----------------------|------------------|----------------------|
| | | | | |

ویڈیولنک اورلاگ اِن کیشنا خت اُن ممبران/ پراکسیز کے ساتھ شیئر کی جائیں گی جن کی ای میل مندرجہ بالاتمام تفصیلات کے ساتھ سالانہ عمومی اجلاس کے وقت سے کم از کم 48 گھٹے پہلے موصول ہوں گی۔

corporate@powercement.com.pk: ممبران سالانه عمومی اجلاس کے ایجنڈا کے نکات کے لیے اپنے تیمرے اور سوالات درج ذیل ای میل پر بھی فراہم کر سکتے ہیں

.3 پراکسیز کی تقرری اور سالانه عمومی اجلاس میں شرکت:

.l میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسر مےممبر کواپنا پراکسی مقرر کرسکتا ہے جس کے پاس میٹنگ میں شرکت کرنے ، بولنے اور ووٹ دینے جیسے حقوق ہوں گے جو کہمبر کو دستیاب ہیں۔

. اا سالا ندر پورٹ میں پراکسی کا ایک خالی فارم (انگریزی اورار دومیں) منسلک ہے۔ پراکسی کا فارم کمپنی کی ویب سائٹ پرجھی دستیاب ہے۔

III مؤثر ہونے کے لیے، پراکسی فارم میٹنگ سے 48 گھنٹے پہلے ہمارے رجسٹرار کے دفتر (یاتو ہارڈ کا پی یا سکین شدہ) موصول ہونے چاہئیں،جس پر دوافراد کے نام، پیۃ، CNIC نمبر، دستخط شدہ،مہرشدہ اور گواہی کے ساتھ ہو۔

. IV پراکسی کے فارم پر دوافراد کے دستخط،مہراور گواہی ہونی چاہیے ان کے نام، پتے، CNIC نمبراورد شخط کے ساتھ۔

.V سنٹرل ڈپازٹری کمپنی (سیڈی تی) کے کھا تد داروں کو بھی سیکورٹیز اینڈ انجیٹی کمیشن آف پاکتان (SECP کے جاری کردہ سرکلزنمبر 1 بتاریخ 26 جنوری 2000 میں بیان کردہ رہنمائی پر عمل کرنے کی ضرورت ہے۔

. VI. کسی کار پوریٹ ادارے کی طرف سے پراکسی کی صورت میں ، بورڈ آف ڈائر کیٹران کی قرار داد/ پاور آف اٹارنی اور CNIC یا پراکسی کے پاسپورٹ کی تصدیق شدہ کا پی پراکسی فارم کے ساتھ جمع کرائی جائے گی (ہارڈ کا بی ہا اسکین شدہ)۔

.4اراکین کے پتوں میں تبدیلی:

اراكين سے درخواست ہے كدوہ اپنے چول ميں كسى بھى تبديلى كى اطلاع حصص رجسٹر ارميسرزى ڈى ئى شيئر رجسٹرارسروسز كميٹلڈ كوفورى طور پرديں۔

. 5ای میل کے ذریعے آڈٹ شدہ مالیاتی گوشواروں کی گردش:

خصص یا فتنگان نے 15اکتوبر 2016 کو 25و میں سالانہ مومی اجلاس میں سالانہ رپورٹس کو ICD/DVD/USB/ی میل پر سافٹ کا پیوں کی شکل میں منتقل کرنے کی منظوری دے دی ہے بجائے اس کے کہ سالانہ آڈٹ شدہ کھاتوں کو

SRO 787(1)/2014 مورخه 80 متبر 2014 اور 2016(1)/2016 مورخه 31 من 2016 كمطابق نقل شده كا بي مين منتقل كياجائـ

پ لہذا، کمپنی نے سالا خدر پورٹس حصص یافتگان کوای مُیل کے ذریعےان کے رجسٹرڈای میل پرجیج دی ہیں جیسا کیکپنیزا کیٹ کے سیشن (223 (6 کے تحت بھی اجازت دی گئی ہے۔ تاہم ، وہ حصص یافتگان جو

مالیاتی گوشواروں کی ہارڈ کا پی حاصل کرنا چاہتے ہیں،ان سے درخواست کی جاتی ہے کہ وہ کمپنی کے ایڈ ریس پرمعیاری درخواست فارم (سمپنی کی ویبسائٹ http://www.powercement.com.pk پر بھی دستیا ہے) کا استعمال کرتے ہوئے درخواست جمع کرائیں۔

.6 قومی شاختی کارڈ(/ CNIC) نیشنل ٹیکس نمبر((NTN جمع کروانا (لازمی):

انفرادی ممبران جنہوں نے ابھی تک اپنے درست قومی شاختی کارڈ (CNIC کی فوٹو کا پی کمپنی آھھ میں رجسٹرار کوجمع نہیں کرائی ہے،ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنا) CNIC کا پی) جلد از جلد کمپنی کے تھم رجسٹرار کوچیجیں،مع می ڈی می شیئر رجسٹرار سرومز کمیٹیڈ،می ڈی می ہاؤس، 199 بی، بلاک - بی،ایس ایم می انتجائیں، مین شاہراہ فیصل، کراچی کارپوریٹ اداروں سے درخواست کی جاتی ہے کہ وہ اپنائیشل ٹیس نمبر ((NTN فراہم کریں - براوکرم CNIC/NTN تفسیلات کی کا بی کے ساتھ فولیونمبر بھی دیں ۔

.7 ویب سائٹ پر مالیاتی گوشواروں اورر پورٹوں کی دستیا بی:

کمپنیزا یک 2017 کے سیکشن (7) 223 کی دفعات کےمطابق، 30 جون 2022 کونتم ہونے والےسال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوار کے کمپنی کی ویب

سائٹ:/ https://powercement.com.pk /financial-reports پروستیاب ہیں۔

.8 فزیکل شیئرز کی بک انٹری فارم میں منتقلی:

کمپنیزا یک 2017 کے سیکشن (72 (2 کے مطابق حبیہا کہ بیان کیا گیاہے، ہرموجودہ کمپنیٰ کواپس ای پی ((SECP کی جانب سے مطلع کردہ تاریخ سے اپنے فزیکل ثیئر زکوبک انٹری فارم کے ساتھ تبدیل کرنے کی ضرورت ہوگی، ایکٹ کے آغاز سے چار ((4 سال سے زیادہ نہ ہونے کی مدت کے اندر، یعنی 30 مئی 2017۔

فزیکل شیئر زر کھنے والے قصص یافتگان کی حوصلہ افزائی کی جاتی ہے کہ وہ کئی بھی بروکر کے ساتھ ہی ڈئی کا فیاداہ راست کی ڈئی کے ساتھ اپنے فزیکل شیئر زکوغیر حسی (اسکرپ لیس) صورت میں رکھیں ۔ یہ نہیں کئی طریقوں سے ہولت فراہم کر ہے گا، ہشمول قصص کی ظنحو میل اور فروخت، جب بھی وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچنج کمیٹیڈ کے موجودہ ضوابط کے مطابق فزیکل شیئر ز کی تجارت کی اجازت نہیں ہے۔

