REACHING NEW

HEIGHTS

ANNUAL REPORT 2024

THE STRENGTH

KOHAT
CEMENT

FINANCIAL HIGHLIGHTS 2024

Shareholders' Equity
41,090
Rs. in Million
2023: **32,610**

Sales Revenue
38,648
Rs. in Million
2023: **38,922**

Return on Equity
21.64
Percentage
2023: **17.85**

Current Ratio
2.91
Ratio
2023: **2.31**

Earnings per Share
45.27
Percentage
2023: **28.98**

EBIDTA to Sales
40.46
Percentage
2023: **31.67**

Price Earning Ratio
5.41
Ratio
2023: **5.99**

Interest Cover Ratio
21.34
Ratio
2023: **15.14**

CONTENTS

Management Information

Financial Statements

VISION, MISSION AND CORPORATE STRATEGY

Our Vision

Be the best in the eyes of all stakeholders

Our Mission is to Provide

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

Our Corporate Strategy

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

ABOUT THE COMPANY

Company Information

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2015 certified company, with an annual capacity of 4.81 Million tons of Grey Clinker and 135 thousand tons of White Clinker. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

Our Culture

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

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

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

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

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

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

HR&R Committee

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

Company Secretary

Ms. Iqra Khalid

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

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

Registered Office and Works

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

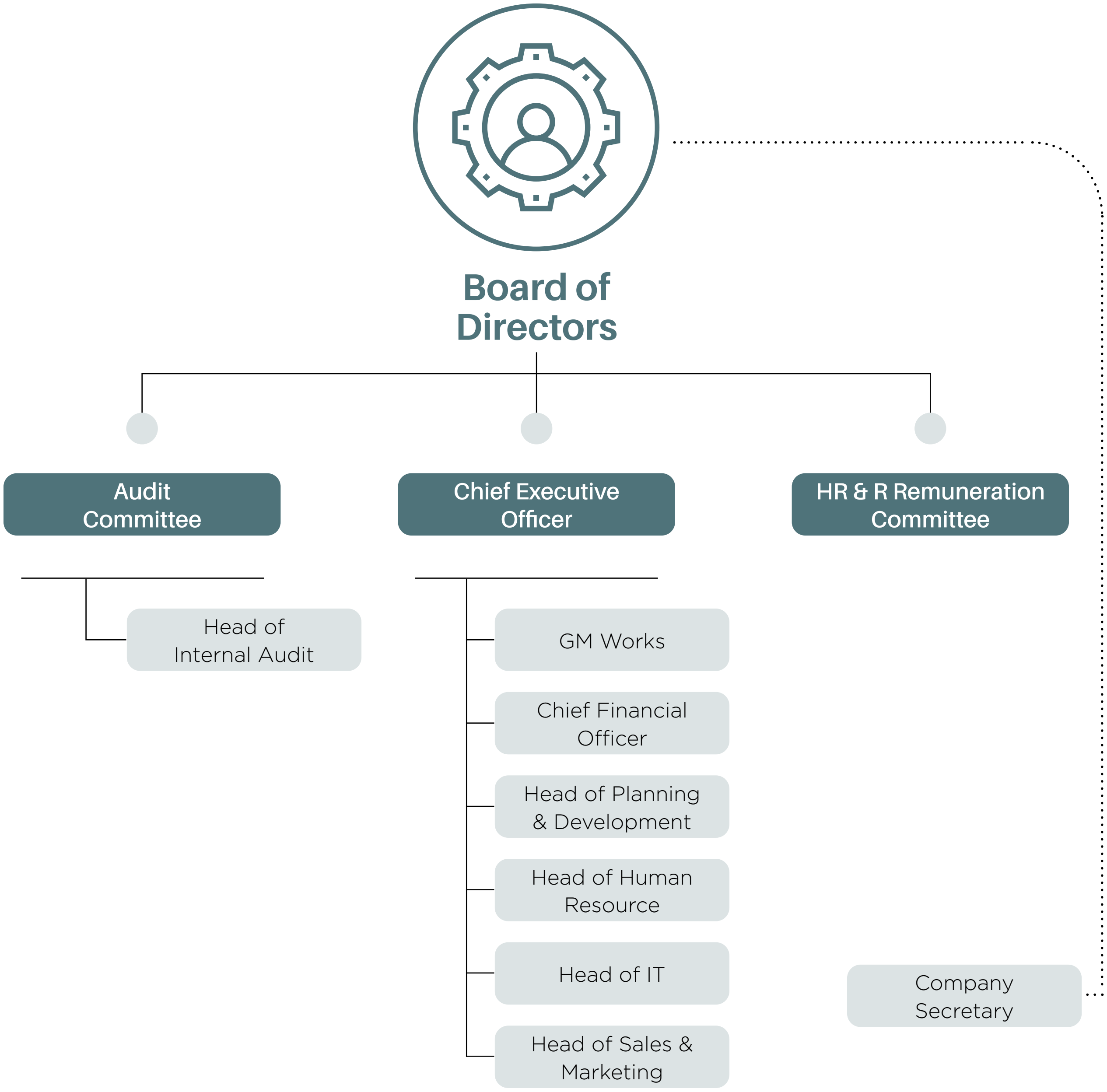
Head Office

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

Bankers of the Company

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

ORGANOGRAM



Board of Directors

Audit Committee

Head of Internal Audit

Chief Executive Officer

GM Works

Chief Financial Officer

Head of Planning & Development

Head of Human Resource

Head of IT

Head of Sales & Marketing

HR & R Remuneration Committee

Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 45th Annual General Meeting (AGM) of the shareholders of Kohat Cement Company Limited (the "Company") will be held on Tuesday, October 15, 2024 at 11:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024 together with Auditors' and Directors' Reports and Chairman's Review.
2. To appoint Auditors of the Company and to fix their remuneration.

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

Special Business

3. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2024, under the authority of the special resolution passed in the last annual general meeting held on October 16, 2023.
4. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2025 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required.
5. To consider and if deemed fit, approve renewal of investment in the form of short-term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated company, as per terms and conditions disclosed to the members.
6. To consider and if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), special resolutions as proposed in the statement of material facts, pursuant to the provisions of Section 88 and all other applicable provisions of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, for purchase/buy-back by Kohat Cement Company Limited (the Company) upto 12,000,000 (Twelve Million) of its own issued ordinary shares, having face value of Rs. 10 each, through the Pakistan Stock Exchange Limited (PSX) at the spot/current price acceptable to the Company prevailing during the purchase period.

Statement of material facts along with draft Special Resolutions are attached to this Notice.

By order of the Board:

Iqra Khalid

Ms. Iqra Khalid
Company Secretary
Lahore: September 24, 2024

Statement of Material Facts Pursuant to the Provisions of the Companies Act, 2017

This statement sets out the material facts concerning Special Business to be transacted at the Annual General Meeting of the Company to be held on October 15, 2024.

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

The Company carried out transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority of special resolution of the members passed by them in the last Annual General Meeting held on October 16, 2023. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of Interest / Relationship	Description and terms & conditions of transaction	Pricing Policy	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution made to KCET (which runs school within the vicinity of KCCL factory)	n/a	7,932,347
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh			
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Atta Tanseer Sheikh	Brother of Mr. Ibrahim Tanseer Sheikh (Trustee of KCET)			
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Purchase of poly propylene bags for packing of cement	Open Market Price	1,621,340,191
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Sale of Company's vehicle		865,000
	Mrs. Hafsa Nadeem				
	Mr. Muhammad Atta Tanseer Sheikh				
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL	Purchase of paper bags for packing of cement	Open Market Price	468,898,299
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh				
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL			
	Mr. Muhammad Atta Tanseer Sheikh				

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

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

"Resolved that following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2024 be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	7,932,347
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement	1,621,340,191
	Sale of Company's vehicle	865,000
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement	468,898,299

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

The Company will continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm's length basis during the financial year ending June 30, 2025 and till the date of next annual general meeting.

Name of Related Party	Name of Interested Directors	Nature of Interest / Relationship	Description and terms & conditions of transaction	Pricing Policy
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Sale of cement and purchase of poly propylene bags for packing of cement, etc.	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL		
	Mr. Muhammad Atta Tanseer Sheikh			
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET	n/a
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh		
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh		
	Mr. Muhammad Atta Tanseer Sheikh	Brother of Mr. Ibrahim Tanseer Sheikh (Trustee of KCET)		
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL	Sale of cement and purchase of paper bags for packing of cement, etc.	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL		
	Mr. Muhammad Atta Tanseer Sheikh			

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

Since, the majority of directors are interested in the proposed transactions as mentioned above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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

"Resolved that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2025 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Name of Related Party	Description of transaction
Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement and Sale of cement
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement and Sale of cement

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

Item No. 5 - Approval for renewal of Investment by way of short-term running finance in Ultra Kraft (Private) Limited, an associated company.

The Members of the Company, in their last AGM held on October 16, 2023, approved and renewed the Short Term Running Finance of upto Rs. 600 Million in the associated Company, Ultra Kraft (Pvt.) Limited (UKPL), to meet its working capital requirements for a period of one year which is valid till October 28, 2024. UKPL has requested the Company to further extend the facility for another term of one year on existing terms and conditions. The members of the Company are accordingly required to consider and if deemed fit, approve the renewal request in terms of Section 199 of the Companies Act, 2017 read with the provisions of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as under:

Brief about Ultra Kraft (Private) Limited:

UKPL is a private limited company incorporated on September 03, 2020. KCCL and UKPL are associated Companies by way of common holding company, M/s ANS Capital (Private) Limited (ANS). ANS holds 56.41% and 76% equity shares of KCCL and UKPL respectively. UKPL has set up a Paper Sack manufacturing plant in M3 Industrial City Faisalabad with production capacity of 120 million bags per annum. The commercial production has started in August 2023 and as on 30th June, 2024 UKPL has utilized PKR 502 million out of total sanctioned short-term running finance facility of PKR 600 million.

Due Diligence:

The disinterested directors have certified that the proposed investment is being made after due diligence and financial health of the borrowing company is such that it has the ability to repay the loan as per agreement. Due diligence report shall be made available for inspection of members in the AGM.

Audited Financial Statements of UKPL

The audited financial statements of UKPL for the year ended 30 June 2024 shall be made available to the members for inspection at the AGM.

Interest of Investee Company, its sponsors and directors in the Company

UKPL is not a member of the Company, however, its following sponsors/directors are employees/members of the Company. They have no other interest except to the extent of their remunerations and the shareholdings in the Company, detailed as under:

Sr. No.	Name	Shareholding in UKPL		Shareholding in KCCL		Position in KCCL
		No.	%age	No.	%age	
1	ANS Capital (Private) Limited, the holding Company /member/sponsor of UKPL	3,799,997	76%	110,482,320	56.41%	Holding Company / Sponsor
2	Mr. Ali Aizaz Sheikh, Chief Executive / Director of UKPL	1	0.00%	780	0.0004%	Member and full time employee
3	Mr. Faisal Atta Sheikh, Director of UKPL	1	0.00%	205,950	0.040%	
4	Mr. Ibrahim Tanseer Sheikh, Director of UKPL	1	0.00%	10,500	0.005%	

Disclosures regarding associated company and investment

(a) Regarding associated company: -

<table>
<tr><th>Sr.</th><th>Requirements</th><th>Information</th></tr>
<tr><td>i</td><td>Name of associated company</td><td>Ultra Kraft (Private) Limited (UKPL)</td></tr>
<tr><td>ii</td><td>Basis of relationship</td><td>UKPL is an associated company of KCCL as both UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited (ANS). ANS owns and controls 76% equity shares of UKPL and 56.41% equity shares of KCCL.</td></tr>
<tr><td>iii</td><td>Earnings per share for the last three financial years (PKR)</td><td>2022; (1.83)
2023; (2.93)
2024; (28.26)</td></tr>
<tr><td>iv</td><td>Break-up value per share, based on the latest audited financial statements for financial year ended June 30, 2024</td><td>Rs. 128.71- with Sponsors Loan
Rs. (22.65)- without Sponsors Loan</td></tr>
<tr><td>v</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest audited financial statements for the year ended June 30, 2024.</td><td>Balance Sheet
<table>
<tr><th>Rupees</th><th>June 30, 2024 (audited)</th><th>June 30, 2023 (audited)</th></tr>
<tr><td>Non-current Assets</td><td>1,393,979,301</td><td>1,498,195,778</td></tr>
<tr><td>Current Assets</td><td>629,039,078</td><td>250,301,593</td></tr>
<tr><td>Equity</td><td>643,545,084</td><td>584,843,810</td></tr>
<tr><td>Non-current Liabilities</td><td>670,000,000</td><td>818,750,000</td></tr>
<tr><td>Current Liabilities</td><td>709,473,296</td><td>344,903,561</td></tr>
</table></td></tr>
</table>

Sr.	Requirements	Information
		Profit and Loss Account

Rupees	June 30, 2024 (audited)	June 30, 2023 (audited)
Sales	695,451,557	-
Cost of Goods Sold	662,289,094	-
Gross Profit	33,162,463	-
Admin & General Expenses	3,333,564	2,661,140
Selling & Distribution Expenses	10,396,580	-
Other Income	21,843,800	8,842,799
Finance costs	182,574,845	20,594,206
Net Loss	(141,298,726)	(14,630,662)

(b) General disclosures: -

Sr.	Requirements	Information
i	Maximum amount of investment to be made	PKR 600 million
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To support the associated company in meeting its working capital requirements and to earn Mark-up on short term finance which shall increase the profitability of the Company and add to the shareholders' value. Period of investment is one year commencing from October 29, 2024.
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis;	The investment will be made from the Company's own funds.
iv	Salient features of the agreement(s), if any, with associated company with regards to the proposed investment;	Agreement will be executed after approval of shareholders. Maximum amount of short-term running finance shall be PKR 600 million. Tenure shall be one year from October 29, 2024. Mark up shall be charged @ 3M KIBOR + 1.50% or at average borrowing cost of the Company, whichever is higher. Mark up shall be recovered on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or the transaction under consideration;	UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited. The directors, sponsors and majority shareholders of KCCL are also directors / members of ANS Capital (Private) Limited, holding company of UKPL as mentioned herein. None of the directors, sponsors, majority shareholders and their relatives have any interest directly or indirectly in the UKPL or the proposed arrangement, except that the following directors and their relatives have their shareholding/directorship in ANS Capital (Pvt.) Limited, which is the holding company of UKPL.

<table>
<tr><th>Sr.</th><th>Requirements</th><th>Information</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Name of interested director, his relatives and position in KCCL</th><th>Shareholding in ANS Capital</th><th>%age of total share capital of ANS Capital</th><th>Position in ANS Capital</th></tr>
<tr><td>Aizaz Sheikh, Director</td><td>18,661,041</td><td>27.28%</td><td>Director</td></tr>
<tr><td>Nadeem Atta Sheikh, Director</td><td>28,647,044</td><td>41.87%</td><td>Director</td></tr>
<tr><td>Shahnaz Aizaz, spouse of Aizaz Sheikh</td><td>799,501</td><td>1.17%</td><td>Member</td></tr>
<tr><td>Hafsa Nadeem, Director</td><td>1,895,501</td><td>2.77%</td><td>Member</td></tr>
<tr><td>Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL</td><td>2,719,501</td><td>3.98%</td><td>Director</td></tr>
<tr><td>Muhammad Rehman Sheikh, Director</td><td>2,819,501</td><td>4.12%</td><td>Director</td></tr>
<tr><td>Faisal Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem and employee in KCCL</td><td>100,000</td><td>0.15%</td><td>Director</td></tr>
<tr><td>Asad Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem and employee in KCCL</td><td>100,000</td><td>0.15%</td><td>Director</td></tr>
<tr><td>Hamza Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem</td><td>100,000</td><td>0.15%</td><td>Member</td></tr>
<tr><td>Muhammad Atta Tanseer Sheikh, Director</td><td>2,225,001</td><td>3.25%</td><td>Member</td></tr>
<tr><td>Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL</td><td>2,819,501</td><td>4.12%</td><td>Member</td></tr>
</table>
</td></tr>
</table>

Sr.	Requirements	Information			
		Aminah Aizaz Sheikh daughter of Aizaz Sheikh	2,375,501	3.47%	Member
		Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh	50,000	0.07%	Member
		Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh	50,000	0.07%	Member
		Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh	50,000	0.07%	Member
vi	In case any investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairment or write offs; and	KCCL in its EOGM held on April 14, 2022 approved to issue a Corporate Guarantee for an amount of upto PKR 400 million for a period of seven (7) years in favour of National Bank of Pakistan (NBP) along with lien/charge/mortgage on immovable property of the Company, to secure long-term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. In line with this approved facility, KCCL issued a Corporate Guarantee amounting to PKR 390 million in favour of NBP on behalf of UKPL and also mortgaged its commercial properties bearing Plot no. 36 & 37, Block P, Gulberg-II, Lahore. Out of approved Short Term Running Finance Facility of PKR 600 million, UKPL has utilized PKR 502 million as on June 30, 2024 for its working capital needs including the purchase of raw material i.e. Kraft paper, the most essential ingredient to run the business. UKPL is regularly serving the commission and mark up on the approved facilities to KCCL in accordance with the agreed terms. Moreover, UKPL is also current on all its debt obligations with its lenders including NBP. KCCL has not accounted for any impairment / write off in respect of the facilities extended by it to UKPL.			
vii	Any other important details necessary for the members to understand the transaction;	N/A			

(c) Additional disclosure in case of investments in the form of loans, advances and guarantees: -

Sr.	Requirements	Information
i	Category-wise amount of investment;	Short-term running finance of upto PKR 600 million.
ii	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost of KCCL on similar financing facilities available to the Company from different commercial banks during July 2023 to June 2024 is three months KIBOR + 0.75% ~ 1.25%
iii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	KCCL shall charge mark-up at the rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

Sr.	Requirements	Information
iv	Particulars of collateral or security to be obtained in relation to the proposed investment	Cross Corporate Guarantee of UKPL
v	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	There are no conversion features in the subject facility.
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company.	The short term running finance facility shall be available to UKPL for a period of one year. Mark up shall be paid by UKPL on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

Draft special resolutions:

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

"Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its working capital requirements for a term of one year from October 29, 2024 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

Further Resolved that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions."

Item No. 6 – Approval for Buy-Back of Shares of Kohat Cement Company Limited

The Board of Directors (the Board) of Kohat Cement Company Limited (the Company) in its meeting held on September 05, 2024, has approved and recommended to the members of the Company for the purchase/buy-back of upto 12,000,000 (Twelve Million) of its own issued ordinary shares, having face value of Rs. 10 each, out of the distributable profits/reserves of the Company in accordance with the provisions of Section 88 and all other applicable provisions of the Companies Act, 2017 (the Act) read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the Regulations) through the Pakistan Stock Exchange Limited (PSX) at the spot/current price acceptable to the Company prevailing during the purchase period (the Buy-Back). Following are the salient features as recommended by the Board for shareholders'/ members' approval in connection with the Buy-Back:

Description	BOD Recommendation
Purpose of the purchase	Cancellation of Shares
Mode of the purchase	Through the Pakistan Stock Exchange Limited
Indicative (maximum) number of shares proposed to be purchased (buy-back)	Up to an aggregate of 12,000,000 (Twelve Million) issued ordinary shares of the Company having paid-up/face value of PKR 10/- (Pak Rupees Ten Only) each
Indicative (maximum) percentage of shares proposed to be purchased (buy-back)	Approx. 6.13% of the total outstanding shares of the Company
Purchase price	The shares shall be purchased from time to time at spot/current price acceptable to the Company prevailing during the purchase period in accordance with Regulation 8(2) of the Listed Companies (Buy-back of Shares) Regulations, 2019

Description	BOD Recommendation
Period within which the purchase shall be made i.e. the purchase period	October 23, 2024 to April 12, 2025 (both days inclusive) or till such date that the purchase is complete, whichever is earlier
Source of funds	The purchase of shares shall be made in cash and shall be out of the distributable profits/reserves as required under Section 88(8) of the Companies Act, 2017
Justification for the purchase/buy-back and effect on the financial position of the Company	The purchase/buy-back of the Company's issued ordinary shares will improve the earnings per share of the Company. Further, it will provide an opportunity of exit to those members who wish to liquidate their investments

The Board while approving the Buy-Back has undertaken that:

a) the funds required for the proposed Buy-Back are available with the Company; and

b) after the buy-back of shares, the Company is capable of meeting its obligations on time during the period up to the end of the immediately succeeding twelve months.

In terms of the Regulations, it is also confirmed that the Company is not on the defaulter counter of the PSX and is not in default on any of its debt obligations. The directors have no personal interest in the proposed special business, except to the extent of their respective shareholding in the Company. However, in terms of the Regulations the sponsors, directors, officers, associated companies and undertakings of the Company shall not directly or indirectly trade in the shares of the Company from the date of Board of Directors meeting i.e. September 05, 2024 till the completion of the Buy-Back.

Draft special resolutions:

The following resolutions are proposed to be passed as Special Resolutions with or without any modification(s), addition(s) or deletion(s):

"Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 88 and all other applicable provisions of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, for purchase/buy-back upto 12,000,000 (Twelve Million) of its own issued ordinary shares, having face value of Rs. 10 each, in cash, out of the distributable profits/reserves of the Company through the Pakistan Stock Exchange Limited (PSX) at the spot/current price acceptable to the Company prevailing during the purchase period.

Further Resolved that ordinary shares purchased pursuant to these special resolution(s) shall be cancelled in accordance with the Regulations.

Further Resolved that the purchase / buy-back by the Company of its issued ordinary shares shall be made in cash through PSX by utilizing the distributable profits / reserves of the Company and the purchase period shall be from October 23, 2024 to April 12, 2025 (both days inclusive), or till such date the Buy-Back is complete, whichever is earlier.

Further Resolved that Mr. Nadeem Atta Sheikh, Chief Executive of the Company and / or Ms. Iqra Khalid, Company Secretary (each an "Authorized Person") be and are hereby authorized singly to prepare, finalize, execute, issue and file all necessary documents, notices, applications and any ancillary documents, take and do, and / or cause to be taken or done, any / all necessary actions, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as deemed fit for giving effect to the aforementioned resolutions or for the Buy-Back, as well as do all acts, matters, deeds and things which are necessary, incidental and/ or consequential to the principal or any ancillary matters thereto to fully achieve the objectives of aforesaid resolutions.

Further Resolved that the Authorized Person be and is hereby further authorized and empowered singly to take or cause to be taken all actions including, but not limited to, obtaining any requisite regulatory or third party approvals, wherever required, preparing all documents, engaging legal counsel, financial advisors and consultants for the purpose of the Buy-Back, opening accounts/sub-accounts with the Central Depository Company of Pakistan/ Securities Broker, filing of all the requisite statutory forms, returns and all documents as may be required to be filed with the regulator(s) or any other institution(s), executing all such documents or instrument, including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of the implementing, procuring and completing the Buy-Back and all other matters incidental or ancillary thereto.

Further Resolved that the aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions that may be suggested, directed and advised by the regulator(s), which shall, if determined to be prudent or necessary by the Authorized Person, be deemed to be part of these resolutions, without the need of the members to pass fresh special resolutions."

Procedure for the Purchase:

As required under Section 88 of the Act read with the Regulations, the following procedure shall be followed for the Buy-Back:

1. The Company shall make a public announcement for the purchase/ buy-back through the PSX within 2 (two) working days of passing of the special resolution, which shall also be published in 2 (two) daily newspapers.

2. Except for those persons mentioned in Regulation 12(2), it is clarified that all those persons who validly hold shares of the Company during the purchase period and are eligible to participate in the purchase/ buy-back may participate in the purchase even if their names do not appear on members' register of the Company as on the book closure dates.

3. Members of the Company who are eligible and willing to sell their shares or part thereof held by them in the Company may sell such shares or part thereof through the PSX by placing a sale order through their securities broker, which may then by purchased by the Company, if deemed fit by the Company.

4. The Purchase shall be made through the automated trading system of the PSX. All purchases shall be made at the spot/ current share price at the time of purchase.

5. The shares will be purchased by the Company through the PSX within the purchase period starting from October 23, 2024 to April 12, 2025 (both days inclusive) or till such date that the purchase is complete, whichever is earlier.

6. Necessary information and instruction regarding the procedure to sell the shares shall also be communicated to the members through public announcement, which shall also be made available on Company's website.

Notes:

1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Wednesday, October 09, 2024 to Tuesday, October 15, 2024 (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, up to the close of business on Tuesday, October 08, 2024 will be treated in time for the purpose of attending the Annual General Meeting (the AGM).

2. Right to appoint Proxy

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

3. Attendance through Video-Conference

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

4 Attendance through Electronic Medium

The Company shall provide video link facility for attending this meeting. The members are encouraged to attend the AGM online through ZOOM, by following the below guidelines:

a. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 0324-4184734 or email ID; mis@kohatcement.com by October 12, 2024.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email address

b. The members who shall be registered after the necessary verification shall be provided a zoom link in email to attend the meeting. The Login facility will remain open from start of the meeting till its proceedings are concluded.

c. Members may send their comments / suggestions on the agenda item to Company Secretary on her email ID; mis@kohatcement.com or WhatsApp no. 0324-4184734.

5. Voting through Postal Ballot (electronic voting and by ballot paper)

The members of Kohat Cement Company Limited shall be provided right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

Procedure for E-Voting

i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company, not later than the close of business on October 08, 2024.

ii. The security codes will be communicated to members through SMS from the web portal of Corplink (Private) Limited (being the e-voting service provider).

iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

iv. E-voting lines will start from October 12, 2024, 09:00 a.m. and shall close on October 14, 2024 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through ballot paper

i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website www.kohatcement.com to download.

ii. The members must ensure that the duly filled and signed ballot paper, along with computerized national identity card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Kohat Cement Factory, Rawalpindi Road, Kohat or email at mis@kohatcement.com, by 5:00 pm, October 14, 2024. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

6. Transmission of Annual Report

i. In terms of the approval of the members of the Company in their Extra Ordinary General Meeting held on June 22, 2023 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Annual Report for the financial year ended on June 30, 2024 of the Company containing inter alia the audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as given hereunder:

Weblink	QR Code
http://www.kohatcement.com/financial_reports.aspx	

ii. Annual Report has also been e-mailed to those shareholders who have provided their valid e-mail IDs to the Company.

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

7. Attendance at AGM

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

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

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

For attending the meeting

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

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

For appointing proxies

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

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

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

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

8. Deposit of Physical Shares in to CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-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 Stock Exchange. Further, Section 72 of the Companies Act, 2017 (the Act), states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. 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 years from the promulgation of the Act.

9. Intimation of Change in Address

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

CHAIRMAN'S REVIEW

I am pleased to present the Chairman's Review on the overall performance and effectiveness of the role played by the Board in achieving the objectives of Kohat Cement Company Limited (the Company) during the financial year ended June 30, 2024.

The Company has a highly diverse and competent Board that adheres to the Company's vision, mission and core values with the ultimate goal of serving the interests of all stakeholders.

The Company complies with all requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, with respect to the composition, procedures and meetings of the Board of Directors and its committees.

The Board closely monitored business performance, focusing on continued improvement in productivity and efficiency while optimizing costs and processes to ensure sustainable growth. The overall guidance and timely advice from the Board contributed immensely in steering the Company in the right direction.

Business Overview – The financial year 2023-24 was very challenging on the economic front due to various micro and macro-economic factors causing economic slowdown for the country as a whole and cement industry in particular.

These factors include high inflation, and interest rate, geopolitical tensions, climate change etc. Despite these challenges, by the grace of Allah, the Company displayed resilient financial performance in a challenging business environment, attaining a profit after tax of Rs. 8,893 million.

BMR (pyro-process optimization) of the existing 6,700 TPD Grey Cement production line located at Kohat, KPK, has been successfully completed which increased the production capacity by 5.43% to 7,064 TPD and has also reduced the fuel consumption.

The Company's 10MW solar power plant is now fully operational and another 10MW solar power plant is under installation at the Kohat site.

The Board has also approved setting up of a 30MW (approx.) Coal Fired Power Plant at the Company's plant site in Kohat. These power generation projects shall significantly decrease reliance on the costly electricity from National Grid.

Board's Performance Evaluation – As required under the Code of Corporate Governance, a mechanism consisting of a comprehensive questionnaire was circulated to all directors for evaluating the performance of the Board, its members and its committees.

The Board's annual self-evaluation reflected satisfactory results, meeting the criteria set for the current financial year. This self-assessment helps gauge our performance against set objectives, allowing us to address areas needing improvement.

Composition of the Board – The composition of the Board reflects a reasonable balance of executive and non-executive directors including independent directors. The Board members possess rich professional experience in various domains, with strong financial and analytical abilities and independent perspectives. Their collective expertise has been instrumental in guiding our strategic direction, fulfilling fiduciary responsibilities and ensuring compliance with legal and regulatory requirements.

Due Diligence –The Board diligently reviews the Company's significant disclosures, policies, corporate objective plans and budgets and analyzes trends and outlooks. The Board met frequently to adequately discharge its responsibilities, while committee meetings were held as and when required.

Risk Management Strategies – The Board has developed and implemented a Risk Management Policy and prepared a risk register addressing major risk categories, including Strategic, Operational, Regulatory & Compliance risks and Sustainability risks.

The Board regularly reviews these policies and systems to integrate necessary changes arising from market conditions and external environments, including changes in the legal framework of the country applicable to the Company's activities.

On behalf of the Board, I acknowledge the contributions of the management, employees and all valued shareholders, for their confidence, continued support and commitment to the Company.

Aizaz Mansoor Sheikh

Chairman

Lahore: September 05, 2024

چیئرمین جائزہ رپورٹ

آپ کی کمپنی کے چیئرمین نے 30 جون، 2024ء کو ختم ہونے والے مالی سال کے دوران کمپنی کے بورڈ آف ڈائیریکٹرز کی کارکردگی کا مجموعی جائزہ لیا اور اسے مالی سال کے آغاز میں مقرر کردہ مجموعی اہداف کے حصول کے لئے موئثر پایا ہے۔

کمپنی کا بورڈ بہت متفرق اور قابل ہے جو کہ کمپنی کے ویژن، مشن اور بنیادی اقدار کی پاسداری کے ساتھ تمام شراکت داروں کے مفادات کے تحفظ کی ذمہ داری ادا کر رہا ہے۔

کمپنی نے بورڈ اور اسکی کمیٹیوں کی تشکیل اور اجلاس کے انعقاد میں کمپنیز ایکٹ 2017ء لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز، 2019ء اور ان کے تحت جاری کردہ دیگر تمام مروجہ قوانین کی پاسداری کو ملحوظ رکھا گیا ہے۔

بورڈ نے مستقل ترقی کو یقینی بنانے کے لئے لاگت میں کمی اور کاروباری طریقہ کار میں مسلسل بہتری پر توجہ مرکوز کرتے ہوئے کاروباری کارکردگی پر گہری نظر رکھی ہے۔ بورڈ کی مجموعی رہنمائی اور بروقت مشورے نے کمپنی کو صحیح سمت میں لے جانے میں اہم کردار ادا کیا ہے۔

کاروباری جائزہ:

مالی سال 24-2023ء معاشی لحاظ سے بہت مشکل رہا، کیونکہ مختلف مائیکرو اور میکرو اقتصادی عوامل نے ملک کی مجموعی معیشت اور خصوصاً سیمنٹ انڈسٹری کی اقتصادی رفتار کو بھی سست کر دیا ہے۔

ان عوامل میں مہنگائی اور بلند شرح سود، جغرافیائی، سیاسی تناؤ، ماحولیاتی تبدیلیاں وغیرہ شامل ہیں۔ ان مشکلات اور دشوار کاروباری ماحول کے باوجود اللہ کے فضل سے کمپنی نے زیر جائزہ مالی سال کے دوران مضبوط معاشی کارکردگی کا مظاہرہ کرتے ہوئے 8,893 ملین بعد از ٹیکس منافع حاصل کیا ہے۔

کوہاٹ خیبر پختونخواہ میں واقع موجودہ 6700 ٹن یومیہ پیداواری صلاحیت کی گرے سیمنٹ پروڈکشن لائن کی BMR (Pyro-process Optimization) کامیابی سے مکمل کی جا چکی ہے، جس سے اس کی پیداواری صلاحیت 5.43% اضافے کے ساتھ 7,064 ٹن یومیہ ہوگئی ہے جس سے ایندھن کی کھپت میں بھی کمی واقع ہوئی ہے۔

کمپنی کا 10 میگاواٹ کا سولر پاور پلانٹ اب مکمل طور پر فعال ہو چکا ہے جبکہ مزید 10 میگاواٹ کے سولر پاور پلانٹ کی کوہاٹ فیکٹری میں تنصیب جاری ہے۔

بورڈ نے کمپنی کی پلانٹ سائٹ پر کوئلے سے چلنے والے تقریباً 30 میگاواٹ کے پاور پلانٹ کے قیام کی منظوری دی ہے۔ بجلی کے متبادل ذرائع کے یہ منصوبے نمایاں طور پر نیشنل گرڈ کی مہنگی بجلی پر انحصار کو کم کر دیں گے۔

بورڈ کی کارکردگی کا جائزہ:

کارپوریٹ گورنینس کے ضابطہ کے تحت، بورڈ، اس کے اراکین اور کمیٹیوں کی کارکردگی کا جائزہ لینے کے لئے ایک جامع سوالنامہ تمام ڈائریکٹرز کو تقسیم کیا گیا۔

بورڈ کی سالانہ خود جائزہ رپورٹ کے اطمینان بخش نتائج رہے، جو کہ زیرِ جائزہ مالی سال کے لئے مقرر کردہ معیار کے مطابق ہیں۔ یہ جائزہ طے شدہ مقاصد اور وہ شعبے جہاں بہتری درکار ہے ان کے لئے بورڈ کی کارکردگی کو جانچنے میں مددگار رہے۔

بورڈ کی تشکیل:

بورڈ کی تشکیل میں ایگزیکٹوز، نان ایگزیکٹوز بشمول انڈیپنڈنٹ ڈائریکٹرز کا معقول توازن نظر آتا ہے۔ بورڈ کے اراکین مختلف شعبوں میں وسیع پیشہ ورانہ تجربہ، مضبوط مالی اور تجزیاتی صلاحیتوں کے ساتھ آزادانہ نقطہ نظر رکھتے ہیں۔ یہ مجموعی مہارت کمپنی کی کاروباری حکمت عملی کی درست سمت میں رہنمائی، کاروباری نگہبانی اور قوانین وضوابط کی تکمیل کو یقینی بنانے کے لئے مددگار ثابت ہوئی ہے۔

مناسب جانچ پڑتال:

بورڈ کمپنی کی رپورٹس، پالیسیز اور کاروباری مقاصد کا بغور جائزہ لیتا ہے اور ان سے متعلقہ رجحانات اور امکانات کا تجزیہ کرتا ہے۔ بورڈ نے اپنی ذمہ داریوں کی بہترین ادائیگی کے لئے تسلسل کے ساتھ اجلاس منعقد کئے، جبکہ بورڈ کمیٹیز کے اجلاس بھی حسب ضرورت منعقد کئے گئے۔

رسک مینجمنٹ کی حکمت عملی:

بورڈ نے رسک مینجمنٹ پالیسی تیار کر کے نافذ کی ہے اور سٹریٹیجک، آپریشنل، ریگولیٹری، قانونی تعمیل اور کاروباری استحکام سے متعلقہ نمایاں خطرات کو مدنظر رکھتے ہوئے ایک رسک رجسٹر تیار کیا ہے۔ بورڈ ان پالیسیوں اور نظام کا باقاعدگی سے جائزہ لیتا ہے تاکہ کسی بھی ایسی تبدیلی کو شامل کیا جا سکے جس کی مارکیٹ کے حالات یا دیگر بیرونی عوامل کے تحت ضرورت ہو بشمول رائج الوقت قوانین میں تبدیلی اگر یہ تبدیلی کمپنی پر اثر انداز ہو رہی ہو۔

بورڈ باقاعدگی سے ان پالیسیوں اور نظام کا جائزہ لیتا رہتا ہے تاکہ کاروباری اور بیرونی حالات کے ساتھ ساتھ ملکی قانونی ڈھانچے میں تبدیلی کو مدنظر رکھتے ہوئے مناسب تبدیلی کی جا سکے۔

بورڈ کی جانب سے میں انتظامیہ، ملازمیں اور دیگر قابلِ قدر شیئر ہولڈرز کے اعتماد، کمپنی سے مسلسل تعاون اور وابستگی کے لئے ان کے تعاون کو سراہتا ہوں۔

اعزاز منصور شیخ

چیئرمین

لاہور: 05 ستمبر، 2024ء

DIECTORS' REPORT

to the shareholders

The Directors of your Company gladly present the Annual Report containing the audited financial statements and Auditors' Report thereon for the financial year ended June 30, 2024.

Industry Review

The economic slowdown has negatively affected the cement offtake in domestic market where the cement dispatches have decreased by 4.58% to 38.185 million tons over the last year.

Increase in cement exports volume to 7.11 million tons this year compared to 4.57 million tons last year was mainly on account of low base effect.

	FY 2024	FY 2023	Change (%)
	Metric Tons		
Local Dispatches	38,185,051	40,017,574	-4.58%
Export Dispatches	7,110,433	4,566,065	55.72%
Total Dispatches	45,295,484	44,583,639	1.60%

Operational Performance

The Company continued its principal business activity i.e. manufacturing and sale of cement. Operational performance of your Company is summarized as under:

	FY 2024	FY 2023	Change (%)
	Metric Tons		
Clinker Production	2,195,590	2,796,089	-21.48%
Cement Production	2,559,397	3,037,220	-15.73%
Domestic Sales	2,543,930	2,968,882	-14.31%
Export Sales	41,856	31,663	32.19%
Total Sales	2,585,786	3,000,545	-13.82%

Financial Performance

Financial Performance of your Company for the year under review is as under:

Rupees in Million

	FY 2024	FY 2023 (Restated)	Change (%)
Net Sales	38,648	38,922	-0.70%
Gross Profit	11,256	10,433	7.79%
Gross Profit Ratio	29.12%	26.80%	
Other Income	4,454	2,086	113.52%
Profit before tax	13,776	10,469	31.59%
EBITDA	15,635	12,326	26.85%
Net Profit after tax	8,893	5,821	52.77%
Net Profit after tax Ratio	23.01%	14.96%	
Earnings per share (Rs.)	45.27	28.98	

Your Company performed well despite the contracting cement demand amid high inflation, economic slowdown and high interest rates.

The surplus cash was effectively placed in mutual funds / banks which yielded good returns because of high interest rates, resulting into substantial increase in other income.

The Company is current on its all debt obligations.

PACRA has reviewed and upgraded the long-term entity credit rating of the Company to **A+** whereas short term rating has been maintained at **A1** with stable outlook. These ratings denote a low expectation of credit risk and indicate a strong capacity for timely repayment of financial commitments.

Appropriations

The Board of Directors has recommended buy-back of 12 million ordinary shares which shall enhance the shareholders' value as well as the earnings per share of the Company. Moreover, the Company's ongoing projects i.e. Green Field cement production line in Khushab, Punjab, setting up of Solar Power and Coal Fired Power plants need huge investments to be made both in local and foreign currency: therefore, the Board of Directors has not proposed any dividend for the year ended June 30, 2024.

Future Prospects

High inflation coupled with huge increase in taxes and duties may adversely affect the cement demand. However, the Company is optimistically considering avenues to mitigate the prevailing challenges and to maximize business.

Greenfield Cement Production Plant in Khushab, Punjab

The Company is in the process of installing a new cement manufacturing plant at Khushab, Punjab. The infrastructure development is under progress whereas import of plant and machinery shall be finalized once the economic outlook is improved.

Installation of Solar Power Plant

After the successful installation and commissioning of the 10MW solar power plant; the Company is setting up a further 10MW Solar Power Plant at its plant site in Kohat for which solar panels along with other major equipment have been procured. Whereas, the Contractor has been engaged for installation of 6MW system which shall be completed by December 2024.

This Solar Power Project will further reduce the dependence on National Grid, which shall not only play a significant role in cost saving but is also a huge step towards a greener and sustainable Pakistan.

BMR of 6,700 TPD Grey Cement production Line-3

BMR (pyro-process optimization) of the existing 6,700 tpd Grey Cement production line has been successfully completed after which the production capacity has increased by 5.43% to 7,064 tpd and also reduced the coal consumption.

Coal Fired Power Plant at Company's Plant Site, Kohat

The Board has approved setting up of 30MW (approx.) Coal Fired Power Plant at Company's plant site, Kohat. This will reduce the power consumption cost of the Company and shall also reduce reliance on National Grid.

Risk Management framework

Pursuant to the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019, the Company has developed and implemented a Risk Management Policy and prepared a risk register. The management identifies potential risks along with their impact on the Company and regularly places before the Board and the Board formulates strategies to mitigate foreseeable risks to the business. These strategies are enforced throughout the hierarchy of the Company under the supervision of the Audit Committee to meet with changes in market conditions and other external environment including changes in legal framework of the country applicable to the Company's activities.