.9 ڈائر یکٹران کاانتخاب میں حصہ:

کوئی بھی مخص (بشمول سبکدوش ہونے والا ڈائر مکٹر) جوڈائر مکٹران کا انتخاب لڑنا چاہتا ہے وہ کمپنی کے رجسٹرڈ آفس عارف حبیب سینٹر 23 ایم ٹی خان روڈ کرا چی میں مذکورہ میٹنگ سے 14 دن پہلے اپنے آپ ویٹیش کرنے کا ارادہ کمپنیزا میک 2017 کے سیشن (3) 159 کے مطابق ڈائر میٹران کے انتخاب کے لیے درج ذیل کے ساتھ ظاہر کرمے گا:

i. باضابطہ طور پر مکمل اور دستخط شدہ فارم 28 جو کہ منتخب ہونے پر ممپنی کے ڈائر کیٹر کے طور پر کام کرنے کی رضامندی دیتا ہے (سمپنی ایکٹ، 2017 کے سیکشن (167 (1 کے تحت)، اور تصدیق کرتا ہے کہ وہ کسی بھی قابل اطلاق قوانین ، قواعد وضوابط کے تحت ڈائر کیٹر بننے کے لیے نااہل نہیں ہے۔

ii. 10 جولائی 2014 کے ایس ای ٹی کے 634 SRO (1)/2014 کے مطابق الیکٹن کی تاریخ کے ساتہ دن قبل وفتر کے پتے کے ساتھ تقصیلی پروفائل کمپنی کی ویب سائٹ پرڈ الناہے۔

.iii کیٹینز (کوڈ آفکارپوریٹ گورنس)ر گولیشنز 2017 کے تقاضوں کےمطابق ہونے کےسلسط میں اعلامیداوراہلیت کےمعیار جبیبا کہ پینیز ایکٹ 2017 میں اسٹر کمپنی کے ڈائر یکٹر کے طور یرکام کرنے کے لیے مقرر کیا گیاہے۔

.iv درست CNIC اور NTN کی تصدیق شده کا بی۔

.۷ لىلانگېينېز (كوژ آف كار پوريث گورنس)ريگوليشنز 2017 كى شق (2)6 كے تحت آزاد دُائر يکٹران كى جانب سے اعلاميد

.vi غیرعدالتی تصدیق نامه پرعبد کرنا که وه کمپینیز (آزاد دُائر یکٹران کاطریقه اورانتخاب)ریگولیشنز 2018 کے ضابطہ 4 کے ذیلی ضابطہ نبر 1 کی ضروریات کو پورا کرتا ہے۔

.10 را ئشارى نەرلە ۋاك

ا یک 2017 کے بیشن 159 کے تحت ڈائز یکٹران کے انتخاب کے مقصد کے لیے کمپنیز (رائے شاری بذرایعہ ڈاک) ریگولیشنز 2018 کے مطابق مجبران کورائے شاری بذرایعہ ڈاک اپنے ووٹ کاخت استعال کرنے کی اجازت دی جائے گی، یعنی ڈاک کے ذریعے یا کسی مجبی الیکٹرانک موڈ کے ذریعے ووٹ دینا، ندکورہ ضوابط میں موجود نقاضوں اور طریقہ کار کے مطابق اگر خود کو نتخب ہونے کی پیشکش کرنے والے افراد کی تعداد کے بینزا کی خداد سے زیادہ ہے۔

.11 ویڈیوکانفرنس کی سہولت کے لیے رضامندی:

کمپینزا کیٹ 2017 کے سیشن (d)(1)(b) کی تعمیل میں کمپنی کے ممبران ویڈ ایوکا نفرنس کی سہولت کے ذریعے سالاندعموی اجلاس میں شرکت کر سکتے ،اگر ممبران کرا چی کے علاوہ کسی اور شہر میں مقیم ہوں، جن کے پاس مجموعی طور پر ہم 10 فیصد یااس سے زیادہ شیئر ہولڈنگ ہو، سالاندعموی اجلاس کی تاریخ سے کم از کم دس (10 دن پہلے ویڈ ایوکا نفرنس کے ذریعے سالاندعموی اجلاس میں شرکت کا تحریری مطالبہ کریں۔

اس طرح کی سہولت حاصل کرنے کے لیے، براہ کرم درج ذیل فارم کو کمپنی کے رجسٹر ڈ آفس میں مطلوبہ معلومات کے ساتھ جمع کرائیں۔

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اں نوٹس کے ذریعے اطلاع دی جاتی ہے کہ یاور سیمنٹ کمیٹی کے شیئر ہولڈرز کا 31 وال سالانہ عموی اجلاس (AGM بروز جمعہ 28 اکتوبر 2022 کو مجتمع 11 بجے PSX آڈیٹوریم، تیسری منزل،ایڈمن بلاک،اسٹاک بیجینج بلڈنگ،ایجینچ روڈ،کراچی میں درج ذیل کاروباری معملات کرنے کے لیے منعقد ہوگا۔ شیئر ہولڈرز ویڈیولنک کی ہمولت کے ذریعے بھی سالانہ عمومی اجلاس میں شرکت کر

عام امور:

.1 28 اکتوبر 2022 کومنعقد ہونے والی کمپنی کی آخری سالانہ چنرل میٹنگ کےمنٹس کی تصدیق کرنا۔

.2 ڈائر کیٹران اور آڈیٹرز کی رپورٹس کے ساتھ سال مختتبہ 30 جون 2022 کے سالانی آڈٹ شدہ مالیاتی گوشواروں کی وصولیا بی غوروفکر اور نفاذ۔

. 3. سال مختتمه 30 جون 2022 کے لئے آڈیٹرز کی تقر ری اوران کےمعاوضے کا تعین موجودہ آڈیٹرز میسرز ، A. F. Ferguson & Co.، Chartered Accountants سبکدوش ہوئے اوراہل ہونے کے سبب،خودکودوبارہ تقرری کے لیے پیش کرتے ہیں۔

.4 22 کتوبر 2022 سے شروع ہونے والے تین سالہ مدت کے لیے کمپنیزا یک 2017 کے سیکشن (1) 159 کی دفعات کے مطابق کمپنی کے سات ((07 ڈائریکٹروں کا انتخاب جیسا کہ کمپنی کے بورڈ آف ڈائر یکٹران نے طے کیا۔