Below are the Categories of Key Business Risks identified by the Company:

1. Strategic Risk
2. Operational Risk
3. Regulatory and Compliance Risk
4. Sustainability Risks

Key business risks of the Company have been elaborated as under:

1. Strategic Risk

Strategic risks refer to potential adverse effects on a Company's ability to achieve its long-term goals and objectives. These risks can arise from various sources, including changes in market dynamics, competitive pressures, regulatory changes and internal strategic decisions. Managing strategic risks involves identifying potential threats, assessing their impact and developing strategies to mitigate or adapt to these risks to ensure the Company's sustained success and growth.

Strategic Risks include rapidly increasing cost of energy i.e. coal, fuel and electricity, negatively affecting the Company's profits and its competitive position compelling the Company to consider alternatives to reduce costs. The Company is currently investing in power generation projects to reduce dependence on National Grid which shall bring down the electricity costs and is further investing on advanced technologies to reduce the coal consumption and related costs.

2. **Operational Risk**

Operational risks refer to risks resulting from breakdowns in internal procedures, people and system. Business continuity and disaster recovery plans are in place to ensure continuity in production and sales operations in case of major failures to ensure continuity, sustainability, and avoidance of any disruption to the business. Raw material sourcing, adequate segregation of duties, self-sufficiency in power generation and efficient supply chain and logistic operations, both in-house and outsourced have enabled us to mitigate operational risk to an acceptable level.

2a) Financial Risks – Your Company's exposure to credit risk, liquidity risk and market risk (interest rate risk, foreign exchange risk and price risk) is subject to market dynamics. Please refer note no. 39 of the audited financial statements highlighting the Company's exposure to these risks and control procedures to mitigate them.

2b) Increase in coal prices – Increased coal prices directly impacted cost of production. The Company continuously monitors the prices of coal in international and local markets and switches to the cheaper source of coal to keep fuel cost at minimum.

2c) Electricity costs – Cement manufacturing process is energy intensive. Electricity prices are rising continuously driven by the global demand supply scenario and depreciation of PKR. The Company continues to explore alternative sources to reduce its dependence on National Grid. The Company has installed a 10MW solar power plant and is currently in process of setting up a further 10MW Solar Power Plant along with a 30MW Coal Fired Power Plant, to reduce the cost of electricity.

3. **Regulatory and Compliance Risk**

With the constantly evolving regulatory framework in the country, the risk of non-compliance remains significant and poses reputational threats. To address this, the Company has implemented measures to automate compliance procedures and establish periodic review mechanisms to ensure adherence to all statutory requirements. These measures include outsourcing of legal and regulatory opinions to experts and appointing them to represent the Company as required.

4. **Sustainability risks**

Sustainability risks are potential challenges that could impact the Company's long-term viability and profitability. These risks arise from environmental, social and economic factors. Climate changes, resource depletion, reputation, regulatory compliance, supply chain management, waste management, occupational health and safety concerns, market volatility, energy cost, change in taxation policies are the major sustainability risks faces by the Company.

Adequacy of Internal Financial Controls

Effective internal financial controls systems are in place under the supervision of a qualified and experienced team who are well versed with the policies and procedures of the Company. The management regularly reports to the Board as to the adequacy of internal financial controls of the Company.

The Company and the Environment

Environmental protection is an integral part of the Company's business strategy, defined by the management in consultation with the environmental professionals. A detailed Environmental, Social and Governance report is included in our Annual Report.

Employee Safety

The employees of the Company are vaccinated against Covid-19 as per law and practices and various blood examinations were conducted by a well reputed laboratory at the Company's expense to ensure employees health and safety.

Composition of the Board of Directors

The Board of Directors of the Company comprises eight directors, composition of which is as under:

Male	6
Female	2
Total Number of Directors	**8**

Independent Non-Executive Directors

Mr. Ahmad Sajjad Khan

Mr. Talha Saeed Ahmed

Other Non-Executive Directors - Female

Mrs. Hafsa Nadeem

Mrs. Hijab Tariq

Other Non-Executive Directors - Male

Mr. Aizaz Mansoor Sheikh (Chairman)

Mr. Muhammad Atta Tanseer Sheikh

Mr. Muhammad Rehman Sheikh

Executive Director

Mr. Nadeem Atta Sheikh (Chief Executive)

Composition of the Committees of the Board

Following are the committees of the Board:

a) **Audit Committee**

Mr. Talha Saeed Ahmed - Chairman

Mr. Aizaz Mansoor Sheikh - Member

Mr. Muhammad Atta Tanseer Sheikh - Member

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

Mr. Ahmad Sajjad Khan - Chairman

Mr. Nadeem Atta Sheikh - Member

Mr. Muhammad Atta Tanseer Sheikh - Member

Board and its Committee Meetings

Board of Directors

The Board of Directors met Four (4) times during the financial year ended June 30, 2024; details of attendance by directors are as under:

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

Board Audit Committee

The Board Audit Committee met Four (4) times during the financial year ended June 30, 2024; details of attendance by members are as under:

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

Human Resource & Remuneration (HR&R) Committee

The Board HR&R Committee held One (1) meeting during the financial year ended June 30, 2024, details of attendance by members are as under:

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

Directors’ Training Program

All directors of the Company fully comply with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to Directors’ Training Certification.

Trading in the Company’s shares

Trading in the Company’s shares by the Directors and the Executive during the current financial year is given as under:

			Shares Purchased	Shares Sold
i)	Mr. Nadeem Atta Sheikh	Director	-	94,757
ii)	Mrs. Hafsa Nadeem	Director	-	63,000
iii)	Mr. Asad Atta Sheikh	Executive	-	106,526

In addition to above; Mr. Nadeem Atta Sheikh has gifted 275,000 shares to his sons.

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

Directors’ remuneration and its policy

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

Remuneration package of Directors including the Chief Executive

Below is the remuneration package of the Directors including the Chairman and the Chief Executive:

	Chief Executive	Chairman - Non-Executive Director	Independent Directors	Other Non-Executive Directors
No. of persons	1	1	2	4
Managerial Remuneration	68,073,508	--	--	--
Bonus	18,791,000	--	--	--
Other Benefits	45,423,413	29,310,810	--	--
Medical Expenses reimbursed	237,325	4,623,287	--	--
Contribution to PF	3,403,670	--	--	--
Chairman’s Remuneration	--	68,073,508	--	--
Meeting fee	--	--	975,000	630,000
Reimbursement of travelling expenses	--	--	140,000	--

Chief Executive and certain directors are also entitled for the Company maintained cars and other benefits as per policy.

Corporate Social Responsibility

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to local communities for their economic and social development.

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

Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls its 110,482,320 ordinary shares constituting 56.41% (2023:56.41%) of its total paid up share capital.

Financial highlights

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

Outstanding statutory dues

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

Statement on value of staff retirement funds

The value of investments of provident fund based on its unaudited accounts as at June 30, 2024 is Rs. 438.511 million (2023: Rs. 322.903 million).

Pattern of shareholding

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

External auditors

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

Subsequent Events

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

Acknowledgments

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

For and on behalf of the Board

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: September 05, 2024

ڈائریکٹرز بشمول چیف ایگزیکٹو کے معاوضہ کی تفصیل:

ڈائریکٹرز کے معاوضے کی تفصیلات درج ذیل ہیں۔

	چیف ایگزیکٹو	چیئرمین دیگر نان ایگزیکٹو ڈائریکٹرز	انڈیپینڈنٹ ڈائریکٹرز	دیگر نان ایگزیکٹو ڈائریکٹرز
کل تعداد	1	1	2	4
مینجیریل معاوضہ	68,073,508	-	-	-
بونس	18,791,000	-	-	-
دیگر فوائد	45,423,413	29,310,810	-	-
طبی اخراجات کی ادائیگی	237,325	4,623,287	-	-
پروویڈنٹ فنڈ میں شراکت	3,403,670	-	-	-
چیئرمین کا معاوضہ	-	68,073,508	-	-
اجلاس میں شرکت کی فیس	-	-	975,000	630,000
سفری اخراجات کی ادائیگی	-	-	140,000	-

چیف ایگزیکٹو اور کچھ ڈائریکٹرز کو کمپنی کی پالیسی کے مطابق استعمال کے لئے کمپنی کی ملکیتی گاڑیاں اور دیگر سہولیات دی گئی ہیں۔

کاروباری سماجی ذمہ داری:

کمپنی معاشرے سے متعلق اپنی معاشی اور سماجی ذمہ داریوں سے مکمل واقف ہے اور مقامی لوگوں کی معاشی و سماجی فلاح کے لئے مالی امداد فراہم کر کے اپنا فرض ادا کرتی ہے۔

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

ہولڈنگ کمپنی:

اے این ایس (ANS) کیپٹل پرائیویٹ لمیٹڈ جس کا رجسٹرڈ آفس لاہور میں قائم ہے پاکستانی قوانین کے تحت قائم کی گئی کمپنی ہے، یہ ادارہ کوہاٹ سیمنٹ کمپنی کی ہولڈنگ کمپنی ہے اور کمپنی کے 110,482,320 عام حصص کی مالک ہے جو کہ کمپنی کے کل عام حصص کا (2023:56.41%) 56.41% ہے۔

اہم مالیاتی جھلکیاں:

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

واجب الادا قانونی محاصل:

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

سٹاف ریٹائرمنٹ فنڈز کی مالیت:

30 جون، 2024ء تک پراویڈنٹ فنڈز کے غیر آڈٹ شدہ کھاتہ جات کے مطابق پراویڈنٹ فنڈز کی سرمایہ کاری کی مالیت 438.511 ملین روپے ہے جو کہ گزشتہ مالی سال 30 جون، 2023ء میں 322.903 ملین روپے تھی۔

شیئر ہولڈنگ کی تفصیل:

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

آڈیٹرز کی تقرری:

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

مالی سال کے بعد کے معاملات:

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

اظہارِ تشکّر:

ہم کمپنی کے تمام شراکت داروں بشمول کمپنی کے ملازمین کی مخلصانہ کاوشوں اور خدمات کو سراہتے ہیں جن کی بھرپور حمایت، کوششیں، محنت اور اعتماد کمپنی کو ہر وقت حاصل رہا۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

ندیم عطاء شیخ
چیف ایگزیکٹو

طلحہ سعید احمد
ڈائریکٹر

لاہور: 05 ستمبر، 2024ء

انڈیپنڈنٹ نان۔ایگزیکٹو ڈائریکٹر:

جناب احمد سجاد خان
جناب طلحہ سعید احمد

دیگر نان۔ایگزیکٹو ڈائریکٹرز (خواتین):

محترمہ حفصہ ندیم
محترمہ حجاب طارق

دیگر نان۔ایگزیکٹو ڈائریکٹرز (مرد):

جناب اعزاز منصور شیخ
جناب محمد عطاء تنصیر شیخ
جناب محمد رحمان شیخ

ایگزیکٹو ڈائریکٹر:

جناب ندیم عطاء شیخ (چیف ایگزیکٹو)

بورڈ کمیٹیز کی تفصیل:

بورڈ کی کمیٹیز کی تفصیل درج ذیل ہے۔

ا۔ آڈٹ کمیٹی

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

۲۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی

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

بورڈ اور اسکی کمیٹیوں کے اجلاس:

بورڈ آف ڈائریکٹرز کے اجلاس:

30 جون، 2024ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 4 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

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

بورڈ آڈٹ کمیٹی کے اجلاس:

30 جون، 2024ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آڈٹ کمیٹی کے 4 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت
جناب طلحہ سعید احمد (چیئرمین)	4/4
جناب اعزاز منصور شیخ	4/4
جناب محمد عطاء تنصیر شیخ	4/4

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس:

30 جون، 2024ء کو اختتام ہونے والے مالی سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا ایک اجلاس ہوا، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

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

تربیتی پروگرام برائے ڈائریکٹرز:

کمپنی کے تمام ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء کے تحت ''ڈائریکٹرز تربیتی پروگرام'' سے متعلقہ اسناد حاصل کر چکے ہیں۔

کمپنی کے حصص کی خرید وفروخت:

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے زیر جائزہ مالی سال کے دوران کی جانے والی کمپنی کے حصص کی خرید وفروخت درج ذیل ہے۔

			خرید	فروخت
ا۔	جناب ندیم عطاء شیخ	ڈائریکٹر	-	94,757
۲۔	محترمہ حفصہ ندیم	ڈائریکٹر	-	63,000
۳۔	جناب اسد عطاء شیخ	ایگزیکٹو	-	106,526

اوپر دی گئی تفصیل کے علاوہ جناب ندیم عطاء شیخ نے اپنے بیٹوں کو 275,000 شیئرز تحفے میں دیئے ہیں۔

بورڈ آف ڈائریکٹرز کی وضع کی گئی ''ایگزیکٹو'' کی تعریف میں چیف فائنیشل آفیسر، جنرل مینیجر ورکس، سربراہ سیلز اینڈ مارکیٹنگ اور کمپنی کے تمام ورکنگ ڈائریکٹرز شامل ہیں۔

ڈائریکٹرز کے معاوضہ کے تعین کا نظام:

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

سے نمٹنے کے لئے حکمت عملی تیار کرتا ہے۔ یہ حکمت عملیاں، آڈٹ کمیٹی کے زیرنگرانی کمپنی کے پورے تنظیمی ڈھانچے میں لاگو کی جاتی ہیں تا کہ کاروباری حالات و دیگر بیرونی عوامل بشمول کمپنی سے متعلقہ ملکی قانونی ڈھانچے میں تبدیلی سے مطابقت اختیار کی جاسکے۔

کمپنی کو ممکنہ لاحق کلیدی خطرات کی اقسام:

۱۔ اسٹریٹجک رسک (حکمت عملی سے متعلق خطرات)

۲۔ آپریشنل رسک (کاروباری افعال سے متعلق خطرات)

۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات

۴۔ استحکام سے متعلق خطرات

کمپنی کے اہم کاروباری خطرات کو ذیل میں بیان کیا گیا ہے:

۱۔ اسٹریٹجک رسک:

اسٹریٹجک خطرات سے مراد وہ ممکنہ منفی اثرات ہیں جو کمپنی کی طویل مدتی اہداف اور مقاصد کو حاصل کرنے کی صلاحیت پر اثر انداز ہوسکتے ہیں۔ یہ خطرات مختلف ذرائع سے پیدا ہوسکتے ہیں، جن میں مارکیٹ کے رجحانات میں تبدیلی، مسابقتی دباؤ، قانونی ضوابط میں تبدیلیاں اور اندرونی حکمت عملی کے فیصلے شامل ہیں۔ ان خطرات سے بچاؤ کے مختلف طریقے ہیں جن میں ممکنہ خطرات کی نشاندہی کرنا، ان کے اثرات کا اندازہ لگانا اور کمپنی کی مستقل کامیابی اور نمو کے لئے ان خطرات کو کم کرنے اور ان کے مطابق کمپنی کو ڈھالنے کے لئے حکمت عملی تیار کرنا شامل ہیں۔

اسٹریٹجک رسک میں توانائی یعنی کوئلہ، ایندھن اور بجلی کی قیمتوں میں تیزی سے اضافہ شامل ہے جو کہ کمپنی کے منافع اور مسابقتی صلاحیت پر بری طرح اثر انداز ہورہا ہے اور کمپنی کو اپنے اخراجات کم کرنے کے لئے متبادل ذرائع کے استعمال پر غور کرنے پر مجبور کررہا ہے۔ کمپنی فی الحال بجلی کی پیداوار کے منصوبوں میں سرمایہ کاری کررہی ہے، جس سے نہ صرف نیشنل گرڈ پر انحصار کم ہوگا، بلکہ بجلی کی لاگت میں بھی کمی ہوگی، اور کوئلے کی کھپت اور متعلقہ لاگت میں کمی کے لیئے جدید ٹیکنالوجی میں بھی سرمایہ کاری کررہی ہے۔

۲۔ آپریشنل رسک:

آپریشنل رسک میں کمپنی کے وضع کردہ طریقہ کار، افراد اور نظام (Systems) میں خرابی کے نتیجے میں پیدا ہونے والے خطرات شامل ہیں۔ پیداواری اور کاروباری معاملات کو بلاتعطل جاری رکھنے کے لئے کاروباری تسلسل اور نقصان سے بحالی کے منصوبہ جات موجود ہیں۔

خام مال کی فراہمی، ذمہ داریوں کی مناسب تقسیم، بجلی کی پیداواری خود کفالت اور مال کی بروقت فراہمی اور ترسیلات کی موئثر آمد و رفت کی بدولت آپریشنل رسک کو قابلِ قبول حد تک کم رکھنے میں مدد ملی ہے۔

a) ۲۔ مالیاتی خطرات:

کاروباری حالات میں اتار چڑھاؤ کی بدولت کمپنی کو کریڈٹ، لیکویڈٹی اور دیگر خطرات (شرح سود، زرمبادلہ اور قیمتوں میں تبدیلی کے خطرات) کا سامنا کرنا پڑ سکتا ہے۔ ان خطرات کی تفصیل کے لئے آڈٹ شدہ مالیاتی حسابات کے نوٹ نمبر 39 کو ملاحظہ کریں، جس میں ان خطرات سے نمٹنے کے طریقہ کار کو بھی بیان کردیا گیا ہے۔

b) ۲۔ کوئلے کی قیمتوں میں اضافہ:

بڑھتی ہوئی کوئلے کی قیمتیں براہِ راست پیداواری لاگت پر اثر انداز ہوئی ہیں۔ کمپنی بین الاقوامی اور مقامی منڈی میں کوئلے کی قیمتوں کی مسلسل نگرانی کرتی ہے اور ایندھن کی لاگت کو کم سے کم رکھنے کے لئے کوئلے کے سستے ذرائع کا استعمال کررہی ہے۔

c) ۲۔ بجلی کی لاگت:

سیمنٹ کی پیداوار کے لئے بہت زیادہ توانائی درکار ہوتی ہے۔ بین الاقوامی سطح پر بڑھتی ہوئی ایندھن کی طلب اور روپے کی قدر میں کمی کی وجہ سے اس کی قیمتوں میں مسلسل اضافہ ہورہا ہے۔ اس مسئلے کے پیش نظر آپکی کمپنی متبادل زرائع کی مسلسل تلاش میں ہے تا کہ نیشنل گرڈ پر انحصار کم کیا جاسکے۔ کمپنی نے 10 میگا واٹ سولر پاور پلانٹ کی تنصیب کی ہے اور ایندھن کی لاگت کو کم سے کم رکھنے کے لئے مزید 10 میگا واٹ سولر پاور پلانٹ کے علاوہ 30 میگا واٹ کے کوئلے سے چلنے والے پاور پلانٹ کی تنصیب کے منصوبہ جات بھی زیر تکمیل ہیں۔

۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات:

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

۴۔ استحکام سے متعلق خطرات:

کاورباری استحکام سے متعلقہ خطرات کمپنی کی طویل مدتی منافع اندوزی اور کارکردگی کو متاثر کرسکتے ہیں۔ یہ خطرات ماحولیاتی، سماجی اور اقتصادی عوامل سے پیدا ہوتے ہیں۔ موسمیاتی تبدیلیاں، وسائل کی کمی، ادارے کی ساکھ، قوانین وضوابط کی تعمیل، سپلائی چین کا انتظام، صنعتی فضلے کا انتظام، پیشہ ورانہ صحت اور حظاظت کے خدشات، کاروباری اتار چڑھاؤ، توانائی کی لاگت، ٹیکس پالیسیوں میں تبدیلیاں کمپنی کے کاروباری استحکام کو درپیش اہم ترین خطرات ہیں۔

موثر داخلی مالیاتی کنٹرولز کا نظام:

کمپنی میں مالیاتی کنٹرول کا موئثر نظام موجود ہے جسکی نگرانی کے لئے جن افراد کا تقرر کیا گیا ہے وہ قابل اور تجربہ کار ہونے کے ساتھ ساتھ کمپنی کی پالیسیوں اور طریقہ کار سے مکمل آگاہ ہیں۔ کمپنی کی انتظامیہ باقاعدگی سے بورڈ آف ڈائریکٹرز کو مالیاتی کنٹرولز کی موزونیت کے بارے میں مسلسل آگاہ رکھتی ہے۔

کمپنی اور ماحولیات:

ماحولیاتی تحفظ کمپنی کی کاروباری حکمت عملی کا کلیدی حصہ ہے، جس کا نظام کمپنی کی انتظامیہ نے ماحولیاتی ماہرین کے اشتراک سے تشکیل دیا ہے۔ ایک تفصیلی ماحولیاتی، سماجی اور گورنینس رپورٹ ہماری سالانہ رپورٹ میں شامل ہے۔

ملازمین کا تحفظ:

کمپنی کے ملازمین کو موجودہ قوانین اور اصولوں کے مطابق Covid-19 کی ویکسینیشن کروائی گئی ہے اور کمپنی کی جانب سے ملازمین کی صحت اور تحفظ کو یقینی بنانے کے لئے نامور لیبارٹری سے خون کے مختلف ٹیسٹ کروائے جاتے ہیں۔

بورڈ آف ڈائریکٹرز کی تفصیل:

کمپنی کے بورڈ آف ڈائریکٹرز میں آٹھ ڈائریکٹرز شامل ہیں، جس کی تفصیل درج ذیل ہے۔

مرد ڈائریکٹرز	6
خاتون ڈائریکٹرز	2
کل ڈائریکٹرز	8

ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2024ء کو ختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس اور آڈیٹرز رپورٹ بصد مسرت پیش کرتے ہیں۔

انڈسٹری کا جائزہ:

اقتصادی سست روی نے مقامی منڈی میں سیمنٹ کی خریداری پر منفی اثرات ڈالے ہیں، جہاں سیمنٹ کی ترسیل گذشتہ سال کے مقابلے میں 4.58% کم ہو کر 38.185 ملین ٹن ہو گئی ہے۔

سیمنٹ کی برآمدات کا حجم اس سال گذشتہ سال کے 4.57 ملین ٹن کے مقابلے میں بڑھ کر 7.11 ملین ٹن ہو گیا ہے یہ اضافہ بنیادی طور پر کم بنیادی حجم کی وجہ سے ہوا ہے۔

	2024	2023	شرح تبدیلی (%)
	میٹرک ٹن		
مقامی ترسیلات	38,185,051	40,017,574	(4.58%)
برآمدات	7,110,433	4,566,065	55.72%
کل ترسیلات	45,295,484	44,583,639	1.60%

پیداواری کارکردگی:

زیرِ جائزہ سال کے دوران کمپنی نے اپنی بنیادی سرگرمیاں یعنی سیمنٹ کی پیداوار اور فروخت جاری رکھی۔ ذیل میں کمپنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

	2024	2023	شرح تبدیلی (%)
	میٹرک ٹن		
کلنکر کی پیداوار	2,195,590	2,796,089	(21.48%)
سیمنٹ کی پیداوار	2,559,397	3,037,220	(15.73%)
اندرون ملک فروخت	2,543,930	2,968,882	(14.31%)
برآمدات	41,856	31,663	32.19%
کل فروخت	2,585,786	3,000,545	(13.82%)

مالیاتی کارکردگی:

زیر جائزہ مالی سال کے دوران کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

	2024	2023 Restated	شرح تبدیلی (%)
	روپے (ملین)		
کل فروخت	38,648	38,922	(0.70%)
خام منافع	11,256	10,433	7.79%
شرح خام منافع	29.12%	26.80%	
دیگر آمدنی	4,454	2,086	113.52%
منافع قبل از ٹیکس	13,776	10,469	31.59%
منافع قبل از مالی اخراجات، ٹیکس ، ڈیپریسیشن اور اموٹائزیشن	15,635	12,326	26.85%
خالص منافع بعد از ٹیکس	8,893	5,821	52.77%
شرح خالص منافع بعد از ٹیکس	23.01%	14.96%	
فی شیئر آمدنی (روپے)	45.27	28.98	

آپ کی کمپنی نے گرتی ہوئی سیمنٹ کی طلب اور بلند افراطِ زر کے باوجود اچھی کارکردگی کا مظاہرہ کیا ہے۔

اضافی رقم کی موئثر طریقے سے میوچل فنڈز اور بینکوں میں سرمایہ کاری کی گئی، جن سے بہترین شرح سود کی بدولت اچھا منافع ہوا اور کمپنی کی دیگر آمدنی میں خاطر خواہ اضافہ ہوا۔

کمپنی اپنی مالی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

PACRA نے کوہاٹ سیمنٹ کی طویل مدتی کریڈٹ ریٹنگ کا جائزہ لیا اور اسے بڑھا کر **A+** جبکہ قلیل مدتی کریڈٹ ریٹنگ **"A1"** کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔ یہ درجہ بندیاں کمپنی کی جانب سے متوقع کم کریڈٹ رسک اور مالیاتی ذمہ داریوں کو بروقت ادا کرنے کی قوی صلاحیت کو ظاہر کرتی ہیں۔

منافع کی تقسیم:

بورڈ آف ڈائریکٹرز نے 12 ملین شیئرز کی دوبارہ خریداری کی سفارش کی ہے، جس سے شیئر ہولڈرز کی قدر میں اضافہ ہوگا اور کمپنی کی فی شیئر آمدنی بھی بڑھے گی۔ مزید یہ کہ کمپنی کے جاری منصوبے جیسے خوشاب پنجاب میں گرین فیلڈ سیمنٹ پروڈکشن لائن کا قیام، سولر پاور اور کوئلے سے چلنے والے بجلی کے پلانٹس کی تنصیب، ان منصوبوں کے لئے مقامی اور غیر ملکی کرنسی میں بڑی سرمایہ کاری کی ضرورت ہے لہٰذا بورڈ آف ڈائریکٹرز نے 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔

مستقبل کے امکانات:

ڈیوٹیز اور ٹیکسوں میں بھاری اضافے اور بلند افراطِ زر نے سیمنٹ کی طلب کو بری طرح متاثر کیا ہے۔ لیکن کمپنی مثبت انداز میں موجودہ چیلینجز کو کم کرنے اور کاروبار کو بڑھانے کے مواقع تلاش کر رہی ہے۔

خوشاب میں نئے سیمنٹ پلانٹ کی تنصیب کا منصوبہ:

خوشاب پنجاب میں ایک نیا سیمنٹ مینوفیکچرنگ پلانٹ لگانے کے منصوبے پر کام جاری ہے، جس کے لیئے بنیادی ڈھانچے کی تعمیر جاری ہے جبکہ پلانٹ اور مشینری کی درآمد معاشی صورتحال بہتر ہونے پر کی جائے گی۔

سولر پاور پلانٹ کی تنصیب کا منصوبہ:

10 میگا واٹ کے سولر پاور پلانٹ کی کامیاب تنصیب اور کام کے آغاز کے بعد کمپنی مزید 10 میگا واٹ کا سولر پاور پلانٹ لگانے جا رہی ہے، جس کے لئے سولر پینلز اور دیگر اہم آلات منگوائے جا چکے ہیں۔ جبکہ کنٹریکٹر 6 میگا واٹ کے سولر پاور سسٹم کی تنصیب کر رہے ہیں، جو کہ دسمبر 2024ء تک مکمل ہو جائے گا۔

سولر پاور کے یہ منصوبہ جات نیشنل گرڈ پر انحصار کو مزید کم کر دیں گے، جس سے نہ صرف لاگت میں کمی ہوگی بلکہ سرسبز اور پائدار پاکستان کی جانب ایک بڑا اقدم ثابت ہوگا۔

6700 ٹن یومیہ گرے سیمنٹ لائن (3) کی BMR:

6700 ٹن یومیہ کی موجودہ گرے سیمنٹ لائن کی BMR (pyro-process optimization) کامیابی سے مکمل کی جا چکی ہے، جس سے اس کی پیداواری صلاحیت 5.43% اضافے کے ساتھ 7,064 ٹن یومیہ ہو گئی ہے اس کے علاوہ کوئلے کی کھپت میں بھی کمی واقع ہوئی ہے۔

کمپنی کی پلانٹ سائٹ (کوہاٹ) پر کوئلے سے چلنے والا پاور پلانٹ کا منصوبہ:

بورڈ نے کمپنی کی موجودہ پلانٹ سائٹ کوہاٹ میں تقریباً 30 میگا واٹ کے کوئلے سے چلنے والا پاور پلانٹ کی تنصیب کے منصوبے کی منظوری دی ہے۔ یہ منصوبہ بجلی کی لاگت میں کمی کے ساتھ نیشنل گرڈ پر انحصار بھی کم کر دے گا۔

کاروباری خطرات سے بچاؤ کی حکمت عملی:

کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء کے ضوابط کی تکمیل میں کمپنی نے کاروباری خطرات سے بچاؤ کی پالیسی اور ایک رسک رجسٹر تشکیل دیا ہے۔ کمپنی کی انتظامیہ کمپنی کو لاحق ممکنہ خطرات اور کمپنی پر ان کے اثرات کی نشاندہی کرتی ہے اور باقاعدگی سے بورڈ آف ڈائریکٹرز کے سامنے پیش کرتی ہے۔ بورڈ ان خطرات

CORPORATE SOCIAL RESPONSIBILITY

Kohat Cement Company Limited (KCCL or the Company) firmly believes that the progress and well-being of society are closely intertwined with the success of the Company.

The Company is dedicated to exploring every possible avenue for contributing positively to the society, the environment and the nation.

Our goal is to uplift the communities around us, particularly those in close proximity to our factory premises, by engaging in various welfare activities and initiatives.

During the current financial year, KCCL has had the privilege to continue and expand its welfare programs under our Corporate Social Responsibility (CSR) initiatives and contributed Rs. 55.146 million (2023: Rs. 39.67 million) in aggregate to a broad range of CSR activities, detailed as follows:

a) Community Welfare

b) Health and Safety

c) Educational Assistance

d) Sports Initiatives

e) Ethics, Transparency and compliance of statutory framework

f) Sustaining Environment to ensure long-term growth

a) Community Welfare

i. **Interest-Free Microfinance for Economic Development and Employment Generation**

In partnership with Akhuwat, a renowned non-profit organization, KCCL has been facilitating microfinance opportunities for the unemployed residents of Kohat District since 2014. The Company initially contributed Rs. 15 million as a revolving fund for microfinancing. This fund has empowered numerous families to become self-employed and financially independent.

In the current year, KCCL further supported this initiative by contributing Rs. 1.2 million towards the operational costs of the Akhuwat branch in Kohat, ensuring continuation of this valuable service.

ii. Safe drinking water - Water Filtration (RO) Plants

Access to clean drinking water is a fundamental human right. Recognizing this, KCCL has embarked on a mission to provide clean water to the communities living in villages near our factory. This year, the Company invested Rs. 4.9 million for the installation of RO water filtration plants in three nearby villages. This initiative aims to significantly improve the health and well-being of the local population by providing them with safe drinking water.

iii. Maintenance of Solar Panels and Street Lights

To enhance the quality of life in the surrounding communities, KCCL has committed to maintaining solar energy systems and street lights in nearby Villages and Masjids. This year, the Company spent Rs. 7.2 million on new systems and on upkeep of the existing systems, ensuring that the villages remain well-lit and energy-efficient, thereby contributing to the safety and security of the residents.

iv. Financial Assistance to Widows and Support for the Local Community

KCCL continues to stand by the widows of our former employees as well as other deserving widows in the community. The Company provided Rs. 1.6 million in financial assistance, helping them to meet their daily needs and to maintain a decent standard of living.

v. Social Media Awareness Campaigns

Recognizing the power of social media in spreading awareness, KCCL invested Rs. 0.41 million in creating and sharing educational content about our CSR activities. We also placed informative posters across various locations to raise awareness in society about our ongoing initiatives.

vi. Long Service Awards for Employees

Every year, as a token of appreciation for the continued association with the Company, cash awards are given to the employees when they achieve employment milestone for the number of years served. This year, the Company continued this tradition by contributing Rs. 2.53 million towards this cause.

vii. Hajj Sponsorship

Considering the spiritual attachment of the employees, the Company pays entire Hajj expenses of one employee, selected through ballot every year. During the year, the Company contributed Rs. 1.35 million towards this cause.

viii. Flood Relief Contribution

In response to the devastating floods that affected various regions of Pakistan, KCCL stepped forward to support the relief efforts. Understanding the gravity of the situation and the urgent need for aid, KCCL contributed Rs. 5 million to the flood relief fund.

This contribution was aimed at providing immediate assistance to those impacted by the floods, including the provision of essential supplies such as food, clean water, medical aid and temporary shelter. The funds were allocated to ensure that the affected communities received the necessary support to begin rebuilding their lives after this natural disaster.

ix. Construction of Facilities at Govt. Girls Higher Secondary School

KCCL is undertaking construction work at the Govt. Girls Higher Secondary School, Babri Banda, Kohat. The total project cost is Rs. 9.3 million, with Rs. 0.546 million incurred as of June 30, 2024. The project includes building new classrooms and constructing a new boundary wall, a Masjid, installing new drainage system and building new washrooms. These initiatives are part of our commitment to providing a safer and more conducive learning environment for female students and improving the overall infrastructure in the communities we serve, reflecting our dedication to education, health and well-being.

x. Drainage Cleaning

KCCL has invested Rs. 1 million in cleaning and improving drains in nearby villages. This initiative is part of our ongoing efforts to enhance local infrastructure and ensure better living conditions for the communities surrounding our operations.

b) Health & Safety

Ensuring the health and safety of our employees and the surrounding communities is among top priorities for KCCL. Efforts of the Company in this regard include the following initiatives:

i. Basic Health Unit

KCCL operates a 24/7 dispensary and ambulance service, providing free healthcare to its employees and their families. This facility is equipped to handle emergencies and routine medical needs, ensuring that its workforce and their families remains healthy.

ii. Donation to Medicare Health Foundation

Appreciating the need for quality healthcare, KCCL donated Rs. 0.36 million to the Medicare Health Foundation, supporting its efforts to provide affordable healthcare services to the underserved population.

iii. Medical Reimbursement for Critical Illness

KCCL provided financial support amounting to Rs. 4.4 million for the medical treatment of patients suffering from chronic diseases, underscoring the commitment to the health and well-being of the community members.

c) Educational Assistance

Education is a cornerstone of KCCL's CSR strategy. The Company is deeply committed to promoting education and providing opportunities for learning and development through the following activities:

i. Kohat Cement Educational Trust (KCET)

KCCL is the primary sponsor of KCET, an institution dedicated to providing quality education to students in the Kohat region, with a particular focus on the children of the employees. This year, the Company contributed Rs. 8.87 million to KCET as a support in school expenses and ensuring that education remains accessible to all.

ii. Kohat Cement Scholarship Program (KCSP)

Launched in 2018, KCSP aims to support talented and deserving students by providing them with financial assistance for their education. During the current financial year, KCCL disbursed a total of Rs. 11.67 million in scholarships, encouraging academic excellence and helping students achieve their educational goals.

iii. Parho Likho Pakistan Initiative

KCCL also contributed Rs. 0.22 million to the 'Parho Likho Pakistan' initiative, covering the tuition fees of deserving children and ensuring that financial barriers do not stand in the way of their education. Additionally, the Company offered internship opportunities to students from various

universities across Pakistan, providing them with valuable experience in a corporate environment. These internships spanned both engineering and management disciplines, equipping young professionals with the skills and knowledge needed for their future careers.

d) Sports Initiatives

KCCL believes that sports play a crucial role in developing discipline, teamwork and commitment to excellence. To promote these values, the Company invested Rs. 2.63 million this year in various sports activities, supporting the physical as well as mental well-being of the local community.

e) Ethics, Transparency and Compliance of Statutory Framework

The Company is committed to upholding the highest standards of ethics and transparency in all our operations. HR practices, including employee recruitment, development, compensation and promotion are based on merit, fairness and transparency. The Company actively promote a culture of diversity and equal opportunity, ensuring a safe workplace free from discrimination and harassment. Any form of discrimination or harassment is strictly prohibited and is dealt with in accordance with the Company policies.

The Company also places a strong emphasis on educating its employees about ethical practices and compliance with applicable laws. Through various indoor and outdoor activities, including workshops and training sessions, employees are encouraged to embrace teamwork, continuous learning and adhere to legal and ethical standards.

f) Sustaining Environment to Ensure Long-term Growth

KCCL is deeply committed to environmental sustainability and recognizes the importance of preserving the environment for future generations. The Company regularly organizes tree plantation drives under the "GO GREEN Plantation Drive" initiative. This year, the Company planted numerous trees in and around factory premises, spending Rs. 1.26 million on this initiative. In addition, the Company invested in maintaining a plant nursery in Kohat and conducting environmental health assessments to monitor and improve its environmental impact.

Contribution to National Exchequer

KCCL is also a significant contributor to the national economy. During the financial year, the Company contributed Rs. 19,998 million (2023: Rs. 19,811 million) in form of duties and taxes to the National Exchequer and further an amount of Rs. 544.17 million (2023: Rs. 539.40 million) was deposited in National Treasury being income tax deducted on payments made to various persons in accordance with income tax laws. Furthermore, KCCL earned foreign exchange worth USD 1.69 million (2023: USD 1.60 million), equivalent to Rs. 482.30 million (2023: Rs. 446.91 million), through the export of cement, contributing to the country's economic growth.

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

Lahore: September 05, 2024

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Sustainability is a fundamental value at Kohat Cement Company Limited. We are dedicated to achieving growth without compromising any sustainability standards.

This report highlights our ESG performance and reaffirms our commitment to building a sustainable future for all stakeholders.

1. Environmental Initiatives:

The Company is committed to minimizing adverse environmental impact from its operations. Despite growth and plant expansion, we adhere to all the regulatory compliance requirements set by the regulators including the Environmental Protection Agency (EPA).

An independent environmental testing firm duly certified by EPA, continually monitors the plant's emissions and through its periodic reports have confirmed that plant's emissions including CO, NOx, SOx, PM, PM10, PM2.5, smoke opacity and waste water analysis are within National Environmental Quality Standards (NEQS).

Waste Heat Recovery Systems – We operate a Waste Heat Recovery System (WHRS) that converts kiln waste heat into electricity, reducing our carbon footprint and alleviating pressure on the National Grid.

Bag Filter System – To maintain a pollution-free environment, we have installed Bag Filter dust collection equipment at key dust-producing areas.

Water Recycling Plants – Our water recycling plant at the factory site meets 20% of our water requirements, reclaiming 60% of waste water annually.

RO Water Purifier Systems – Our advanced RO water purifiers at factory site and surrounding areas provide clean drinking water for employees and the local community.

Solar Power Plant – We have installed a 10 MW solar power plant, with an additional 10 MW plant in progress at our factory site. This renewable energy source will contribute in reducing overall CO2 emissions and alleviate burden on National Grid.

Energy Mix – We maintain a strategic energy mix that includes both renewable and conventional energy sources. One-third of our power requirement comes from renewable energy (including solar-5%, and Waste Heat Recovery Systems-28.2%), whereas 22.5% electricity is generated from Coal-Fired Boiler & Furnace Oil Power Plant and the balance 44.3% is drawn from the National Grid.

GO GREEN Plantation Drive – In collaboration with local communities, we have planted thousands of trees at our factory site to enhance air quality.

2. Social Responsibility

Fair Compensation and Benefits – We offer competitive compensation and comprehensive benefits to the employees including provident funds, insurance and paid leaves. Our gender pay ratio is 1:1, ensuring equal pay for equal roles.

Employee Turnover – Our annual employee turnover rate is 11.63% (2023: 14.69%), reflecting employee satisfaction and effective retention strategies.

Gender Diversity – Our Gender Diversity Policy promotes equal opportunity regardless of gender, race, ethnicity or disability. Our head office workforce is 85% male and 15% female. We are actively working to recruit more women to balance the gender gap. Notably, our Company Secretary is a female, highlighting our commitment to gender diversity at the highest levels.

Non-Discrimination – We maintain a comprehensive policy on harassment and non-discrimination, with zero tolerance for any form of harassment or abuse. Employees can report concerns confidentially and without fear of retaliation. No cases of violence or harassment were reported during the year.

We actively encourage the participation of differently abled individuals within our workforce. Currently, 0.9% of employees are differently abled. We ensure that all employees, regardless of disability are treated with respect, dignity and fairness.

Health and Safety – We implement rigorous health and safety protocols through HSE department, including mandatory vaccinations and regular health screenings at no cost to employees.

Child & Forced Labor – We strictly prohibit child and forced labor, complying with all relevant labor laws.

Corporate Social Responsibility – We actively support local community development through financial assistance. A detailed CSR report, including allocated amounts, is part of our Annual Report.

Employee Training and Succession Planning – We conducted 56 training sessions in skills upgradation, soft skills and health and safety measures, training a total of 1,051 employees. 97.6% of trained employees were men and 2.4% were women.

Our succession planning process not only supports the long-term stability of the Company but also empowers our employees by providing them with clear career pathways and opportunities for advancement.

Working Conditions – We prioritize creating a positive and safe working environment. We maintain mechanisms for reporting concerns. During the year, no complaints were made demonstrating our commitment to addressing and resolving issues effectively.

Injury Rate – Occupational health and safety is our top priority. We recorded 3 safety-related incidents during the year. All employees are covered by comprehensive health and life insurance.

3. Governance

Governance Framework – The Board oversees corporate governance frameworks including the sustainability governance matters, regularly reviewing and updating policies to align with market conditions. Independent Audit and HR&R Committees strengthen our governance structure, ensuring effective, accountable and transparent operations.