سبکدوش ہونے والے ڈائر یکٹران کے نام درج ذیل ہیں-

.1 جناب نیم بیگ

.2 جناب محمد كاشف حبيب

.3 جناب صمداے حبیب

.4سيدسلمان رشيد

.5جناب جاويد قريثي

.6 جناب اینڈرس یالوڈن-مولر

.7محترمه سائره ناصر

سبکدوش ہونے والے ڈائر کیٹران دوبارہ انتخاب کے اہل ہیں۔

5. چیئر پرس کی اجازت کے ساتھ دیگر امور پرغوروفکر۔

کمپنیزا یک 2017 کے سیکشن (3) 166 کے تحت مادی حقائق سے متعلق ایک بیان اس نوٹس کے ساتھ دیا گیا ہے۔

اكۋىر2022 ،7 کراچی

ڈائز یکٹران کمپنی ہے مستفیدان وابستالوگوں کے مسلس اعتاد اورسریرتی کے لیےان کے مشکور ہیں ہم اپنے کاروباری شراکت داروں ، بینکاروں اور مالیاتی اداروں کے بقین اوراعتاد کے لیےان کے . مشکور ہیں اوران کے لیے ساکش کوریکارڈ پرلارہے ہیں۔ہم وزارت حزانہ،وزارت صنعت و پیداوار،سکیو رٹیزانیڈا کیجینج کمیشن آف یا کستان،سٹیٹ بینک آف یا کستان،مسابقتی کمیشن آف یا کستان، سينرل ڈیازٹری کمپنی آف یا کتان اور یا کتان اسٹاک ایجینچ کی انظامیر کامسلسل تعاون اور ہنمائی پرشکریدادا کرتے ہیں جس کی وجہ سے کمپنی کوطویل مدت طے کر کےموجودہ شکل حاصل ہوئی۔ . ایک ادارے کے نتائج ان لوگوں کی کوششوں کی زبردست عکا می کرتے ہیں جو مکپنی کے لیے اوراس کے ساتھ کا م کرتے ہیں۔ڈائز یکٹران مکپنی کے ملاز مین کی طرف سے کئے گئے اجتماعی تعاون کو پوری طرح تسلیم کرتے ہیں جس کے توسیعی منصوبے کی کامیا بی سے بختیل کے ثمرات اب کمپنی کی کارکرد گی میں واضح ہیں -ہم آ ڈٹاورد گیر کمیٹیوں کے ممبران کی اہم معاونت اور فعال کر دارکو بھی سراہتے ہیں جو کہ انتہائی اہم معاملات پرانظامیہ کی رہنمائی کرتے ہیں۔

برائے ومنجانب

05ا كتوبر 2022 كراچى

بورة كى كميثيان اورا جلاس

ى آ ۋ كىمىيى

بورڈ کے ڈائر یکٹران نے ایک آڈٹ ممیٹی قائم کی ہے جوتین ممبران پرمشتل ہے جوسب نان ایکز یکٹوڈائر کیٹران ہیں اور چیئر پرین ایک آزاد ڈائر یکٹر ہے۔ آڈٹ ممیٹی کی تشکیل بندی درج شدہ کمپنیوں کا (کوڈ آف کاریوریٹ گورنس) انضباط، 2019 کی ضروریات کےمطابق کی گئی ہے۔

زیرنظرسال کے دوران، آڈٹ کمیٹی کے چاراجلاس منعقد ہوئے اور ہرممبر کی حاضری درج ذیل تھی ؛

| اجلال میں شرکت | کمیٹی میں پوزیش | ممبركانام |
|----------------|-----------------|---------------------|
| 4/3 | چيز پرن | محتر مهسائره ناصر |
| 1/1 | رکن | *جنابنيم بيگ |
| 4/3 | رکن | جناب سيد سلمان راشد |
| 3/3 | رکن | *جناب صدحبيب |

* جناب صدحبیب کونیم بیگ کی حکمه آ ڈٹ نمیٹی کارکن مقرر کیا گیا۔

انساني وسائل اورمعا وضهميثي

بورڈ کے ڈائر کیٹران نے ایک انسانی وسائل اورا جرت کمیٹی قائم کی ہے جوتین ارکان پرمشتل ہے۔جن میں سے دونان ایگز کیٹوڈ ائر کیٹران بیں۔انسانی وسائل اورا جرت کمیٹی کی تشکیل ہندی درج شدہ (Listed) كمپنيوں كے (كوۋ آف كار پوريث گورنس) انضباط، 2019 كي ضروريات كے مطابق كي گئى ہے۔

زیرنظرسال کے دوران انسانی وسائل اوراجرت کمیٹی کا ایک اجلاس منعقد ہوا اور ہررکن کی حاضری حسب ذیل تھی:

| اجلاس میں شرکت | سمیٹی میں پوزیشن | ممبركانام |
|----------------|------------------|---------------------|
| 1/1 | چيزېرن | جناب جاويد قريثي |
| 1/1 | رکن | جناب محم كاشف حبيب |
| 1/1 | رکن | جناب سير سلمان راشد |

ڈائر یکٹران کےمعاوضے کی پالیسی

تھینی کے آزاد نان ایگزیکٹوڈ ائریکٹران کو بورڈ کے ڈائریکٹران کے اجلاس یا بورڈ کی ذیلی سمبیٹی کے کسی بھی اجلاس میں شرکت کے لیے اجلاس کا معاوضہ ادا کیا جارہا ہے جیسا کہ 2018 کتوبر 2019 کوہونے والےسالانہ عام اجلاس میں منظور کیا گیا تھا۔ مطحی طور پرمعاوضہ کمپنی کوکامیا بی اوراضا فہ قدر کےساتھ چلانے کی ذمہ داری اورمہارت کی سطح پرمناسب اورہم آ ہنگی کےمطابق ہے۔انتظامی سربراہ اور ڈائر یکٹران کودیاجانے والامعاوضہ سال مختمہ 30 جون 2022 کے مالیاتی گوشواراے کے نوٹ 41 میں ظاہر کیا گیاہے۔

داخلی مالیاتی گرفتوں کی موز ونیت

بورڈ کے ڈائر کیٹران داخلی گرفت کے ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں اوراس کے مطابق کار کردگی کے ماہراورموژ طریقہ کارکویقینی بنانے بمپنی کے اثاثوں کی حفاظت ، قابل اطلاق قوانین اور قواعدو ضوابط کی تعمیل اور قابل اعتاد مالیاتی گوشوارے کے لیے مالیاتی قابو کے نظام کوتشکیل دیا ہے۔ کمپنی کا آزادانہ داخلی آ ڈٹ کا نظام با قاعدگی سے مالیاتی قابو کے نظاذی تشخیص اورنگرانی کرتا ہے۔ بورڈ آ ڈٹ کمیٹی آپ کی کمپنی کی مالیاتی کارکردگی بمر مایہ اور کام چلانے کے اخراجات کے بجٹ ،حکمت عملی کے منصوب اوردیگرا ہم کارکردگی کے اشاروں پرغورکرنے کے لیے سہ ماہی اجلاس کرتی ہے۔ بورڈ آ ڈے کمیٹی اندرونی اور بیرونی آ ڈیٹروں سے داخلی مالیاتی گرفت کے نظام کے بابت رپورٹس حاصل کرتی ہے اور داخلی گرفت کی اثر انگیزی کی نگرانی کےعمل کا جائزہ لیتی ہے۔