The HR&R Committee has been assigned the responsibility to assist the Board of Directors in overseeing and managing the Company's sustainability related risks and opportunities.

Board Composition – Our Board comprises a balanced mix of executive, non-executive, and independent directors. Of the total Board members, 25% are females and 75% are males. The Chairman of the Board is a non-executive director and two of the eight total Board seats are occupied by independent directors.

Code of Conduct – Our Code of Conduct emphasizes ethics, anti-corruption measures and data privacy. We maintain a 100% compliance rate with these standards.

Kohat Cement Company Limited is committed to driving positive change through its ESG practices. We look forward to advancing these goals, creating value for stakeholders and contributing to a sustainable future.

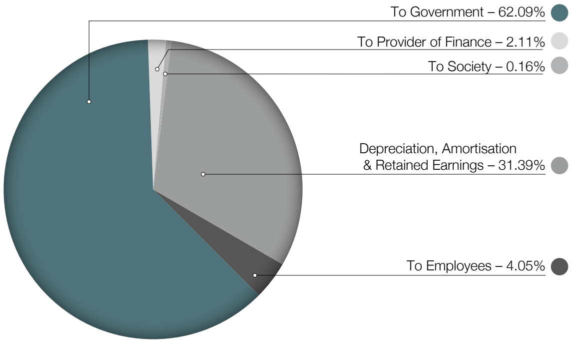
Nadeem Atta Sheikh
Chief Executive
Lahore: September 05, 2024

Talha Saeed Ahmed
Director

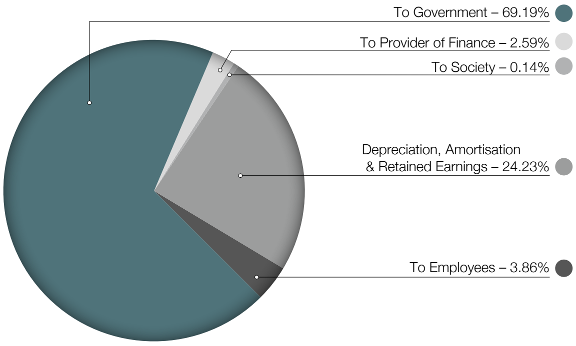
STATEMENT OF VALUE ADDED

	2024		2023	
	Rs.	%	Rs.	%
VALUE ADDED				
Gross Revenue Generated	57,590,331,561		55,334,073,834	
Materials & Services	(25,486,754,454)		(26,702,314,795)	
	32,103,577,107		28,631,759,039	
To Employees as Remuneration	1,300,890,019	4.05%	1,104,075,678	3.86%
To Government as Taxes (Income tax, Sales tax, Excise Duty and Others)	19,997,529,580	62.29%	19,810,941,483	69.19%
Income Tax	4,882,830,313	15.21%	4,648,576,679	16.24%
Sales Tax	9,014,692,480	28.08%	8,949,407,921	31.26%
Federal excise duty	5,087,859,420	15.85%	4,924,360,715	17.20%
Royalty and excise duty	447,776,282	1.39%	560,779,787	1.96%
Workers welfare fund	173,023,244	0.54%	167,959,171	0.59%
Workers profit participation fund	391,347,845	1.22%	559,857,210	1.96%
To Provider of Finance as Finance Cost	677,380,845	2.11%	740,307,772	2.59%
To Society under CSR Programme	51,534,700	0.16%	39,669,566	0.14%
Depreciation, Amortisation & Retained Earnings	10,076,241,963	31.39%	6,936,764,536	24.23%
	32,103,577,107	100.00%	28,631,759,035	100.00%

Value Added - 2024 (Percentage)



Value Added - 2023 (Percentage)



KEY FINANCIAL DATA

for the Last Six Years

	2024	2023 Restated	2022	2021	2020	2019
Statement of Financial Position (Rs. 000)						
Shareholders equity	41,090,305	32,610,045	27,246,220	22,223,539	18,726,673	19,672,639
Non-current liabilities	6,657,354	7,007,559	6,616,457	6,291,138	6,750,446	6,118,326
Current liabilities	11,095,636	9,912,471	9,487,991	7,572,244	6,279,548	5,523,905
Non-current assets	26,549,087	26,616,699	25,574,836	26,238,123	26,519,044	25,708,607
Current assets	32,294,208	22,913,377	17,775,831	9,848,799	5,237,624	5,606,262
Statement of Profit or loss (Rs. 000):						
Sales - net	38,647,768	38,921,635	32,876,949	24,057,376	11,300,241	15,645,649
Gross profit / (loss)	11,256,491	10,432,694	9,811,769	5,965,349	(24,320)	4,173,146
EBITDA	15,636,453	12,325,649	10,581,310	6,633,703	651,468	4,311,505
EBIT	14,453,666	11,209,636	9,463,200	5,403,010	(147,613)	3,722,137
Profit/(loss) before tax	13,776,285	10,469,328	8,925,489	4,885,955	(557,315)	3,676,071
Profit/(loss) after tax	8,893,455	5,820,751	5,024,280	3,497,507	(443,736)	2,468,656
Cash flows (Rs. 000):						
Cash flows from:						
Operations	11,074,656	7,702,593	9,429,253	6,012,031	246,219	6,012,465
Operating activities	6,238,854	4,452,082	8,181,358	5,089,316	(502,396)	4,745,271
Investing activities	(4,622,005)	(2,470,516)	(7,092,989)	(3,950,178)	(18,793)	(13,089,733)
Financing activities	(1,447,737)	(1,528,794)	(1,805,333)	(943,014)	838,909	4,453,920
Cash and cash equivalents at the beginning of the year	933,537	480,766	1,197,729	1,001,606	683,886	4,574,428
Cash and cash equivalents at the end of the year	1,102,649	933,537	480,766	1,197,729	1,001,606	683,886
Ratio Analysis						
Profitability Ratios						
Gross profit ratio	29.13%	26.80%	29.84%	24.80%	-0.22%	26.67%
Net profit to sales ratio	23.01%	14.96%	15.28%	14.54%	-3.93%	15.78%
EBITDA to sales ratio	40.46%	31.67%	32.18%	27.57%	5.77%	27.56%
Return on equity	21.64%	17.85%	18.44%	15.74%	-2.37%	12.55%
Return on capital employed	37.56%	34.39%	33.17%	21.27%	-0.61%	17.64%
Liquidity Ratios						
Current ratio	2.91	2.31	1.87	1.30	0.83	1.01
Quick ratio	2.23	1.54	1.28	0.75	0.31	0.63
Cash flow from operations to sales ratio	28.66%	19.79%	28.68%	24.99%	2.18%	38.43%
Cash to Current Liabilities	0.10	0.09	0.05	0.16	0.16	0.12
Investment/market ratios						
Earnings per share	45.27	28.98	25.01	17.41	(2.21)	12.29
Price Earning Ratio	5.41	5.99	5.20	11.86	(62.22)	4.27
Price to Book ratio	0.82	0.70	0.60	1.15	0.87	0.34
Dividend Yield Ratio	-	-	-	-	-	4.76%
Dividend Payout Ratio	-	-	-	-	-	20.34%
Dividend Cover Ratio	-	-	-	-	-	4.92
Cash Dividend per share	-	-	-	-	-	2.50
Cash Dividend	-	-	-	-	-	25%
Stock Dividend	-	-	-	-	-	-
Market Value per Share						
- Closing	245.00	173.47	130.13	206.49	137.45	52.53
- High	255.10	178.80	234.44	262.00	152.00	134.43
- Low	158.50	113.03	126.22	136.50	40.12	47.55
Breakup value per share of Rs. 10 each	209.79	162.35	135.65	110.64	93.23	97.94
Capital Structure Ratios						
Weighted average cost of debt	24%	18%	10%	8%	6%	1%
Debt to equity ratio	5:95	9:91	13:87	21:79	27:73	22:78
Interest coverage ratio	21.34	15.14	17.60	10.45	(0.36)	80.80
Debt Service Coverage Ratio	8.86	7.25	5.81	7.08	0.37	3.85
Loan Life Coverage Ratio	19.09	10.24	6.41	4.00	3.29	3.64
Activity/Turnover Ratios						
Inventory turnover ratio	5.10	5.08	5.80	5.75	3.46	7.38
No. of days in inventory	71.58	71.80	62.96	63.47	105.50	49.46
Debtor turnover ratio	18.31	32.29	35.89	24.46	22.86	21.91
No. of days in receivables	19.93	11.31	10.17	14.92	15.97	16.66
Creditors turnover ratio	14.99	39.94	17.41	10.82	8.86	18.25
No. of Days in Payables	24.36	9.14	20.97	33.74	41.21	20.00
Cash Operating cycle /Cash Conversion Cycle	67.15	73.96	52.16	44.66	80.26	46.12
Total assets turnover ratio	0.66	0.79	0.76	0.67	0.36	0.50
Fixed assets turnover ratio	1.82	1.92	1.55	1.11	0.50	1.95

GLOSSARAY OF TERMS

Gross profit ratio

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

Net profit margin

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

Return on equity

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

Return on capital employed

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

Current ratio

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

Cash flow from operations to sales ratio

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

Earnings per share

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

Price Earning Ratio

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

Price to Book ratio

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

Debt to equity ratio

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

Interest coverage ratio

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

Debt Service Coverage Ratio

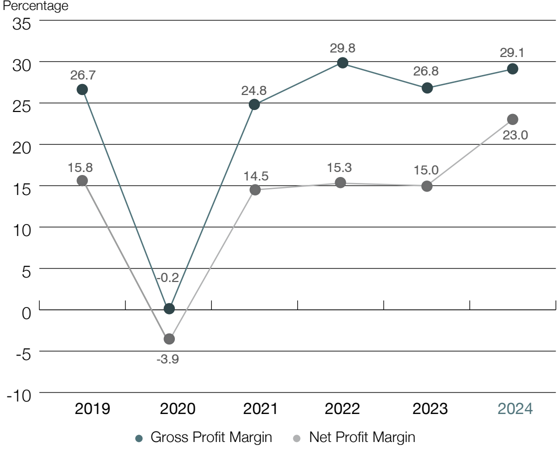
Debt Service Coverage Ratio is the ratio of operating income available to debt servicing for interest, principal and lease payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. It is calculated by dividing EBITDA with repayment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

Return on assets

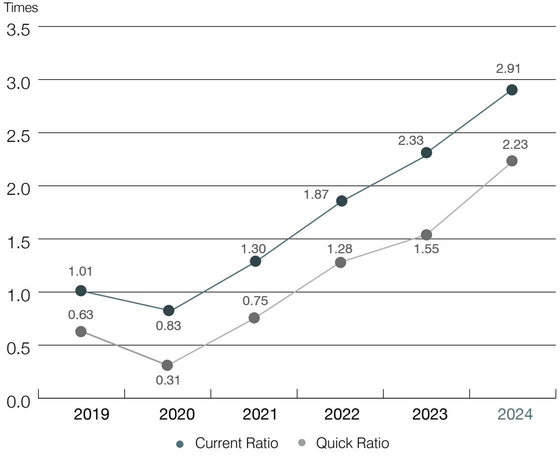
Return on assets is the amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive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

GRAPHICAL ANALYSIS

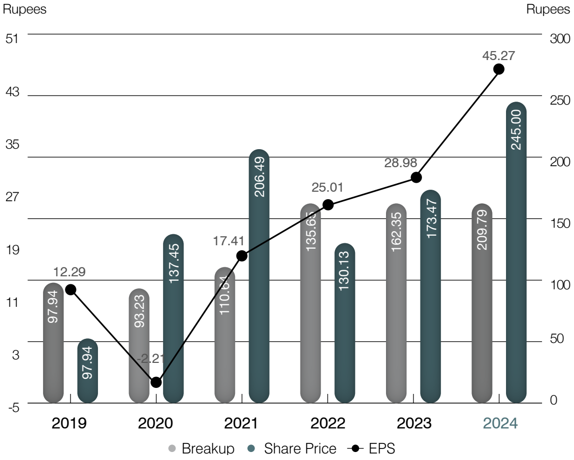
Profitability Ratios



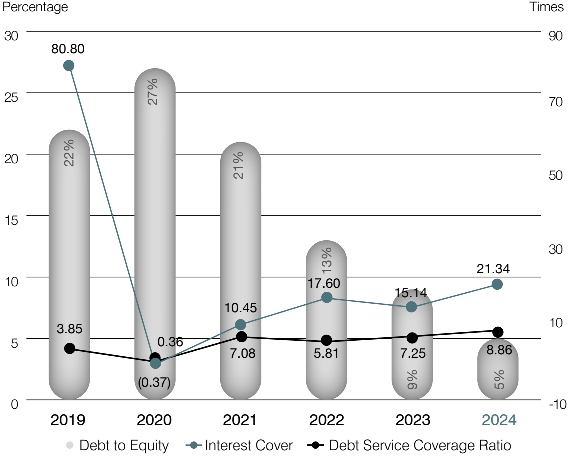
Liquidity Ratios



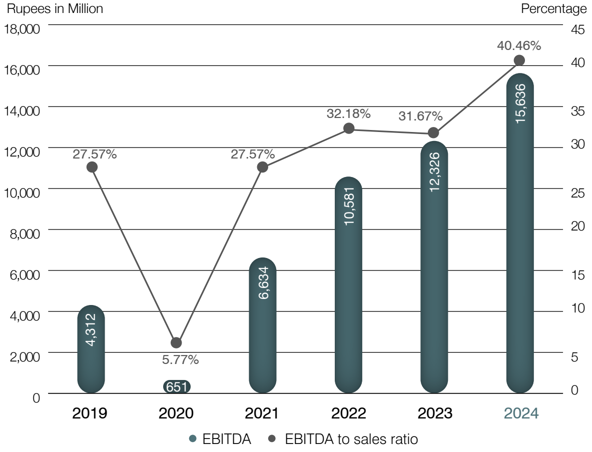
Market Ratio



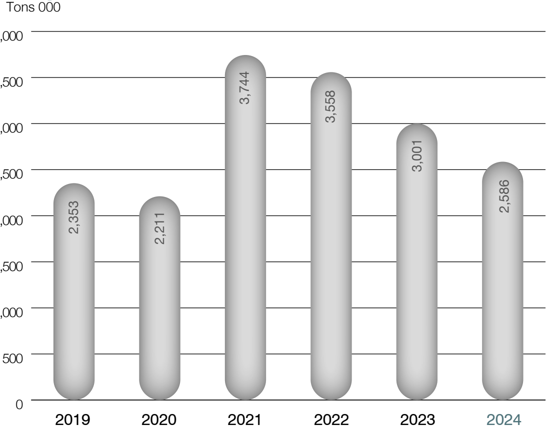
Capital Structure Ratios



EBITDA Margin



Dispatches



HORIZONTAL & VERTICAL ANALYSIS

Statement of Financial Position

	2024		2023 Restated		2022		2021		2020		2019	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Equity & Liabilities												
Shareholders equity	41,090,305	26.01	32,610,045	19.69	27,246,220	22.60	22,223,539	18.67	18,726,673	(4.81)	19,672,639	9.43
Non-current liabilities	6,657,354	(5.00)	7,007,559	5.91	6,616,457	5.17	6,291,138	(6.80)	6,750,446	10.33	6,118,326	268.45
Current liabilities	11,095,636	11.94	9,912,471	4.47	9,487,991	25.30	7,572,244	20.59	6,279,548	13.68	5,523,905	50.15
	58,843,295	18.80	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30
Assets												
Non-current assets	26,549,087	(0.25)	26,616,699	4.07	25,574,836	(2.53)	26,238,123	(1.06)	26,519,044	3.15	25,708,607	99.15
Current assets	32,294,208	40.94	22,913,377	28.90	17,775,831	80.49	9,848,799	88.04	5,237,624	(6.58)	5,606,263	(46.13)
	58,843,295	18.80	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30
Vertical Analysis												
Equity & Liabilities												
Shareholders equity	41,090,305	69.83	32,610,045	65.84	27,246,220	62.85	22,223,539	61.58	18,726,673	58.97	19,672,639	62.82
Non-current liabilities	6,657,354	11.31	7,007,559	14.15	6,616,457	15.26	6,291,138	17.43	6,750,446	21.26	6,118,326	19.54
Current liabilities	11,095,636	18.86	9,912,471	20.01	9,487,991	21.89	7,572,244	20.98	6,279,548	19.77	5,523,905	17.64
	58,843,295	100.00	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00
Assets												
Non-current assets	26,549,087	45.12	26,616,699	53.74	25,574,836	59.00	26,238,123	72.71	26,519,044	83.51	25,708,607	82.10
Current assets	32,294,208	54.88	22,913,377	46.26	17,775,831	41.00	9,848,799	27.29	5,237,624	16.49	5,606,263	17.90
	58,843,295	100.00	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00

Statement of Profit or Loss

	2024		2023 Restated		2022		2021		2020		2019	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Sales - Net	38,647,768	(0.70)	38,921,635	18.39	32,876,949	36.66	24,057,376	112.89	11,300,241	(27.77)	15,645,649	16.42
Cost of Sales	(27,391,276)	(3.85)	(28,488,941)	23.51	(23,065,181)	27.49	(18,092,027)	59.76	(11,324,561)	(1.29)	(11,472,502)	25.88
Gross profit	11,256,491	7.90	10,432,694	6.33	9,811,769	64.48	5,965,349	(24,628.26)	(24,320)	(100.58)	4,173,146	(3.52)
Selling and distribution expenses	(197,259)	12.00	(176,123)	44.20	(122,137)	29.70	(94,166)	46.54	(64,260)	(24.70)	(85,342)	(11.91)
Administrative and general expenses	(488,043)	23.17	(396,230)	12.08	(353,523)	12.76	(313,525)	31.33	(238,728)	(6.07)	(254,164)	25.11
Other expenses	(571,950)	(22.34)	(736,513)	30.81	(563,052)	73.07	(325,323)	1,876.86	(16,457)	(96.42)	(460,125)	48.36
Operating profit	9,999,239	9.59	9,123,828	4.00	8,773,057	67.67	5,232,335	(1,622.07)	(343,765)	(110.19)	3,373,516	(9.20)
Other income	4,454,427	113.56	2,085,808	202.23	690,143	304.36	170,675	(12.99)	196,152	(43.73)	348,620	(3.62)
Finance cost	(677,381)	(8.50)	(740,308)	37.68	(537,711)	3.99	(517,055)	26.20	(409,702)	789.40	(46,065)	(56.76)
Profit before tax	13,776,285	31.59	10,469,328	17.30	8,925,489	82.68	4,885,955	(976.70)	(557,315)	(115.16)	3,676,071	(7.41)
Taxation	(4,882,830)	5.04	(4,648,577)	19.16	(3,901,209)	180.98	(1,388,447)	(1,322.45)	113,579	(109.41)	(1,207,416)	21.92
Profit after tax	8,893,455	52.79	5,820,751	15.85	5,024,280	43.65	3,497,507	(888.20)	(443,736)	(117.97)	2,468,656	(17.16)
Vertical Analysis												
Sales - Net	38,647,768	100.00	38,921,635	100.00	32,876,949	100.00	24,057,376	100.00	11,300,241	100.00	15,645,649	100.00
Cost of Sales	(27,391,276)	(70.87)	(28,488,941)	(73.20)	(23,065,181)	(70.16)	(18,092,027)	(75.20)	(11,324,561)	(100.22)	(11,472,502)	(73.33)
Gross profit	11,256,491	29.13	10,432,694	26.80	9,811,769	29.84	5,965,349	24.80	(24,320)	(0.22)	4,173,146	26.67
Selling and distribution expenses	(197,259)	(0.51)	(176,123)	(0.45)	(122,137)	(0.37)	(94,166)	(0.39)	(64,260)	(0.57)	(85,342)	(0.55)
Administrative and general expenses	(488,043)	(1.26)	(396,230)	(1.02)	(353,523)	(1.08)	(313,525)	(1.30)	(238,728)	(2.11)	(254,164)	(1.62)
Other expenses	(571,950)	(1.48)	(736,513)	(1.89)	(563,052)	(1.71)	(325,323)	(1.35)	(16,457)	(0.15)	(460,125)	(2.94)
Operating profit	9,999,239	25.87	9,123,828	23.44	8,773,057	26.68	5,232,335	21.75	(343,765)	(3.04)	3,373,516	21.56
Other income	4,454,427	11.53	2,085,808	5.36	690,143	2.10	170,675	0.71	196,152	1.74	348,620	2.23
Finance cost	(677,381)	(1.75)	(740,308)	(1.90)	(537,711)	(1.64)	(517,055)	(2.15)	(409,702)	(3.63)	(46,065)	(0.29)
Profit before tax	13,776,285	35.65	10,469,328	26.90	8,925,489	27.15	4,885,955	20.31	(557,315)	(4.93)	3,676,071	23.50
Taxation	(4,882,830)	(12.63)	(4,648,577)	(11.94)	(3,901,209)	(11.87)	(1,388,447)	(5.77)	113,579	1.01	(1,207,416)	(7.72)
Profit after tax	8,893,455	23.01	5,820,751	14.96	5,024,280	15.28	3,497,507	14.54	(443,736)	(3.93)	2,468,656	15.78

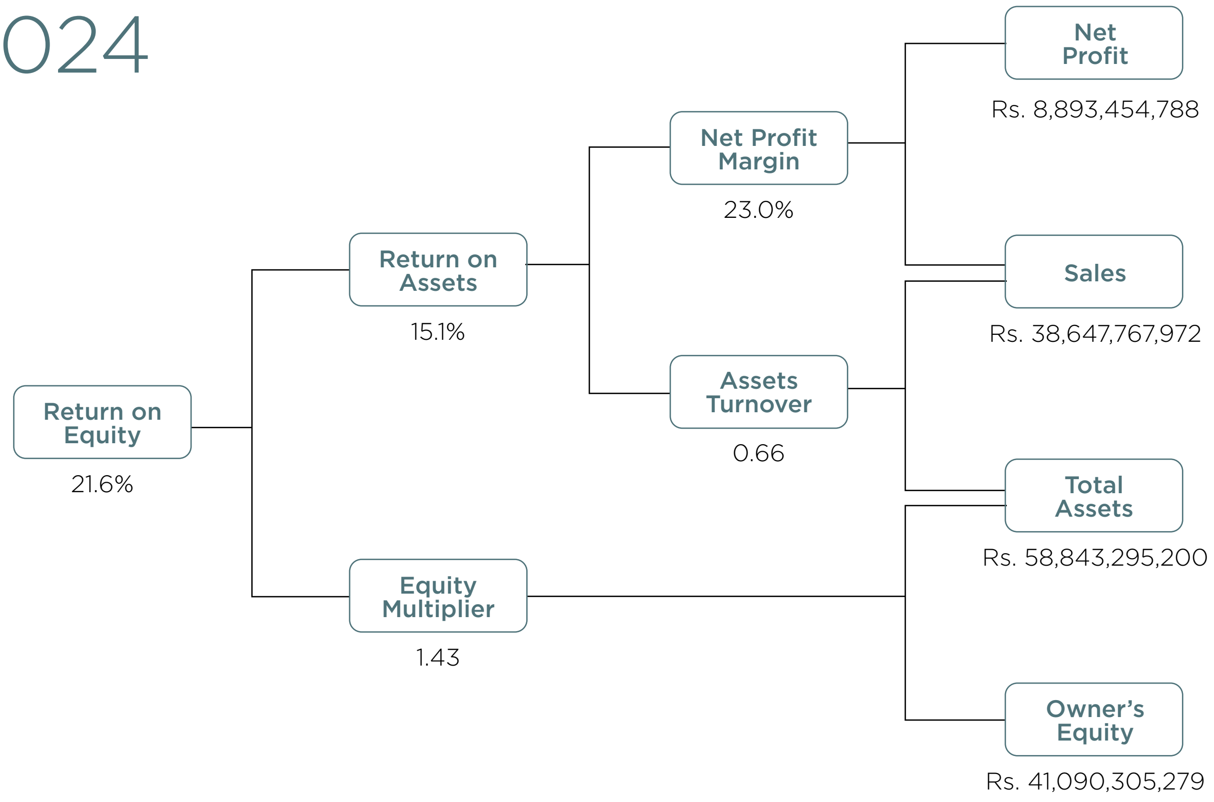
ANALYSIS OF QUARTERLY RESULTS

Particulars	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2023-24	FY 2022-23 Restated
Dispatches - Tons	761,623	685,725	568,112	570,326	2,585,786	3,000,545
- Local	745,397	673,555	561,660	563,317	2,543,929	2,968,882
- Export	16,226	12,170	6,452	7,009	41,857	31,663
PKR' 000						
Sales Revenue - Net	11,064,118	10,397,611	8,510,437	8,675,602	38,647,768	38,921,635
Cost of Sales	7,834,895	7,672,040	5,963,497	5,920,845	27,391,276	28,488,941
Gross Profit	3,229,223	2,725,571	2,546,940	2,754,757	11,256,491	10,432,694
Gross Profit Margin	29%	26%	30%	32%	29%	27%
- Selling and Distribution Cost	36,103	49,001	52,597	59,559	197,259	176,123
- Administration and General Expenses	111,127	132,447	117,733	126,737	488,043	396,230
- Other Operating Expenses	245,037	207,293	176,013	(56,392)	571,950	736,513
	392,267	388,740	346,342	129,904	1,257,253	1,308,866
Operating Profit	2,836,956	2,336,831	2,200,598	2,624,853	9,999,239	9,123,828
Operating Profit Margin	26%	22%	26%	30%	26%	23%
Other Operating Income	(864,506)	(1,199,144)	(1,076,385)	(1,314,392)	(4,454,427)	(2,085,808)
Finance Cost	203,054	180,420	151,339	142,568	677,381	740,308
Profit Before Tax (PBT)	3,498,408	3,355,555	3,125,644	3,796,678	13,776,285	10,469,328
PBT Margin	32%	32%	37%	44%	36%	27%
Taxation	1,269,010	1,131,745	1,067,991	1,414,084	4,882,830	4,648,577
Effective Tax Rate	36%	34%	34%	37%	35%	44%
Profit After Tax (PAT)	2,229,398	2,223,810	2,057,653	2,382,594	8,893,455	5,820,751
PAT Margin	20%	21%	24%	27%	23%	15%
Earning per Share -Rs.	11.25	11.35	10.51	12.16	45.23	28.98
EBITDA	4,010,772	3,863,768	3,516,093	4,245,820	15,636,453	12,325,649
EBITDA Margin	36%	37%	41%	49%	40%	32%
Average net Sales Rate Rs/Mt	14,527	15,163	14,980	15,212	14,946	12,972
Average of COS Rate Rs/Mt	10,287	11,188	10,497	10,382	10,593	9,495

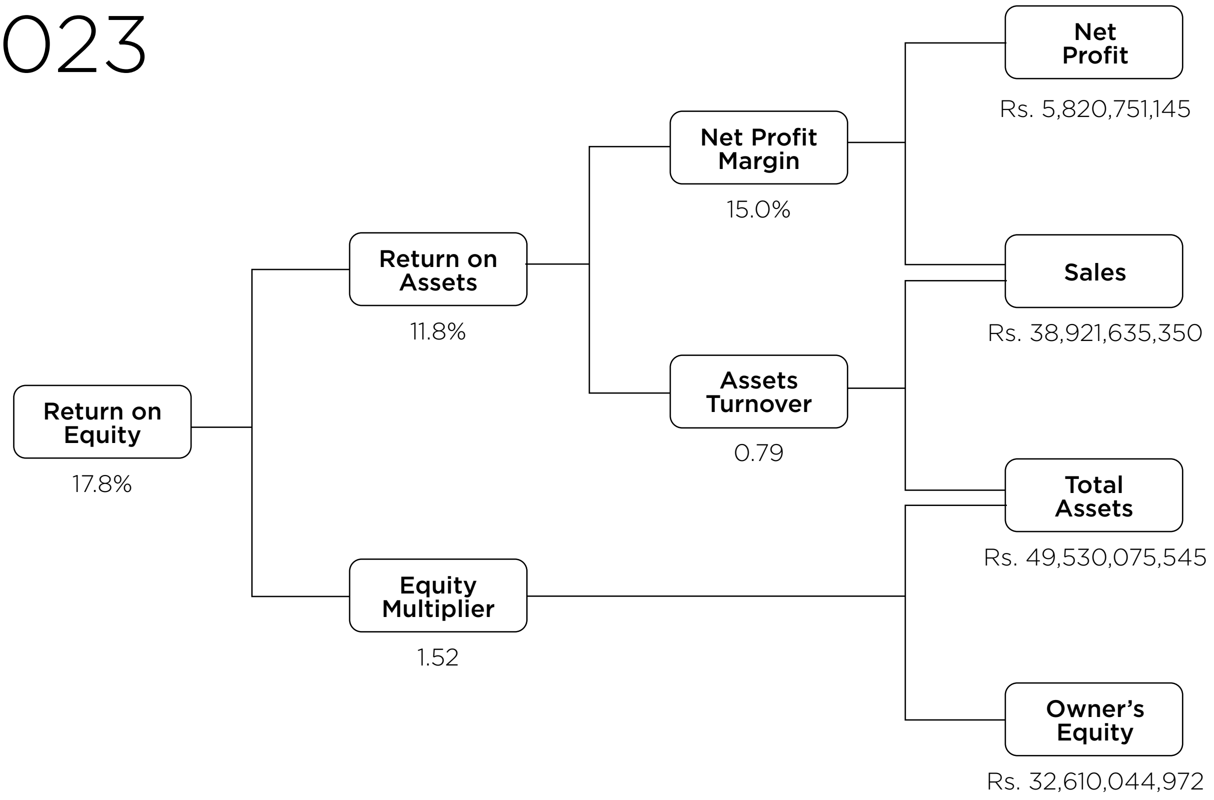
Company's dispatches in current year decreased by 14% as compared to last year, mainly due to decrease in local dispatches. High inflation, increase in electricity tariffs, inflated coal prices and high fuel cost increased the cost of production however better pricing and improved operational efficiencies nullified these adverse factors. Higher profit rates were efficiently encashed this year which resulted in higher other income and profit after tax.

DUPONT ANALYSIS

2024



2023



STATEMENT OF COMPLIANCE

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

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

1. The total number of directors as at June 30, 2024 is eight (8), as per the following:

a) Male	6
b) Female	2

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Ahmad Sajjad Khan Mr. Talah Saeed Ahmed
Non-Executive Directors	Mr. Aizaz Mansoor Sheikh Mrs. Hafsa Nadeem Mrs. Hijab Tariq Mr. Muhammad Rehman Sheikh Mr. Muhammad Atta Tanseer Sheikh
Executive Director	Mr. Nadeem Atta Sheikh

The current Board of Directors of the Company was elected on June 29, 2022 and has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore, the Board considers that it is adequately composed with two independent directors and hence, the fractional number of independent directors has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

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

9. Detailed as below; six directors have completed their Directors' Training Certification (DTC) and two directors are exempt from this due to 14 years of education and 15 years of experience on the Board.

Directors exempt from DTC

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

Directors who have completed their DTC

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

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

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

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

a) Audit Committee

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

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

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

c) Nomination Committee

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

d) Risk Management Committee

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

e) Sustainability Committee

Subsequent to the year-end, the Board of Directors has assigned additional responsibilities to the Board HR&R Committee to assist the Board in overseeing, governing and addressing the Sustainability related Risks & Opportunities of the Company.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

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

15. The Board has outsourced the internal audit function to M/s Crowe Hussain Chaudhury & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations have been complied with.

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: September 05, 2024

FINANCIAL STATEMENT

For the year ended June 30, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohat Cement Company Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Kohat Cement Company Limited ("the Company") for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore
Date: 05 September 2024
UDIN: CR202410114weWB7MpjG

INDEPENDENT AUDITOR'S REPORT

To the members of Kohat Cement Company Limited

Report on the audit of the Financial Statements

We have audited the annexed financial statements of Kohat Cement Company Limited ("the Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

Following is the Key audit matter:

Sr. No	Key audit matter	How the matter was addressed in our audit
1.	**Revenue** Refer to notes 3.9 and 25 to the financial statements The Company generates revenue from sale of cement to domestic as well as foreign customers. Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, volume rebates and trade discounts (if any). Control is transferred when goods are handed over to customer's appointed carrier or when the goods are delivered at the customer's premises as per the terms of the sale contract. We identified recognition of revenue as a key audit matter because non-compliance with the revenue recognition policy may lead to misstatement of operating results of the Company.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • assessing the appropriateness of the Company's accounting policy for revenue recognition and compliance of the policy with applicable accounting standards; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.; • comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to revenue raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

INDEPETNDENT AUDITOR'S REPORT

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

KPMG Taseer Hadi & Co.

Lahore
Date: 05 September 2024
UDIN: AR202410114yzIAhdSJH

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 Rupees	2023 Rupees Restated
EQUITY AND LIABILITIES			
Authorized share capital	4	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital	4	1,958,612,970	2,008,612,970
Reserves	5	117,044,951	117,280,665
Accumulated profits		39,014,647,370	30,484,151,337
		41,090,305,291	32,610,044,972
Non-current liabilities			
Long term financing - secured	6	1,118,642,478	2,149,017,375
Long term deposits	7	3,536,100	3,536,100
Deferred liabilities			
- deferred taxation	8.1	5,505,823,994	4,823,158,446
- compensated absences	8.2	29,351,103	31,847,241
		6,657,353,675	7,007,559,162
Current liabilities			
Current portion of long term financing	6	1,034,355,873	1,034,355,873
Trade and other payables	9	6,223,153,321	5,307,075,353
Contract liability		113,418,606	253,135,945
Unclaimed dividend		8,503,909	8,535,358
Dividend payable	10	36,835,022	36,939,862
Provision for taxation - net		3,544,368,477	3,079,754,230
Mark-up accrued on borrowings	12	135,001,023	192,674,790
		11,095,636,231	9,912,471,411
Contingencies and commitments	13		
		58,843,295,197	49,530,075,545

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

	Note	2024 Rupees	2023 Rupees Restated
ASSETS			
Non current assets			
Property, plant and equipment	14	22,157,690,533	22,229,434,463
Intangibles	15	508,226	1,567,709
Long term loans and advances	16	21,170,394	17,429,341
Long term deposits	17	43,356,640	43,356,640
Investment property	18	4,326,361,559	4,324,910,743
		26,549,087,352	26,616,698,896
Current assets			
Stores, spares and loose tools	19	5,785,683,486	4,713,129,764
Stock-in-trade	20	1,793,742,440	2,942,861,554
Trade debts - unsecured, considered good	21	2,110,247,902	1,205,553,375
Short term investments	22	20,279,745,954	12,335,073,816
Loans, Advances, deposits, prepayments and other receivables	23	1,222,138,891	783,220,947
Cash and bank balances	24	1,102,649,172	933,537,193
		32,294,207,845	22,913,376,649
		58,843,295,197	49,530,075,545

Chief Executive Officer

Director

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees Restated
Sales-net	25	38,647,767,972	38,921,635,350
Cost of sales	26	(27,391,276,477)	(28,488,941,331)
Gross Profit		11,256,491,495	10,432,694,019
Selling and distribution expenses	27	(197,259,359)	(176,123,458)
Administrative and general expenses	28	(488,042,831)	(396,230,055)
Other expenses	29	(571,950,389)	(736,512,959)
		(1,257,252,579)	(1,308,866,472)
Operating profit		9,999,238,916	9,123,827,547
Other income	30	4,454,427,029	2,085,808,053
Finance cost	31	(677,380,845)	(740,307,772)
Profit before income tax and final tax		13,776,285,100	10,469,327,828
Final tax	32	(844,151,365)	(343,981,005)
Profit before taxation		12,932,133,735	10,125,346,823
Taxation	33	(4,038,678,947)	(4,304,595,678)
Profit after taxation		8,893,454,788	5,820,751,145
Earnings per share - basic and diluted	34	45.27	28.98

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 Rupees	2023 Rupees
Profit after taxation	8,893,454,788	5,820,751,145
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss:		
Equity investments at FVOCI - net changes in fair value	65,703	(80,000)
Items that are or may be reclassified to statement of profit or loss:		
Debt investments at FVOCI - net changes in fair value	(15,000)	(145,000)
	50,703	(225,000)
Total comprehensive income for the year	8,893,505,491	5,820,526,145

The annexed notes from 1 to 47 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

			Reserves					
			Capital reserves		Revenue reserves			
	Note	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profits	Total reserves	Total
					Rupees			
Balance as at 01 July 2022		2,008,612,970	49,704,951	(2,199,286)	70,000,000	25,120,101,596	25,237,607,261	27,246,220,231
Total comprehensive income for the year								
Profit after tax for the year		-	-	-	-	5,820,751,145	5,820,751,145	5,820,751,145
Other comprehensive loss for the year		-	-	(225,000)	-	-	(225,000)	(225,000)
		-	-	(225,000)	-	5,820,751,145	5,820,526,145	5,820,526,145
Own shares purchased for cancellation	4.3	-	-	-	-	(456,701,404)	(456,701,404)	(456,701,404)
Balance as at 30 June 2023		2,008,612,970	49,704,951	(2,424,286)	70,000,000	30,484,151,337	30,601,432,002	32,610,044,972
Total comprehensive income for the year								
Profit after tax for the year		-	-	-	-	8,893,454,788	8,893,454,788	8,893,454,788
Other comprehensive income for the year		-	-	50,703	-	-	50,703	50,703
		-	-	50,703	-	8,893,454,788	8,893,505,491	8,893,505,491
Realized gain on equity investments at FVOCI transfered to retained earnings		-	-	(286,417)	-	286,417	-	-
Own shares purchased for cancellation	4.3	(50,000,000)	-	-	-	(363,245,172)	(363,245,172)	(413,245,172)
Balance as at 30 June 2024		1,958,612,970	49,704,951	(2,660,000)	70,000,000	39,014,647,370	39,131,692,321	41,090,305,291

The annexed notes from 1 to 47 form an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees Restated
Cash flows from operating activities			
Cash generated from operations	35	11,414,783,911	7,862,593,209
Finance cost paid		(731,073,634)	(685,823,997)
Compensated absences paid	8.2	(4,833,553)	(7,885,019)
Income tax paid		(3,227,391,582)	(2,247,109,285)
Final tax paid		(508,158,935)	(208,050,357)
Payment made to Workers' Welfare Fund	9.3	(168,012,374)	(81,209,290)
Payment made to Workers' Profit Participation Fund	9.2	(196,332,000)	(180,433,500)
		(4,835,802,078)	(3,410,511,448)
Net cash generated from operating activities		6,578,981,833	4,452,081,761
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,110,543,880)	(2,015,897,038)
Proceeds from disposal of property, plant and equipment		2,890,000	7,589,770
Purchase of investment property		(1,450,816)	(190,655,534)
Short term investments - net		(7,105,540,815)	(2,105,084,283)
Loan to associated undertaking		(342,000,000)	(160,000,000)
Dividend received on short term investments		3,359,924,294	1,359,306,483
Profit on bank deposits and loans		238,329,752	93,648,851
Gain on market treasury bills		-	494,778,500
Long term loans and advances - net		(3,741,053)	45,797,488
Net cash used in investing activities		(4,962,132,518)	(2,470,515,763)
Cash flows from financing activities			
Repayment of long term finances		(1,034,355,875)	(1,071,920,204)
Short term borrowings - net		-	-
Own shares purchased for cancellation	4.3	(413,245,172)	(456,701,404)
Dividend paid		(136,289)	(172,829)
Net cash used in financing activities		(1,447,737,336)	(1,528,794,437)
Net increase in cash and cash equivalents		169,111,979	452,771,561
Cash and cash equivalents at beginning of the year		933,537,193	480,765,632
Cash and cash equivalents at end of the year	36	1,102,649,172	933,537,193

The annexed notes from 1 to 47 form an integral part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Reporting entity

1.1 Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 36-37 P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab Punjab Pakistan, for installation of its new grey cement line.

1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 (2023: 110,482,320) ordinary shares of the Company comprising 56.41% of its paid up share capital.

2 Basis of preparation

2.1 Statement of compliance

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

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

In case the requirements of the Companies Act, 2017 differ from the IFRS Standards or IFAS, the requirements of the Companies Act, 2017 have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements.

2.2.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

  Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement.

  The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments.

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Use of judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that are relevant to the financial statements are as follows.

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

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in estimate may affect the depreciation charge or impairment. The rates of depreciation are specified in note 14.1.

2.5.2 Recoverable amount of assets / cash generating units and impairment

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

2.5.3 Taxation

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

2.5.4 Provisions

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

2.5.5 Stores, spares and loose tools

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

2.5.6 Stock-in-trade

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

2.5.7 Expected credit loss (ECL) against trade debts, deposits, advances and other receivables

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

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

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

2.5.8 Contingencies

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

3 Statement of consistency in accounting policies

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The material accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated. Material accounting policies are disclosed below:

3.1 Restatement in Financial Statements

3.1.1 Classification of taxes and levies

The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, final taxes paid should be classified as 'levies' and not income tax in the statement of profit or loss. Since, the impact of the said changes is material, per the abovesaid guide and IAS 8 'Accounting Policies, changes in accounting estimates and others', the changes are to be applied retrospectively.