کمپنی کے عام اور ترجیح تصص پاکتان اسٹاک کیجینج میں درج شدہ ہیں۔ 30 جون 2022 تک کمپنی کے (1،063،414،434) (2020: 1،063،414،434) عام صص داران اور 244،585،320 (2020: Nil) تجيح تصص داران تھے حصص داران کا تفصیلی نمونداس رپورٹ میں منسلک ہے۔

ڈائر کیٹران اوراعلیٰ انتظامی سربراہان کی تمپنی کے صص میں خریدوفروخت

ا یک تفصیل ،جس میں کمپنی کے قصص جواس کے ڈائر کیٹران ،اعلیٰ انتظامی سربراہ ،اعلیٰ مالیاتی سربراہ ،کمپنی سیکریٹری اور اِن کے شریک حیات اور خاندان کے نابالغ اراکین کی طرف سے خریدے اور فروخت کیے گئے ہیں،اس رپورٹ میں منسلک ہے۔

مزید برآل تمام متعلقه افرادکومطلع کیاجا تا ہے کہ وہ کمپنی سکریٹری کوتحریری نوٹس دیں اگر کمپنی کے قصص میں خودیاان کے شریک حیات کے ذریعہ کسی بھی خرید وفر وخت کوفوری تحریری طور پر مطلع کریں اور قیمت کاتحریری ریکارڈ جھس کی تعداداوری ڈی سی کے بیانیکی فراہمی ایسے لین دین کے 2 دن کے اندر کریں۔

.خطرات کا نقطام اورخطرات کوکم کرنے کی حکمت عملی

بورڈ کے ڈائر کیٹران نے مکنہ خطرات کی نشاندہ می کی ، آپ کی مکپنی پران کے انژات کا اندازہ کیااور کاروبار کے لیے متوقع خطرات کو کم کرنے کے لیے حکمت عملی مرتب کی ہے۔ بیے حکمت عملی آپ کی مکپنی کے تمام درجہ بندی پر نافذ کی گئی ہے تا کہ اس بات کو یقینی بنایا جاسکے کہ خطرے کے تخفیف میں کوئی خلابا تی نہ رہے۔

کمپنی کودرپیش بڑے خطرات اور چیلنجز مندر جه ذیل ہیں:

منافع پراعلی سطی اثر ورسوخ کانچلا د ہاؤ۔

مارکیٹ کے کھلاڑیوں کی مسابقتی قیمتوں کے تعین کی وجہ سے صارفین سے کاروبار کرنے کی لاگت (خاص طور پرکوئکہ اور بحل کے اخراجات) میں تیزی سے اضافہ کرنے میں ناکامی

شرح تبادلهاورشرح سود کے خطرات کا دائرہ

صلاحیت کی توسیع/ نئے پلانٹ کی وجہ سے رسد کی فراہمی

ملاز مین کی آمدورفت میں اضافے کی وجہ سے معیاری انسانی وسائل کا نقصان

سالا ندر پورٹ کے متعلقہ حصول میں ان کی مزید وضاحت کی گئی ہے۔

ماحولیات پر کمپنی کے کاروبار کے اثرات

جارانیا تصیب شدہ ماحول دوست FLSmidth پلانٹ FLSmidth پر ایورااتر تا ہے جو کہ پاکستان میں پہلاجد بدترین آن لائن کواٹی کنٹرول سٹم ہے۔ پلانٹ مسلسل 53 گریڈ کا

مزید رید که ویسٹ جیٹ ریکوری سسٹم (ڈبلیوا 🕏 آرایس) پہلے ہی بجلی پیدا کرنے کے لیے پہلے ہی نصب کیا جاچکا ہے اور کمپنی اپنے سولراینڈ ونڈ انر جی اقدامات کے ذریعے ماحول دوست گرین انر جی کی طرف

SEQS اور SEQS معیارات کی قانونی اورانضاتی تغییلات کو پوراکرنے کے لیے ممپنی کے پاس ایک سرشار اوراہل HSE عملہ ہے۔ ماحول پر ممپنی کے کاروباری اثرات فعال ہونے کی وجہ ہے، تمپنی نے دھول سازی میں کی کے آلات نصب کیے تھے جیسے ڈسٹ سائکا بونز، بیگ ہاؤسز، آلودگی ۔ بانے کے طریقہ کارسے گندگی کم کرنے، گیس سے دھول نکالنے والے برقی آلات ،خطرات سے نمٹنے کے لیے پہنا جانے والاسامان ،فضائی آلودگی قابوکرنے کا نظام اور کمپنی کے احاطے میں رفتار کی حدود قابو کرنے اور آرایس بی ایم (معقول معطل شدہ پارٹیکولیٹ معاملہ)اورایف آرڈی (سڑک سے

سکین کے پاس جنوبی زون کاصاف تھرا ہوا خارج کرنے والا پلانٹ ہے جس میں کلمل آلودگی قابوکرنے کا بیگ ہاؤس نظام ہے۔ پلانٹ کے اخراج کی سطح اب ورلڈ بینک/آئی ایف میں ہدایات کے ذریعہ دی گئی حدو دِاخراج سے بھی بہتر ہے۔ بیگ فلٹرز جدیدترین بورپی ٹیکنالوجی پر بنن ہے جس میں Eco E3 فلٹریشن سٹم استعال کیاجا تا ہے جو کددھول کے اخراج کواستھام کے ساتھ قابوکر تا ہے اوراس طرح کمپنی کوجنوبی زون کے دیگرسینٹ پلانٹس پر برتزی فراہم کرتا ہے۔اس نے آلودگی قابوکرنے کے نظام کے اضافی فوائد میں پلانٹ اورآلات کی مفید میعاد میں بہتری اورتوانائی کے نقصانات میں کمی شامل

کمپنی ہیشہ بڑے پیانے پرایے تمام ملاز مین اور حصد داران کے لیے ظشدہ کام کاماحول فراہم کرنے کے لیے پرعزم رہی ہے اور آئی ایس او 45001: 45001 آئی ایس او 2015: 14001 اورآئیالیںاو 2015: 2015 کی اسناداس کے مسلسل نفاذی گواہی ہے۔کام کی جگہ پر صحت بھاظت اور ماحول ایسے عمل کے مسلسل نفاذی تصدیق کرتے ہیں۔

آ ڈیٹرزا ۔۔ابیف فرگون اینڈ چارٹرڈا کا وَنٹنٹس کمپنی،ریٹائز ہونے کے بعدتقرری کے لیےاہل ہونے پرخودکود وبارہ پیش کرتے ہیں۔بورڈ کے ڈائز یکٹران نے سالانہ عام اجلاس میں مالیاتی سال 2022-23 کے لیے کمپنی کے بطور آ ڈیٹران کی دوبارہ تقرری کے لیے آ ڈٹ کمیٹی کی سفارش کی توثیق کی۔