Accordingly, the Company has restated its comparative informration by reclassifying levies amounting to Rs. 343,981,005 from Taxation to Final Tax in the statement of Profit or Loss. Provision for taxation is also restated by Rs. 135,930,648 by recalssification of the same to Trade and Other Payables in the Statement of Financial Position. In the statement of Cashflows, the Income tax paid under the Operating activities has been reclassified by Rs. 208,050,357 to Levies Paid.

3.1.2 Reclassification of Dividend Income

During the year the Company has changed the classification of dividend income from Operating activities to Investing activities in the Statement of Casflows to provide more relevant and reliable information. Accordingly, as per IAS 8 'Accounting Policies, changes in accounting estimates and others', the Company has restated its comparatives in the Statement of Cashflows by reclassifying Cashflows in respect of Dividend income amounting to Rs. 1,359,306,482 from Operating Activities to Investing activities.

3.1.3 Reclassification of Loans to Associated Undertaking

During the year the Company has changed the classification of loans to associated undertaking from Operating activities to Investing activities in the Statement of Casflows to provide more relevant and reliable information. Accordingly, as per IAS 8 'Accounting Policies, changes in accounting estimates and others', the Company has restated its comparatives in the Statement of Cashflows by reclassifying Cashflows in respect of loan to associated undertaking amounting to Rs. 160,000,000 from Operating activities to Investing activities.

Statement of Financial Position	As at 30 June 2023		
	As previously reported	Adjustments Increase / (Decrease)	As restated
	Rupees		
Non current liabilities			
Total non current liabilities	7,007,559,162	-	7,007,559,162
Current liabilities			
Provision for taxation - net	3,215,684,878	(135,930,648)	3,079,754,230
Trade and Other Liabilities	5,171,144,705	135,930,648	5,307,075,353
Other current liabilities	1,525,641,828	-	1,525,641,828
	9,912,471,411	-	9,912,471,411
Total Liabilities	16,920,030,573	-	16,920,030,573

Statement of profit or loss	For the year ended 30 June 2023		
	As previously reported	Adjustments Increase / (Decrease)	As restated
	Rupees		
Profit before income tax and final taxes	10,469,327,828	-	10,469,327,828
Final Tax	-	343,981,005	(343,981,005)
Profit before taxation	10,469,327,828	-	10,125,346,823
Taxation	(4,648,576,683)	(343,981,005)	(4,304,595,678)
Profit after taxation	5,820,751,145	-	5,820,751,145

Statement of Cash Flows	For the year ended 30 June 2023		
	As previously reported	Adjustments Increase / (Decrease)	As restated
	Rupees		
Cash flow from Operating Activites			
Cashflow in respect of dividend Income	1,359,306,483	(1,359,306,483)	-
Income tax paid	(2,455,159,642)	208,050,357	(2,247,109,285)
Final tax paid	-	(208,050,357)	(208,050,357)
Loan to associated undertaking	(160,000,000)	160,000,000	-
Other cashflows from operating activities	6,907,241,403	-	6,907,241,403
Net cash from operating activities	5,651,388,244	(1,199,306,483)	4,452,081,761
Cash flow from Investing Activities			
Cashflows in respect of Dividend income	-	1,359,306,483	1,359,306,483
Loan to associated undertaking	-	(160,000,000)	(160,000,000)
Other cashflows from investing activities	(3,669,822,246)	-	(3,669,822,246)
Net cash used in investing activities	(3,669,822,246)	1,199,306,483	(2,470,515,763)
Cash flow from Financing Activities			
Net cash used in financing activities	(1,528,794,437)	-	(1,528,794,437)
Net increase in cash and cash equivalents	452,771,561	-	452,771,561

3.1.4 The impact of aforementioned restatement is not material on statement of financial position as at 01 July 2022.

3.1.5 Profit before taxation has been restated in line with above explained change, however there is no impact on the financing cashflows for the year ended 30 June 2023.

3.1.6 There is no impact on earning per share that needs to be disclosed in the financial statements.

3.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 3.12.

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

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

Depreciation rates on items of property, plant and equipment are specified in note 14.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the item becomes available for intended use and is discontinued when it is disposed or classified as held for disposal.

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

Capital work in progress

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

3.3 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 15.

3.4 Inventories

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

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

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

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

3.5 Employees benefits

Defined contributions plan

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

Compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss. The Company recognizes provision for compensated absences on an undiscounted basis as the impact of discounting is not material and are expensed as the related services are provided.

A liability is recognized for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

3.6 Financial instruments

3.6.1 Recognition and initial measurement

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

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

3.6.2 Classification and subsequent measurement

Financial assets

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

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

Amortized cost

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

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

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

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

Debt Instrument - FVOCI

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

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

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

Equity Instrument - FVOCI

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

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

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

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Company has classified investments in mutual funds and listed equity securities as disclosed in note 22 as FVTPL.

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

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

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

3.6.3 Derecognition

Financial assets

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

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

Financial liabilities

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

3.6.4 Offsetting

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

3.6.5 Impairment

Financial assets

The Company recognizes loss allowances on:

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

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

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

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

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

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

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

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

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

Non-financial assets

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

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

3.7 Loans and borrowings

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

3.8 Provisions and contingencies

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

3.9 Revenue from Contract with customers

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, rebates and trade discounts (if any). Control is transferred when goods are handed over to customer's appointed carrier or when the goods are delivered at the customer's premises as per the terms of the sale contract.

3.10 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the

Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

It also generally includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.11 Income from Dividends

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

3.12 Borrowing costs

Borrowing costs those are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss as incurred.

3.13 Taxation

Income tax

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

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

Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Earnings per share ("EPS")

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

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

3.15 Cash and cash equivalents

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

3.16 Foreign currency transactions and balances

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

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

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

3.17 Dividend to ordinary shareholders

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

3.18 Cancellation of own shares purchased by the Company

In accordance with section 88 of the Companies Act 2017, the Company may purchase shares in cash and out of distributable profits or reserves specifically maintained for this purpose. Shares purchased by the Company may either be cancelled or held as treasury shares.

As explained in note 4.3 of these financial statements; during the year ended 30 June 2024, the Company purchased its own shares out of distributable profits and has cancelled the same .

3.19 Investment property

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

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

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

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

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

		Note	2024 Number of shares	2023 Number of shares	2024 Rupees	2023 Rupees
4	**Share capital**					
	Authorized share capital					
	Ordinary shares of Rs. 10 each		300,000,000	300,000,000	3,000,000,000	3,000,000,000
	Issued, subscribed and paid-up capital					
	Ordinary shares of Rs. 10 each, fully paid-up in cash		20,749,585	20,749,585	207,495,850	207,495,850
	Shares issued for consideration other than cash	4.2	11,230,000	11,230,000	112,300,000	112,300,000
	Fully paid bonus shares		168,881,712	168,881,712	1,688,817,120	1,688,817,120
	Buyback of shares		(5,000,000)	-	(50,000,000)	-
			195,861,297	200,861,297	1,958,612,970	2,008,612,970

4.1 ANS Capital (Private) Limited, holding company, holds 110,482,320 (2023: 110,482,320) ordinary shares comprising 56.41% (2023: 55.00%) of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 152,045 (2023: 152,045), ordinary shares of Rs. 10 each of the Company, Directors and Executives hold 33,889,239 (2023: 34,321,996) and 224,111 (2023: 130,637) respectively, ordinary shares of Rs. 10 each of the Company.

4.2 These shares were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited. These are ordinary shares of Rs. 10 each.

4.3 In accordance with the provisions of section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations 2019, the members of Kohat Cement Company Limited (the Company) in their EOGM held on 21 February 2023, approved purchase/buy-back of 5 million own ordinary shares at spot price during the period from 1st March 2023 to 19th August 2023 or till such date the purchase is complete, whichever is earlier for cancellation. During the said purchase period, the Company completed the purchase of its 5 million ordinary shares for an aggregate consideration of Rs. 869.95 million. The said shares were cancelled by CDC on 11th August 2023.

4.4 The Board of Directors in its meeting held on 05 September 2024, has approved and recommended to the members of the Company for the purchase / buy-back of up to 12 million ordinary shares of the Company in accordance with the provisions of Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations 2019.

		Note	2024 Rupees	2023 Rupees
5	**Reserves**			
	Capital reserves			
	- share premium	5.1	49,704,951	49,704,951
	- fair value reserve	5.2	(2,660,000)	(2,424,286)
	Revenue reserve			
	- general reserves		70,000,000	70,000,000
			117,044,951	117,280,665

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

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

		Note	2024 Rupees	2023 Rupees
6	**Long term financing - secured**			
	Term finance - Line-4 (Conventional)			
	The Bank of Punjab	6.1	936,797,613	1,353,152,106
	Habib Bank Limited	6.2	244,417,021	488,834,033
	The Bank of Khyber	6.3	357,137,249	499,992,147
	Askari Bank Limited	6.4	362,538,231	507,553,419
	Samba Bank Limited	6.5	257,142,864	342,857,148
			2,158,032,979	3,192,388,854
	Less: Current maturity		(1,034,355,873)	(1,034,355,873)
	Less: Transaction cost	6.6	(5,034,628)	(9,015,606)
			1,118,642,478	2,149,017,375

6.1 This represents long term finance facility obtained from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 936.79 million is repayable in 9 equal quarterly installments ending on 24 September 2026.

6.2 This represents long term finance facility obtained from Habib Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV) at the existing production facilities of the Company. This facility carries markup at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 244.42 million is repayable in 4 equal quarterly installments ending on 30 June 2025.

6.3 This represents long term finance facility obtained from The Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 357.14 million is repayable in 10 equal quarterly installments ending on 10 October 2026.

6.4 This represents long term finance facility obtained from Askari Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 362.54 million is repayable in 10 equal quarterly installments ending on 23 November 2026.

6.5 This represents long term finance facility obtained from Samba Bank Limited during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 257.14 million is repayable in 12 equal quarterly installments ending on 30 June 2027.

		2024 Rupees	2023 Rupees
6.6	**Transaction cost**		
	At the beginning of the year	9,015,606	12,996,584
	Amortized during the year	(3,980,978)	(3,980,978)
	At the end of the year	5,034,628	9,015,606

6.7 For term finance loans from various commercial banks as disclosed in notes from 6.1 to 6.5 above, the Company is required to comply with certain conditions and financial covenants imposed by the providers of finance to make dividend payment, to which company is in compliance as at the reporting date.

		Note	2024 Rupees	2023 Rupees
7	**Long term deposits and retention money**			
	Long term deposits	7.1	3,536,100	3,536,100

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

	2024		
	Opening balance	Charge / (reversal) in statement of profit or loss	Closing balance
	Rupees		
8 Deferred liabilities			
8.1 Deferred taxation			
Taxable / (deductible) temporary difference			
Accelerated tax depreciation	4,840,174,896	561,340,355	5,401,515,251
Unrealized gain	–	120,541,091	120,541,091
Provision for loss allowance for trade debts	(17,016,450)	784,102	(16,232,348)
	4,823,158,446	682,665,548	5,505,823,994

	2023		
	Opening balance	Charge / (reversal) in statement of profit or loss	Closing balance
	Rupees		
Taxable / (deductible) temporary difference			
Accelerated tax depreciation	4,029,649,495	810,525,401	4,840,174,896
Unused tax losses	(12,362,844)	12,362,844	–
Tax credits	(597,510,051)	597,510,051	–
Provision for loss allowance for trade debts	(12,402,982)	(4,613,468)	(17,016,450)
	3,407,373,618	1,415,784,828	4,823,158,446

	2024 Rupees	2023 Rupees
8.2 Compensated absences		
At beginning of the year	31,847,241	27,647,098
Charge for the year	2,337,415	12,085,162
Less: Payments made during the year	(4,833,553)	(7,885,019)
Closing balance	29,351,103	31,847,241

		Note	2024 Rupees	2023 Rupees Restated
9	**Trade and other payables**			
	Trade creditors - local	9.1	847,755,790	647,949,685
	Trade creditors - imports		933,691,081	26,724,599
	Contractors' bills payable		46,432,357	38,593,713
	Accrued liabilities		420,400,000	628,451,562
	Payable to Workers' Profit Participation Fund	9.2	2,437,123,547	2,242,107,702
	Payable to Workers' Welfare Fund	9.3	172,991,247	167,980,377
	Payable to Provident Fund Trust		5,663,132	4,987,873
			4,864,057,154	3,756,795,511
	Payable to Government on account of:			
	Income Tax deducted at source		31,031,857	31,220,036
	Federal Excise Duty		158,853,304	491,248,104
	Sales Tax Payable		284,227,145	392,294,069
	Royalty and Excise Duty		121,780,345	109,127,379
			595,892,651	1,023,889,588
	Retention money payable	9.4	7,739,457	13,360,295
	Other payables		755,464,059	513,029,959
			763,203,516	526,390,254
			6,223,153,321	5,307,075,353

9.1 This includes amounts payable to related parties Ultra Pack (Private) Limited amounting to Rs. 191.312 million (2023: Rs. 43.54 million) and Ultra Kraft (Private) Limited amounting to Rs. 19.63 million (2023: Nil)

		Note	2024 Rupees	2023 Rupees
9.2	**Workers' Profit Participation Fund ("WPPF")**			
	At beginning of the year		2,242,107,702	1,862,683,991
	Allocation for the year	29	391,347,845	559,857,211
	Less: Paid during the year		(196,332,000)	(180,433,500)
	At end of the year	9.2.1	2,437,123,547	2,242,107,702

9.2.1 The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of The Companies Profit (Worker's Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labor welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury.

Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of leftover amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court (SHC) in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, through an interim order, while granting leave to appeal, the Honorable Supreme Court of Pakistan (SCP) has suspended the operation of the SHC judgement.

Morever, no provincial authority has been constituted so far in the Province of KPK to collect the left over amount. Therefore, the Company has filed a constitutional Petition before the Honorable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

		Note	2024 Rupees	2023 Rupees
9.3	**Workers' Welfare Fund**			
	At beginning of the year		167,980,377	81,230,496
	Allocation for the year	29	173,023,244	167,959,171
	Less: Paid during the year		(168,012,374)	(81,209,290)
	At end of the year		172,991,247	167,980,377

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

		Note	2024 Rupees	2023 Rupees
10	**Dividend payable**			
	Dividend withheld on account of:			
	- court order	10.1	20,972,124	20,972,124
	- non provision of CNIC / bank details		15,862,897	15,967,738
			36,835,021	36,939,862

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

		2024 Rupees	2023 Rupees
11	**Short term borrowings - secured**		
	Short term borrowings	-	-

11.1 The Company has aggregate facilities of Rs. 6,884 million (2023: Rs. 4,634 million) for opening of letters of credit and Rs. 488.73 million (2023: Rs. 388.73 million) for bank guarantees. The amount utilized as at 30 June 2024 amount to Rs. 1,134.74 million (2023: Rs. 1,833.13 million) and Rs. 235.42 million (2023: Rs. 232.33 million) respectively.

11.2 The Company has aggregate Running Finance / FATR facilities of Rs. 6,634 million (2023: Rs. 3,934 million) to finance working capital requirements of the Company and carry mark up at 3 months KIBOR plus 0.75% ~ 1.25% (2023: 3 months KIBOR plus 0.75% ~ 1.25%) per annum. The amount utilized as at 30 June 2024 is Nil (2023: Nil).

11.3 Export Refinance facilities are available from different commercial banks upto Rs. 798 million, under mark-up arrangement carrying mark-up at SBP export refinance rate plus 0.50% ~1.00% (2023: SBP export refinance rate plus 1.00%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days. The amount utilized as at 30 June 2024 is Nil (2023: Nil).

All the above short term finance facilities are secured by way of first parri passu hypothecation charge on present and future current assets of the Company with 25% margin, except that the facilities of bank guarantees issued in favor of SNGPL & PESCO aggregating to Rs. 224.82 million (2023: Rs. 224.82 million) are secured by first parri passu hypothecation charge on present and future fixed assets of the Company with 25% margin.

	2024 Rupees	2023 Rupees
12 Mark-up accrued on borrowings		
Mark-up based borrowings:		
Long term financing - secured	134,999,660	192,668,606
Short term borrowings - secured	1,363	6,184
	135,001,023	192,674,790

13 Contingencies and commitments

13.1 Legal Contingencies

13.1.1 The Competition Commission of Pakistan ("CCP") took Suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued Show Cause Notice (SCN) on 28 October 2008 inquiring increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Company impugned the SCN and filed a writ petition before Honorable Lahore High Court ("LHC") challenging the vires of the Law. LHC, while granting stay against recovery, allowed CCP to pass the order against the Company resulting into levy of penalty of Rs. 103 million by CCP vide order dated 27 August 2009 (the "Order"). The Order was agitated by the Company before the honorable Supreme Court of Pakistan (SC). The appeal before SC was sent to Competition Appellate Tribunal (CAT), to be decided in accordance with law. The matter of constitution of CAT and appointment of its members has also been agitated by the Company before the honorable Sindh High Court, Karachi. However, in the meanwhile, the LHC decided the Writ Petition against the Company vide its order dated 26 October 2020, thereby upholding the veracity of Law and constitution of the CAT, which has been challenged by the Company through filing CPLAs before the SC, wherein a favorable outcome is expected.

13.1.2 An application was filed by certain shareholders of the Company including a sitting director of the Company before SECP praying for investigation into affairs of the Company. Consequently, SECP issued a show cause notice dated 27 July 2011 to the Company and all its Directors. Responding to the notice, management strongly denied all the baseless, false and frivolous allegations leveled in the application and further challenged the said notice before LHC through filing of writ petition which was dismissed on legal grounds; however the judgment of LHC has been agitated by the Company through filing of CPLA before the honorable Supreme Court of Pakistan which is pending adjudication. Further, in July 2012, the aforementioned shareholders have also filed a petition before Honorable Peshawar High Court ("PHC") against management of the Company under sections 290, 291, 292 read with section 265 of the Companies Ordinance, 1984 which is pending adjudication.

13.1.3 The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metered Volume Adjustment for the period from June 16, 2013 to June 25, 2013 in the Sui Gas Bill of the Company for the Month of August 2014. On appeal before OGRA, the said levy was set aside to its Designated Officer, who partially decided the case in favor of the Company which is thus challenged by the Company and Designated Officer in appeal before the OGRA. OGRA has decided the case against the Company which was agitated by the Company in Writ Petition before the honorable Islamabad High Court which is pending adjudication.

13.1.4 The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Company before the honorable Peshawar High Court through filing a Writ Petition (WP), wherein the honorable Court has directed to maintain status quo, but later vide order dated 09 March 2023 directed KCCL to make payment of Rs. 10.989 million and same was duly complied/ paid on 02 June 2023. Honorable High Court vide its order dated 19 September 2023 has disposed-off the Writ Petition with a direction to reconcile record with Mine & Minerals Department of KPK and representation/ application is pending before Mine & Minerals Department KPK.

13.1.5 Tehsil Municipal Officer (TMO), Kohat, in exercise of powers U/S 44 of KP Local Government Act, 2013 (the LG Act, 2013) notified factory premises of the Company as rating area within the meanings of Urban Immovable Property Tax ACT, 1958 (the UIP Act 1958) for the purposes of imposition of Property Tax of around Rs. 31 million per annum. The Company has challenged the levy on various grounds before the honorable Peshawar High Court, wherein, as an interim relief, the PHC suspended the aforesaid Notification.

13.1.6 The Khyber Pakhtunkhwa Mines and Minerals Department (Mining Department) conducted a survey of the leased area granted to Company containing mineral resources in order to determine any difference (if any) between the minerals excavated by the Company and the amount of Royalty paid since inception till December 2014. While finalizing the assessment, the Mining Department alleged a difference of minerals excavated and declared by the Company thereby created a demand of Rs. 750 million in dire ignorance of law and facts of the matter. Company filed various representations and / or appeals before the appropriate forums to highlight that the Company has even declared more production and thus paid more Royalty than the hypothetical figure of production assessed by the Mining Department through its survey, which otherwise has no strong basis. However, the Mining Department neither considered nor disposed of the Company's submissions and hence the Company filed a Writ Petition before the honorable Peshawar High Court (PHC) wherein, PHC has directed Mining Department to decide the pending representation after allowing sufficient audiance to the Company.

13.2 Income Tax Contingencies

13.2.1 The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs. 37.17 million, disallowed various profit and loss expenses, changed apportionment basis of expenses between normal and export sales and ignored the adjustment of brought forward losses of the Company against its income. Being aggrieved, the Company filed an appeal before the CIR(A) which succeeded leaving a tax demand of Rs. 12.8 million against the Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Company and the Department before the ATIR. ATIR upheld the decision of CIR(A). The Company is in process of filling reference before Honorable LHC.