متعلقه شخصى لين دين

۔ فہرست سازی کے ضوابط کے تقاضوں کی فعیل کے لیے بمپنی نے تمام متعلقہ شخصی لین دین کوآ ڈٹ ممیٹی اور بورڈ کےسامنےان کے جائز ہےاورمنظوری کے لیے پیش کیا۔ان لین دین کوآ ڈٹ ممیٹی اور بورڈ نے اینے متعلقہ اجلاس میں منظور کیا ہے۔ تمام متعلقہ شخصی لین دین کی تفصیلات منسلک آؤٹ شدہ مالیاتی گوشوارا بے کےنوٹ میں فراہم کی گئی ہیں۔

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قابل تجدید سبزتوانائی کے منصوبے

سینٹ بنانے کے عمل میں پیداواری لاگت کے اہم اجزاء میں سے ایک بجلی ہے، جس کا محاسبہ لگ بھگ 20 فیصد ہے۔ ویسٹ ہیٹ ریکوری سٹم (ڈبلیوای کے آرایس) 2021 میں نصب کیا گیا تھا جس کی 10 میگاواٹ سبز بحلی پیدا کرنے کی صلاحت ہے۔رواں سال آپ کی کمپنی نے سولراورونڈیا ورمنصو بےشروع کر کے نئے اقدامات کیے ہیں۔ 7 میگاواٹ کے سولریاور پروجیکٹ کا آغازاگت 2022میں ہوا،جس سےصاف اور سبزتوانائی پیدا ہور ہی ہے جبکہ 9میگاواٹ کے ونڈیا ورمنصوبے پر کام جاری ہے۔ یہ نہ صرف کمپنی کی کیش فلو پوزیشن کوتقویت بخشے کا بلکہ توانائی کی پیداوار میں خوداستحکام کے حصول میں سبزتوانائی پر جزوی نتقلی، کاربن کے تاثر کو کم کرنے اور قدرتی ماحول کی بہتری کے ذریعے بھی تعاون کرے گا۔ان پائیدارا قدامات کے ساتھ انتظامید کی نظرایک سال میں 21 ہزارٹن کاربن کے اخراج کو کم

ہماری توقع کےمطابق مال سال 2023 یا کستان کی معیشت کے لیے چیلنجنگ رہے گا،خاص طور پر کرنٹ اکاؤنٹ کے نمایاں خسارے کی وجہ ہے،جو کہ مالی سال 2022 کے لیے 17.4 مبلین ڈالر بمقابله مالی سال 2021 کے لیے 2.8 بلین ڈالرتھا۔مہنگائی کی بلندترین شرح،قرض کی زیادہ لاگت ملکی کاروباری ماحول کی غیریقینی صورتحال سخت تجارتی مالیاتی اقدامات اورامریکی ڈالر کے مقالبے میں

یا کستانی رویے کی نمایاں کمی ، کاروباری طلب کے ساتھ ساتھ منافع کے لیے بھی خطرہ ہے۔

قوم نےمون سون کی بارشوں اور سیلا ب کا ایک بے مثال دورانید دیکھا ہے جس سے تقریباً 28 بلین ڈالر کامعاثی نقصان ہوا۔ پاکستان کا ایک تہائی حصہ زیر آب آنے ہے، 3.6 ملین ایکڑ سے زیادہ فصلیں تیاہ، 750,000 سے زیادہ مویثی ہلاک اورقیتی انسانی جانوں کے ضیاع کے ساتھ ساتھ 20لا کھ سے زیادہ مکانات متاثر ہوئے (جزوی طور پر اور/پیا مکمل طور پر تیاہ)۔اس کے ساتھ ساتھ 410 سے زیادہ لیااور 13,074 کلومیٹرسڑک مالی سال 2023 کی پہلی سے ماہی کی تعمیراتی نتائج میں کمی کی پیش گوئی کرتی ہے، جو مالی سال 2023 کی دوسری اور تیسری سے آگے بڑھ کتی ہے۔ سندھ ھکومت ورلڈ بینک کے تعاون سے سیلاب متاثرین کے لیے 110ارب رویے کار ہاکئی منصوبہ (ہاؤسنگ پروجیکٹ)متعارف کرائے گی صحت بخش عوامل کے ساتھ ساتھ،ہم آنے والی سہاہیوں اور سالوں میں صنعت کے لیے مضبوط مانگ اورتر قی کی بھی پیش گوئی کرتے ہیں۔ بیزیادہ تروفاقی اورصوبائی حکومتوں کی شراکت دارمقامی اور بین الاقوامی امدادی اداروں کے ساتھ ل کر تباہ شدہ بنیادی ڈ ھانچے (انفراسٹر کچر) کی ازسرنونغمیر سے ہوگا۔

کیویڈیٹی اور منافع کوبڑھانے کے لیے، کمپنی کی انتظامید کی توجدلاگت پر قابوپانے کے اقدامات پر مرکوزہے اوراس کے مطابق حکمت عملی وضع کی ہے۔ آپ کی کمپنی تمام متعلقہ شعبوں میں کام کررہی ہےجس میں متبادل ایندھن کا استعال اورمقررہ ولاگت کو کم کرنے کے لیے پلانٹ کے آٹیائز ڈ آپریشنز شامل ہیں۔انتظامیر یگولیٹری نظام اور مارکیٹ کی حرکیات میں تیزی ہے تبدیلیوں کے ساتھ کلمل طور پرہم آ ہنگ ہے۔ جہال بھی ممکن ہولاگت کوم کرنے اورمنافع کوزیادہ سے زیادہ کرنے ، مارکیٹ کے خطرات کوم کرنے ، مستقبل کے چیلنجز کا مقابلہ کرنے اور کاروبار کی ترقر ارر کھنے کے لیے قیمتوں میں مؤثر سیاز مکس بنانے کی کوششیں کی جارہی ہیں۔

کریڈٹ ریٹنگ

کمپنی کو 11 نومبر 2020 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹر کی طرف سے) "-Aسٹکل Aمائنس) کی طویل مدتی اور) "A-2سٹکل Aٹو) کی قلیل مدتی ورجہ بندی تفویض کی گئی ہے.

كار يوريث گورننس كاضابطه

آپ کی کمپنی کے ڈائز بیٹران حکمت عملی کی سمت کوآ گے بڑھاتے ہیں اور کار وباری منصوبوں کا با قاعدگی ہے جائز ہایاجا تا ہے۔آ ڈٹ کمیٹی مؤرنتعمیل برائے درج شدہ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ے 2019 کے ضابطے کے تحت بااختیار ہے۔ہم آپ کی ممپنی میں اچھے کارپوریٹ گوننس کویقینی بنانے کے لیے تمام ضروری اقدامات کررہے ہیں جیسا کہ ضابطہ کی ضرورت ہے تعمیل کے جھے کے طوریر، ہم درج ذیل کی تصدیق کرتے ہیں:

کمپنی انتظامیه کی طرف سے تیار کر دہ مالیاتی گوشوارے، حالیہ منصفانہ طور پر کمپنی کی حالت، کاروائیوں کا نتیجہ، نقد بہاؤاورسر مامیہ میں تبدیلیوں کو پیش کرتے ہیں۔

کھا تہ داری کی مناسب نظات کمپنی نے برقر اررکھی ہیں۔

کھا تہ داری کی مناسب پالیسیوں کو مالیاتی گوشوار ہے کی تیاری میں مستقل طور پرلا گوکیا گیا ہے اور کھا نیداری کا تخمینہ معقول اور دانشمندانہ فیصلے پر مبنی ہے۔

ا قوامی مالیاتی رپورٹنگ کےمعیارات مالیاتی گوشوار ہے کی تیاری میں استعال کئے گئے ہیں جیسا کہ یا کستان میں لا گوہوتے ہیں۔

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اوراس کا مؤثر طریقے سے نفاز اور تکرانی کی گئی ہے۔

کمپنی کے منافع بخش جاری رہنے کی صلاحیت پر کوئی شک نہیں مزید رہے کمپنی تمام قرضوں کی بروفت ادائیگی کررہی ہے اور بینک کی طرف سے اپنے قرضوں کی ادائیگی کے لیے کمپنی کی جانب ہے کوئی نادہندگی نہیں کی گئی ہے۔

کار پوریٹ گورننس کے بہترین طریقوں ہے کوئی قابل ثارخروج نہیں ہوا حبیبا کہ فہرست سازی کے قواعد وضوابط میں تفصیل ہے بیان کیا گیا ہے۔

تھینی اپنے ملاز مین کے لیے گریجیوٹی فنڈ ڈائٹیم چلاتی ہے جیسا کہ مالیاتی گوشوارے کے متعلقہ نوٹ میں ظاہر کیا گیاہے۔

چارڈائر کیٹران پہلے ہی تربیتی پروگرام برائے ڈائر کیٹران مکمل کر چکے ہیں۔بورڈ میں شامل ایک ڈائر کیٹر CCG قواعد وضوابط کے باب VI کی شق 19 کےمطابق کم از کم 14 سال کی

تعلیم اور 15 سال سےزائد درج شدہ کمپنی کے بورڈ میں تجربدر کھنے کی وجہ سے تر بیتی پروگرام برائے ڈائز کیٹران سے متشنی ہے۔ فی الحال، دوڈائز کیٹران میں جن کوتر بیتی پروگرام برائے ڈائز کیٹران کے تحت سرٹیفیکیشن در کار ہے۔ سمپنی 30 جون 2022 تک بیان کردہ قواعدوضوابط کی ضروریات کو پورا کرنے کے لیے پرعزم ہے۔

اس سالا نەربورٹ میں صفص کی مجموعی تعداد طے شدہ فارمیٹ پر گوشوارے میں منسلک کی گئی ہے۔ پچیلے 6سالوں کے کلیدی-اہم آیریٹنگ اور مالیاتی اعداد وشار کو گوشوارہ سے منسلک کیا گیاہے۔ بورڈ کے ڈائر یکٹران کی تشکیل بندی تمپنی کابور ڈ آف ڈائر کیٹران 30 جون 2022 تک درج ذیل پرمشتل ہیں:

| 7 | ڈائر یکٹران کی کل تعداد |
|---|-------------------------|
| 6 | <i>y</i> |
| 1 | خاتون |

30 جون 2022 تک بورڈ کے ڈائر کیٹران کے نام اور تشکیل بنی حسب ذیل ہیں:

| ڈائر یکٹران کانام | ڈائر یکٹران کی تشکیل |
|---|--------------------------------------|
| جناب نیم بیگ جناب سیرسلمان را شد جناب صرحبیب جناب اینڈرس پلوڈان مولر | ا)غیرا گیزیکٹوڈائریکٹر |
| جناب جاوید قریثی محترمه سائره ناصر | ب)خود مختار ڈائر یکٹر |
| جناب محمد کاشف حبیب | <u>ج</u>)ا يَكِز يكُووْارَر يَكِشْر |

بورڈ کے ڈائر یکٹران کے اجلاس

زیر جائزہ سال کے دوران بورڈ کے ڈائر کیٹران (BOD کے پانچ اجلاس منعقد ہوئے اور بورڈمبران کی حاضری مندرجہ ذیل تھی۔

| اجلاس میں ممبرنے شرکت کی | مبره | ڈائر کیٹر کا نام |
|--------------------------|----------------------------------|---------------------------|
| 5/5 | غيرا يگزيڭيۇدائر يكثر/ چيئرمين | جناب نیم بیگ |
| 5/5 | ا یکزیکٹوڈائریکٹر/انتظامی سربراہ | جناب محمر كاشف حبيب |
| 3/5 | نانا بگزیکٹو/ خودمختارڈائریکٹر | جناب سيدسلمان راشد |
| 3/5 | غيرا يگزيڭوڈائريكشر | جناب صدحبيب |
| 4/5 | غيرا يگزيكڻو دائريكشر | جناب جاويد قريثي |
| 5/5 | غيرا يگزيڭو ڈائريكٹر | محتر مه سائره ناصر |
| 5/5 | غيرا يگزيكڻو دُائر يكثر | مسٹرا بینڈرس پلوڈ ان مولر |

اجلاس میں نثر کت نہ کرنے والے ڈائر یکٹران کوغیر حاضری کی چھٹی دی گئی۔

بورڈ کی شخیص کا معیار

درج شدہ -لٹ کمپنیوں کے (کوڈ آف کارپوریٹ گونٹس)انضباط 2019 کے مطابق بورڈ کے ڈائر کیٹران کی کارکردگی کا جائزہ لینے کے لیے ایک جامع طریقہ کاربنایا گیا ہے۔ بورڈ کے ڈائر یکٹران کی کارکردگی کا جائزہ درج ذیل بنیادوں کے طریقہ کارپرلیاجا تاہے: بورڈ کی نگرانی اوراٹر انگیزی بورڈ کی تشکیل اور کمیٹیاں بورڈ کے اجلاس اور کارروائی بورڈ اورانتظامیہ کے تعلقات تعلقات اورقيادت كاانتظام کاریوریٹ قوانین اور قواعد وضوابط سے ڈائر یکٹران کی واقفیت كار پورىڭ گورننس

ڈائر یکٹرزر بورٹ

پاورسیمنٹ کمیٹیڈ(آپ کی کمپنی) کے ڈائر یکٹران سال 30 -2022 جون تک کی سالاندرپورٹ اورآ ڈٹ شدہ مالیاتی گوشوار سے بیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ معاش حائزہ

وبائی امراض اوراومیکرون کی مختلف اقسام سے بحالی کے بعد، روس اور یوکرائن کے درمیان جاری تنازعہ کی وجہ سے عالمی معیشت میں بڑی حدتک تنزلی دیکھنے میں آرہی ہے جس کے نتیجے میں غربت کی شطے کے درمیان مہزگائی اورقرض میں اضافہ ہورہا ہے۔ اس کے نتیجے میں ،خوراک اورا بیندھن کی قیمتوں میں اضافہ عالمی شطے پر کم آمد نی والے گھر انو ان کومتاثر کر رہا ہے کیونکہ بین الاقوامی مارکیٹ میں اشیاء کی قیمتیں اسبت کی بلندترین سطے پر بین گئی ہیں۔ عالمی معیشت اب اس بے مثال تاریخی مہزگائی اور تو انائی کے بحران کے اثرات کا سامنا کر رہی ہے جو معاثی گراوٹ کے ساتھ ملے جلے عالمی اقتصادی منظر نامے کی طرف لے جارہا ہے۔ مزید ریک عالمی اقتصادی امکانات کے لیے مجموعی خطرات میں تیزی سے اضافہ ہوا ہے اور قیمتوں کے سلسل دباؤگی وجہ سے ، بہت سے ممالک میں تجارتی تعلقات پہلے سے نامے کی طرف لے ہیں۔
زیادہ شکل ہوگئے ہیں۔

عالمی منڈیوں میں اتار چڑھاؤکے اثرات نے پاکستان کی معیشت کوبھی نقصان پہنچا یا ہے۔ مالی سال ۲۲-۲۰۲۱ کے لیے نقر یا بھا 6 فیصد کی متاثر کن جی ڈی پی میشر حنمو کے باوجود، ایک غیر نقین سیاس ماحول اورا بیند هن اوراشیاء کی اضافی قیمتوں نے زرمباولہ کے ذخائر پر بہت زیادہ دباؤڈ الاجس کے منتج میں امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں نمایاں کی واقع ہوئی، نینجناً مہنگائی میں اضافہ ہوا۔ معیشت میں بید پریند ساختی کمزوریاں اور کم پیداواری نموایک سخلم بحالی کے لیے خطرات کا باعث ہے۔

پاکتتان نے مالی سال ۲۰۲۲-۲۰۲۶ کے لیے ہر 5 فیصد جی ڈی پی کا ہدف مقرر کیا ، پاکتان کی معیشت مسلسل دوسری مدت میں V-Shaped اقتصادی بحالی کا مشاہدہ کرتی رہی ، مالی سال 2022 میں بی میں ہر 5.97 فیصد سے زیادہ کی مسلسل ترتی نے اعلی اور جامع ترتی کی بی میں ہر 5.97 فیصد سے زیادہ کی مسلسل ترتی نے اعلی اور جامع ترتی کی بنیادر کھی ہے ، بشرطیکہ اس کے نتیجے میں پیدا ہونے والے معاشی عدم تو از ن کو تجھداری سے لکیا جائے۔

سمنده سيكط

جون 2022 کونتم ہونے والے سال کے دوران پاکتان میں سینٹ کی صنعت ہ 7.9 فیصد کم ہوکر 52.9 ملین ٹن تک پُنچ گئی جوگزشتہ سال 57.5 ملین ٹن تک پُنچ گئی جوگزشتہ سال کے دوران پاکتان میں سینٹ کی صنعت ہ 5.3 ملین ٹن تھا۔ زیر جائزہ سال کے دوران برآ مدات کی فروخت کا تجم ہ 43.6 فیصد کی کی سے 5.3 ملین ٹن ہو گیا جو گزشتہ سال کے دوران 20.3 ملین ٹن تھا، جو جاری الے کا جاری رہے گا۔

سینٹ کی مقامی فروخت اور برآ مدات میں جاری مالی سال کے دوران پیداواری لاگت زیادہ ہونے کی وجہ سے بڑے پیانے پر کی آئی ہے۔ بجل کی قیمتوں میں ہ 44 فیصد ،شرح سود میں ہ 114 فیصد اور کو کیلے کی قیمتوں میں ہ 86 فیصد اضافیہ ہوا۔

ساؤتھ زون میں مقامی طلب، جہاں آپ کی مکپنی واقع ہے، سالانہ کھیت میں اضافے کوظاہر کرتی ہے جو کہ پر 8.75 فیصد اضافے کے ساتھ 8.20 ملین ٹن رہی ہو پچھلے سال کے مقابلے میں پر بندہوا۔ ملین ٹن رہی جو پچھلے سال کے مقابلے میں پر 35.6 فیصد کی منفی نمو کے ساتھ تھی۔اس کے نتیج میں، جنوبی زون 12.51 ملین ٹن کی کل ترسیل پر بندہوا۔ س ترس سا

گزشته سال کے ساتھ 30 جون 2022 کونتم ہونے والے سال کے لیے ممپنی کے کلیدی -اہم مالیاتی اشاروں کامواز نہ حسب ذیل ہے:

| 11 | 2222 | 2021 |
|--|----------------|----------------|
| كوائف | برائے سال 2022 | برائے سال 2021 |
| | روپے'(| 000میں |
| خام فروخت | 23,633,083 | 19,702,055 |
| منها:سیزئیکس/مرکزی ایکسائز ڈیوٹی/کمیشن | 6,138,205 | 5,481,442 |
| خالص فمروخت | 17,494,878 | 14,220,613 |
| خام منافع/(خساره) | 2,482,131 | 3,089,637 |
| کاروباری منافع/(خساره) | 1,304,202 | 1,928,232 |
| خباره قبل از نیکس | -1,330,626 | (671,207) |
| خالص منافع بعداز نيكس | -443,946 | 358,360 |
| فی حصص (نقصان)/منافع (روپے) | -0.62 | 0.17 |

وبائی امراض سے متعلق غیریقینی صورتحال اورکو کلے کی بین الاقوا می منڈیوں اورتوانائی کی مقامی قیتوں کی وجہ سے درپیش متعدد چیلنجز کے باوجود، آپ کی کمپنی نے 23.63 بلین روپے کی مجموعی آمدنی کے ساتھ اچھی کارکر دگی کامظاہرہ کیا جس میں پچھلے سال سے ہر 20اضافہ ہوا۔

توسیج کے بعد، آپ کی کمپنی پاکتان کی سب سے موثر لاگت والی سیمنٹ بلانٹ کمپنی بن گئی ہے۔ تا ہم، زیر جائزہ مالیاتی سال کے دوران ، لاگتِ فروخت میں اضافے کی وجہ سے پیداواری لاگت کے اضافے میں کئی آئی جو کہ کو کیلے کی قیمتوں اور بجلی کے زخوں اور نقل وجمل کے اخراحات میں تیزی سے اضافے میں کئی آئی جو کہ کو کیلے کے قیمتوں اور بجلی کے زخوں اور نقل وجمل کے اخراحات میں تیزی سے اضافے میں اور کھا کہ اور کم کے انہوں کے انہوں کی سے انسان کے سے زریعے کا دفر ماہوئی۔

آپی کمپنی کا خام منافع گذشتہ سال ب22 کے مقابلے میں گھٹ کر بر 14 رہ گیا۔ آپ کی کمپنی کے گذشتہ سال فی تصص آمدن) (EPS 0.17 و پے کے مقابلے میں رواں سال فی تصص نقصان (LPS)0.62 رویے رپورٹ کی گئے۔

پیداواراوراستعداد کااستعال

| پیدادار | مالى سال 2021 | الى سال 2022 | <i>ۆ</i> ق× |
|---------|---------------|----------------|-------------|
| | ن | ئ ر | |
| (12%) | 1,809,737 | 1,593,324 | سيمنث |
| (20%) | 2,333,980 | 1,863,323 | كليتكر |

| کل ترسیات | مالى سال 2021 | الى سال 2022 | فرق× |
|-----------|---------------|--------------|----------------------|
| | ی | <i>#</i> | |
| (0.36%) | 1,633,074 | 1,627272 | سیمنٹ/کلینکر (مقامی) |
| (61.45%) | 196,798 | 75,848 | سیمنٹ (برآمد) |
| (24.16%) | 553,621 | 419,830 | کلینکر(برآ بد) |
| | 2,383,493 | 2,122,950 | كل ترسيل |

قومی خزانے میں معاونت

کمپنی نے انکمٹیک، ایکسائز ڈیوٹی، بیلزنیکس اور دیگرسر کاری محصولات کی مدمین سر کاری خزانے میں 2.57 بلین روپے (2.92 : 2021 بلین روپے) کا حصد ڈال کر تعاون کیا۔

منافع منقسمه اور بونس

ا نتہائی غیر ستحکم معاشی صورتحال اور کمپنی کے موجودہ طویل المدتی قرضوں کی ذمداریوں کو مدائریوں کو مذافرر کھتے ہوئے، بورڈ نے سال مختتمہ: 30 جون 2022 کو سی بھی قتم کے منافع منقسمہ یا بولس حصص باشنے کا اعلان نہ کرنے کا فیصلہ کیا ہے۔

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CALENDAR OF UPCOMING CORPORATE EVENTS



PROXY FORM

31st Annual General Meeting

The Company Secretary Power Cement Limited Arif Habib Centre 23, M.T. Khan Road Karachi

| I/We | · | S/o, W/o | , |
|------|---|------------------------------|--|
| beir | g member(s) of Power Cement Limited | d (the Company), holding _ | ordinary/ |
| pref | erence shares as per Registered Folio N | lo. / CDC Account No | hereby appoint |
| | | S/o., W/o | (being |
| mer | nber of the Company) as my/our Proxy | | |
| Ger | neral Meeting of the Company to be held o | on October 28, 2022 and/or a | ny adjournment thereof. |
| | 3 , | , | |
| Sigr | ned this day of | 2022. | Signature on Rs. 5/- Revenue Stamp |
| Sigr | nature of Shareholder | | |
| Witr | nesses: | | |
| 1. | Name: Address: CNIC No.: Signature: | | |
| 2. | Name:Address: | | |

NOTES:

- 1. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
- 2. In order to be effective, the Proxy Form must be received at the office (either hard copy or scanned), not later than 48 hours before the AGM duly signed and stamped and witnessed by the two persons with their signatures, name, address and CNIC number given on the form.
- 3. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form (either hard copy or scanned).
- 4. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form (either hard copy or scanned).

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پراکسی فارم

31وال سالانه اجلاس عام

سمینی سیکرٹری پاورسىمنٹ لمىيٹڈ عارف حبيب سينثر 23، ایم ٹی خان روڈ ، کراچی۔

| میں/ ہم | سکنه اساکنه | لطورممبر |
|--|--|---|
| (ممبران) پاورسینٹ کمیٹڈ حامل/حاملین | عام صف بحواله فوليونم | پۇنبراسى ۋى تى ا كا ۇنٹ نمبر |
| · نِدریعه ہذاجناب/محرّمه | <u>'</u> | سکنه/ساکنه |
| ا پنالہمارا پراکسی مقرر کرتا /کرتی ہوں /کرتے ہیں تا کہ وہ میری/ہمارا اور تاریخ پراس کی جگہ ہونے والے دیگر اجلاس میں شرکت کرے۔ | نا/کرتی ہوں/کرتے ہیں تا کہوہ میری/ ہماری جانب ہے کمپنی کے 31ویں سالا نہ اجلاس عام مؤرخہ 28 اکتوبر 2022 ، یامزکورہ اجلاس منسوخ ہونے کی صورت میں کسی بھی | |
| وتتخطشده بروزمؤرخه | _2022 | |
| | | پاپنچ روپے کی ریونیوم پر دستخط کیچئے |
| گواهنبر 1 | گواه نمبر 2 | |
| نام: | _ | |
| :rt | - | |
| :;;; | ;z; | - |
| قومی شاختی کارڈنمبر: | قومى شاختى كارد نمبر: | |

اہم نکات:

1 کوئی بھی ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کی اہلیت کا حامل کسی دوسر ہے ممبر کوا پنا پراکسی نا مز دکر سکتا ہے جواس کی جانب سے اجلاس میں شرکت کرنے ، رائے دینے اور حق رائے دہی استعال کرنے کامجاز ہوگا۔

۔ 2۔ پراکسی فارم کارآ مدہونے کے لیئے لازم ہے کہ پراکسی فارم ہمارےرجسٹرارمیسرزسینٹرل ڈیپا ذٹری کمپنی آف پاکستان کمیٹڈ ہی ڈی می ہاؤس 89-B،ایس ایم ہی این ایس، بین شاہراہ فیصل،کرایگ کو ا جلاس شروع ہو نے سے کم از کم 48 گھنٹے قبل موصول ہوجانے چاہئیں پراکسی فارم با قاعدہ دستخطا اور مہر شدہ ہوں اور دوگوا ہوں نے اپنے دستخط ، نام ، پتے اور شاختی کارڈ نمبر سے پراکسی کی تصدیق کی ہو۔ 3_بصورت افراد، پراکسی فارم کے ساتھ مستفیدی مالک اور پراکسی کے قومی شاختی کارڈیا پاسپورٹ کی مصدقہ نقول کا منسلک ہونالازم ہے۔

4۔اگر پرائسی کسی کاروباری ادارے کے جانب ہے ہوتو پورڈ آف ڈائر کیٹرز کی قرار دادیا پاورآ ف اٹارنی اور پرائسی کے قومی شاختی کارڈیا پاسپورٹ کی مصدقہ قل پرائسی فارم کے ساتھ منسلک کرنالازم ہے۔

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