13.2.2 The Deputy Commissioner Inland Revenue (DCIR) vide order dated 26 October 2020 raised a tax demand to the tune of Rs. 686 million pertaining to tax year 2012 under section 122(1)/122(5) of the ITO, 2001 on account of suppressed sales and disallowing various profit and loss expenses / deductible allowance and curtailing available tax credits. The Company filed an appeal before the CIR (A) which was decided vide order dated 31st December 2021 resulting into deletion of entire disputed tax demand of Rs. 686 million which has been agitated by tax department through filing of appeal before the ATIR which is pending adjudication.

13.2.3 The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax years 2014 and 2016 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 20.71 million and Rs. 64.90 million respectively. The treatment meted out by the ACIR for the aforesaid tax years has been agitated by the Company before CIR (A) who decided the case in favor of the Company which has been challenged by the Department in appeal before ATIR which is pending adjudication.

13.2.4 Income tax affairs of the Company for tax year 2015 were selected for audit U/S 177 of the ITO, 2001. The audit proceedings were finalized by the DCIR resulting in change in allocation of expenses between local and export income and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 234.5 million. The aforesaid treatment meted out by the DCIR has been agitated by the Company before CIR(A) through filing of appeal, wherein partial relief has been allowed to the Company leaving a tax demand of Rs. 41.5 million. Both the department and Company has filed appeals before the (ATIR) against the order of CIR(A) which is pending ajudication.

13.2.5 The Additional Commissioner Inland Revenue (ACIR) amended the assessment of Company twice for the tax year 2016 under the provisions of Section 122(5A) of the Income Tax Ordinance, 2001 (ITO, 2001). The amendments of assessment was made by the Additional CIR vide two separate orders which resulted into an aggregate tax demand of Rs. 210.69 million. The orders of the ACIR have been agitated by Company before the CIR(A) through filing two separate appeals, one of which involving tax demand of Rs. 5.9 million has been decided against the Company by the CIR(A) and the ATIR for which a reference application is filed before the Honorable Lahore High Court which is pending adjudication. Demand to the tune of Rs. 204.79 million created vide the other order of the ACIR has been curtailed to Rs. 100.31 million by the CIR(A) and finally deleted by the ATIR which is contested by the Department through filing of a reference application before the LHC. The reference application has been decided against the Department.

13.2.6 The Additional Commissioner Inland Revenue (ACIR) created a tax demand of Rs. 97.7 million for the tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 by disallowing various profit and loss expenses / deductible allowance. The Company has filed an appeal before CIR (A), wherein the entire case has been decided in favor of the Company resulting in deletion of entire tax demand. The order of CIR(A) has been challenged by the Department before ATIR which is pending adjudication.

13.2.7 The Additional Commissioner Inland Revenue (ACIR), while proceeding U/S 122(5A) of the ITO, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014. On an appeal, the CIR(A), curtailed the aforesaid demand to Rs. 16.7 million. The aforesaid order of CIR(A) has been challenged by Company and the Department before the ATIR, which is pending adjudication.

13.2.8 The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax year 2018 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 10 million. The treatment meted out by the ACIR for the aforesaid tax year was agitated by the Company before CIR(A) who decided the case against the Company. Same has been challenged by the Company in appeal before ATIR which is pending adjudication.

13.3 Sales Tax Contingencies

13.3.1 The Tax Department, after conducting Sales Tax and Federal Excise Duty audit of the Company for tax period July-2008 to June-2009 passed an order dated 20 April 2012 disallowing zero rating on exports and input tax claims, levying additional tax and penalty amounting to Rs. 12.72 million and Rs. 14.02 million under provisions of Sales Tax and Federal Excise Laws respectively. The Company filed appeal before CIR(A) along with a Writ Petition (WP) before the LHC against the above mentioned order. The aforesaid appeal and WP were decided in favor of the Company and thus assailed by the tax department at respective forums i.e. through filing of appeal before the ATIR on 04 April 2013 and through filing of an Intra Court Appeal (ICA) before the Honorable LHC. The ICA has been decided in favor of the Department and hence the matter was left to be decided by ATIR. Before the decision of matter, an amount of Rs. 14.80 million was deposited by the Company under Amnesty Scheme announced vide SRO 548(I)/2012 dated 22 May 2012. The matter was decided in favor of the Company by ATIR and the department challenged that decision in Honorable LHC which has set aside previous orders and remanded the case back to ATIR which is pending adjudication.

13.3.2 The Deputy Commissioner Inland Revenue (DCIR) has imposed a penalty of Rs. 36.95 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Out of the total demand, the company deposited Rs 33 million under protest. The Company filed an appeal before CIR(A), which was decided against the Company through a non-speaking order. The Company contested the same on 26 January 2015 before the ATIR who deleted the entire amount. The order of ATIR has been agitated by the Department through filing a reference before the Honorable LHC, which is pending adjudication.

13.3.3 The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 497 million by disallowing input sales tax, for tax period July-2018 to June-2019, to the tune of Rs. 474 million and imposed a penalty of Rs. 22.7 million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed U/S 8(1)(h) of the the Act as opposed to Company's contention that the input claimed directly relates to production of taxable supplies. Rs. 49.71 million were deposited by the Company to obtain statutory stay from recovery to bar department to issue recovery notice under section 48 of the the Act, along with filing appeal before CIR(A), which, however, decided against the Company. The Company filed an appeal before the ATIR against the order of CIR(A) which resulted in deletion of entire demand whereas the aforesaid amount of Rs. 49.71 million has become refundable to the Company. However, the tax Department has filed a reference application before the honorable LHC against the order of ATIR, which is pending adjudication.

13.3.4 Deputy Commissioner Inland Revenue (DCIR) disallowed input sales tax and passed an order to recover Rs. 16 million penalty along with default surcharge, allegedly for non compliance with clauses (a),(f),(g),(h) & (i) of section 8(1) of the Act. The confronted purchases having particular specifications were used for fabrication and BMR of plant and machinery, production line and plant civil structure. Company filed an appeal before the Commissioner of Appeals and paid Rs. 1.7 million under protest to avail statutory stay.

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

Based on opinion of Company's legal council the management is confident of favorable outcome in all aforesaid matters of the Company, hence no provision is being recognized in respect of these in the Financial Statements.

		Note	2024 Rupees	2023 Rupees
13.5	**Commitments**			
	In respect of letters of credit for:			
	- stores and spares		208,585,518	1,836,329,686
	Others:			
	- Guarantee issued by Company in favor of bank on behalf of the associated company		390,000,000	390,000,000
			598,585,518	2,226,329,686
14	**Property, plant and equipment**			
	Operating fixed assets	14.1	21,157,313,928	20,286,414,882
	Capital work in progress	14.2	1,000,376,605	1,943,019,581
			22,157,690,533	22,229,434,463

14.1 Operating fixed assets

	2024									
	Cost					Depreciation				
	As at 01 July 2023	Additions/ (adjustments)	Disposals	As at 30 June 2024	Depreciation Rate	As at 01 July 2023	For the year	Disposals	As at 30 June 2024	Net book value as at 30 June 2024
	Rupees					Rupees				
Freehold land	478,782,234	12,712,132	-	491,494,366	-	-	-	-	-	491,494,366
Factory buildings	1,844,379,430	78,904,786	-	1,923,284,216	4% - 5%	653,760,064	65,338,867	-	719,098,931	1,204,185,285
Office and other building	58,713,548	-	-	58,713,548	5%	31,050,250	1,383,165	-	32,433,415	26,280,133
Housing colony	247,512,964	154,650,227	(3,124,456)	399,038,735	5%	76,930,447	11,091,942	(2,670,008)	85,352,381	313,686,354
Plant - Civil structures	6,566,956,876	-	-	6,566,956,876	4%	2,060,824,015	248,725,893	-	2,309,549,908	4,257,406,968
Plant - Machinery and equipment	20,025,651,780	1,615,619,070	-	21,641,270,850	4% - 10%	6,416,465,966	791,663,601	-	7,208,129,567	14,433,141,283
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	26,340,523	380,773	-	26,721,296	3,426,956
Power installations	133,937,080	-	-	133,937,080	10%	110,042,876	2,389,420	-	112,432,296	21,504,784
Furniture, fixtures and other office equipment	164,082,427	9,083,001	-	173,165,428	10%	81,480,392	8,640,133	-	90,120,525	83,044,903
Computer and printers	43,777,647	36,731,236	(155,000)	80,353,883	30%	29,655,780	6,069,258	(96,851)	35,628,187	44,725,696
Weighing scale	29,403,750	-	-	29,403,750	10%	12,210,103	1,719,365	-	13,929,468	15,474,282
Light vehicles	391,279,133	145,486,405	(871,687)	535,893,851	20%	255,059,172	41,569,518	(824,164)	295,804,526	240,089,325
Heavy vehicles	18,824,516	-	-	18,824,516	20%	16,240,489	516,806	-	16,757,295	2,067,221
Railway sidings	9,853,476	-	-	9,853,476	5%	8,581,851	63,581	-	8,645,432	1,208,044
Laboratory equipment	59,379,600	-	-	59,379,600	10%	37,629,977	2,174,962	-	39,804,939	19,574,661
Library books	94,217	-	-	94,217	10%	90,143	407	-	90,550	3,667
	30,102,776,930	2,053,186,857	(4,151,143)	32,151,812,643		9,816,362,048	1,181,727,691	(3,591,023)	10,994,498,716	21,157,313,928

	2023									
	Cost					Depreciation				
	As at 01 July 2022	Additions/ (adjustments)	Disposals	As at 30 June 2023	Depreciation Rate	As at 01 July 2022	For the year	Disposals	As at 30 June 2023	Net book value as at 30 June 2023
	Rupees					Rupees				
Freehold land	369,171,848	109,610,386	-	478,782,234	-	-	-	-	-	478,782,234
Factory buildings	1,839,380,817	4,998,613	-	1,844,379,430	4% - 5%	588,696,494	65,063,570	-	653,760,064	1,190,619,366
Office and other building	58,713,548	-	-	58,713,548	5%	29,594,287	1,455,963	-	31,050,250	27,663,298
Housing colony	252,264,442	2,166,961	(6,918,438)	247,512,964	5%	73,860,603	8,921,243	(5,851,400)	76,930,447	170,582,517
Plant - Civil structures	6,566,956,876	-	-	6,566,956,876	4%	1,812,098,122	248,725,893	-	2,060,824,015	4,506,132,861
Plant - Machinery and equipment	19,983,700,178	41,951,601	-	20,025,651,780	4% - 10%	5,679,614,369	736,851,597	-	6,416,465,966	13,609,185,814
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	25,917,442	423,081	-	26,340,523	3,807,729
Power installations	133,937,080	-	-	133,937,080	10%	107,387,965	2,654,911	-	110,042,876	23,894,204
Furniture, fixtures and other office equipment	157,060,468	7,342,236	(320,277)	164,082,427	10%	73,069,553	8,647,707	(236,868)	81,480,392	82,602,035
Computer and printers	42,211,083	8,527,111	(6,960,548)	43,777,647	30%	31,339,421	4,927,570	(6,611,211)	29,655,780	14,121,867
Weighing scale	29,403,750	-	-	29,403,750	10%	10,299,698	1,910,405	-	12,210,103	17,193,647
Light vehicles	369,596,037	25,763,373	(4,080,277)	391,279,133	20%	225,592,249	32,167,789	(2,700,866)	255,059,172	136,219,961
Heavy vehicles	18,824,516	-	-	18,824,516	20%	15,594,482	646,007	-	16,240,489	2,584,027
Railway sidings	9,853,476	-	-	9,853,476	5%	8,514,923	66,928	-	8,581,851	1,271,625
Laboratory equipment	55,964,477	3,415,123	-	59,379,600	10%	35,213,352	2,416,625	-	37,629,977	21,749,623
Library books	94,217	-	-	94,217	10%	89,690	453	-	90,143	4,074
	29,917,281,066	203,775,404	(18,279,540)	30,102,776,930		8,716,882,650	1,114,879,742	(15,400,345)	9,816,362,048	20,286,414,882

14.2 Factory buildings, plant civil structure, housing colony, plant, machinery and equipment, storage tanks and pipelines, power installations, weighing scale, railway sidings and laboratory equipments are located at freehold land measuring 1,830 kanals and 4 marlas located at Mouza Togh Bala Babri Banda, District Kohat, KPK, Pakistan.

Office land and building is located at land measuring 2 kanal and 8 marlas located at 36-37 P, Gulberg II, Lahore. Office land and building located at 36-37 P, Gulberg II, Lahore is mortgaged in favor of National Bank of Pakistan (NBP) as a security of finance provided by NBP to Ultra Kraft (Private) Limited, an associated Company, as approved by members of the Company in its EOGM held on April 14, 2022, in terms of section 199 of the Companies Act, 2017.

		Note	2024 Rupees	2023 Rupees
14.3	**Depreciation charge for the year has been allocated as follows:**			
	Cost of goods sold	26	1,161,057,615	1,102,121,757
	Selling and distribution expenses	27	4,272,778	4,512,049
	Administrative and general expenses	28	16,397,298	8,245,936
			1,181,727,691	1,114,879,742
14.4	**Capital work in progress**			
	Opening balance		1,943,019,581	130,897,947
	Additions during the year		791,567,020	1,849,036,990
	Transfers to property, plant and equipment		(1,734,209,996)	(36,915,356)
	Closing balance	14.5	1,000,376,605	1,943,019,581
14.5	**The breakup of closing balance is as follows:**			
	Plant and machinery		827,607,602	1,725,607,899
	Civil works		172,769,003	217,411,682
			1,000,376,605	1,943,019,581
15	**Intangible assets**			
	Opening balance		1,567,709	2,701,357
	Less: Amortization for the year	28	(1,059,483)	(1,133,648)
	Closing balance		508,226	1,567,709
	Cost		30,461,960	30,461,960
	Less: Accumulated amortization		(29,953,734)	(28,894,251)
			508,226	1,567,709
			(Percentage)	**(Percentage)**
	Amortization rate		20%	20% to 50%

		Note	2024 Rupees	2023 Rupees
16	**Long term loans and advances**			
	Loans to employees - secured considered good		1,285,163	466,190
	Advance against purchase of land	16.1	19,885,231	16,963,151
			21,170,394	17,429,341

16.1 Advances against purchase of land in District Khushab for installation of its new grey cement line.

17 Long term deposits

This mainly represents security deposit with Peshawar Electric Supply Company.

		Note	2024 Rupees	2023 Rupees
18	**Investment property**			
	Balance at the beginning of the year		4,324,910,743	4,134,255,209
	Additions during the year		1,450,816	190,655,534
		18.1	4,326,361,559	4,324,910,743

18.1 Investment property comprises of land that are held for capital appreciation. The approximate market value of investment property is Rs. 9,190.35 million (2023: Rs. 8,360.93 million) and aggregate forced sale value of Rs. 7,811.74 million (2023: Rs.7,106.79 million) based on valuation conducted by a professional valuer. The Company owns investment properties measuring 1,128.88 kanals (2023: 1,128.88 kanals) located at different locations in District Lahore.

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

		Note	2024 Rupees	2023 Rupees
19	**Stores, spares and loose tools**			
	Stores	19.1	3,685,575,712	2,997,389,055
	Spares		2,036,157,895	1,662,025,792
	Loose tools		63,949,879	53,714,917
			5,785,683,486	4,713,129,764

19.1 These include stores in transit amounting to Rs. 1,592.21 million (2023: Rs. 47.38 million).

		Note	2024 Rupees	2023 Rupees
20	**Stock-in-trade**			
	Raw materials		15,250,712	34,565,880
	Packing materials		383,936,694	519,991,935
	Work in process		723,387,446	1,563,113,179
	Finished goods		671,167,588	825,190,560
			1,793,742,440	2,942,861,554
21	**Trade debts**			
	Trade debts - unsecured, considered good		2,151,869,308	1,249,185,297
	Provision for loss allowance against trade debts	21.1	(41,621,406)	(43,631,922)
			2,110,247,902	1,205,553,375
	21.1 Movement in provision for loss allowance against trade debts:			
	Balance as of July 01		43,631,922	37,584,793
	Expected credit loss during the year		(2,010,516)	6,047,129
	Closing balance as at 30 June		41,621,406	43,631,922
22	**Short term investments**			
	FVOCI - listed equity securities			
	Cost		–	89,286
	Accumulated fair value gain	22.1	–	220,714
			–	310,000
	FVOCI - debt instrument			
	Term Finance Certificates	22.2.1	100,000,000	100,000,000
	Accumulated fair value gain	22.2.2	(2,660,000)	(2,645,000)
			97,340,000	97,355,000
	FVTPL			
	Investments in Mutual Funds			
	Money Market Mutual Funds - Shariah Compliant		6,631,635,350	11,285,840,240
	Income Mutual Funds - Conventional		1,221,164,505	–
	Money Market Mutual Funds - Conventional		11,176,938,996	307,809,113
			19,029,738,851	11,593,649,353
	Listed equity securities			
	Cost		549,497,061	641,980,755
	Accumulated fair value gain	22.3	603,170,042	1,778,708
			1,152,667,103	643,759,463
			20,182,405,954	12,237,408,816
			20,279,745,954	12,335,073,816

		2024 Rupees	2023 Rupees
22.1	**FVOCI - listed equity securities**		
	Fair value changes		
	At beginning of the year	220,714	300,714
	Net change in fair value	65,703	(80,000)
	Gain realized during the year	(286,417)	-
	Accumulated fair value gain	-	220,714

22.2 FVOCI - debt instrument

22.2.1 These represents fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited and the Bank of Punjab. These TFCs carry floating rate of return at 3-6 Month Kibor plus 1.60% ~ 2% per annum.

		Note	2024 Rupees	2023 Rupees
22.2.2	**Fair value changes**			
	At beginning of the year		(2,645,000)	(2,500,000)
	Fair value (loss) for the year		(15,000)	(145,000)
			(2,660,000)	(2,645,000)
22.3	**FVTPL - listed equity securities**			
	Fair value changes			
	At beginning of the year		1,778,708	(6,157,427)
	Fair value gain / (loss) for the year		601,391,334	7,936,135
			603,170,042	1,778,708
23	**Loans, Advances, deposits, prepayments and other receivables**			
	Advances - unsecured, considered good			
	- to employees	23.1	4,435,573	3,285,012
	- to suppliers		224,705,598	216,887,920
	- to contractors		33,136,100	7,724,266
			262,277,271	227,897,198
	Income tax and Sales tax paid under protest	23.2	180,927,970	155,227,970
	Loan to Ultra Kraft (Private) Ltd- an associated undertaking	23.3	531,786,858	169,834,269
	Letter of credit / Bank guarantee margin		61,914,328	75,863,696
	Prepayments		6,510,856	20,011,718
	Security deposits		9,065,422	92,489,482
	Accrued interest on bank deposits		4,929,596	7,780,631
	Duty drawback claims receivable on export sales		5,009,762	5,251,719
	Other advances and receivables		159,716,828	28,864,264
			1,222,138,891	783,220,947

		2024 Rupees	2023 Rupees
23.1	**Advances to Company's employees**		
	Advances to employees against salary	2,329,897	2,421,870
	Advances to employees against expenses	2,105,676	863,142
		4,435,573	3,285,012

23.2 This includes sales tax paid to the Federal Board of Revenue under protest, as referred to in notes 13.3.1, 13.3.2, 13.3.3, and 13.3.4.

23.3 In terms of section 199 of the Companies Act, 2017 the Company in its AGM held on 16 October 2023 has approved renewal of investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited, an associated company, to meet its working capital requirements. As of 30 June 2024, the Company has disbursed Rs. 502 million (2023: Rs. 160 million) to Ultra Kraft (Private) Limited, the loan is for one year period starting from 29 October 2023 and carry mark up rate of 3 MK plus 1.5%. per annum. The Company has also issued a Corporate Guarantee for an amount of Rs. 390 million for a period of 7 years in favor of National Bank of Pakistan (NBP) by mortgaging it's immovable property to secure long term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. Commission is being charged at the rate of 0.12% per quarter payable quarterly in arrears. As at 30 June 2024, Rs. 29.787 million (2023: Rs. 9.83 million) pertains to accrued mark-up/commission on these financing facilities.

		Note	2024 Rupees	2023 Rupees
24	**Cash and bank balances**			
	Cash in hand		185,667	629,037
	Cash at bank			
	- current accounts			
	Deposits with conventional banks		629,737,836	458,045,863
	Deposits with Islamic banks		9,236,148	3,651,911
			638,973,984	461,697,774
	- saving accounts	24.1		
	Deposits with conventional banks		193,968,156	285,982,958
	Deposits with Islamic banks		269,521,365	185,227,424
			463,489,521	471,210,382
			1,102,649,172	933,537,193

24.1 These carry return at 10.00% to 20.50% (2023: 6.75% to 19.50%) per annum.

		2024 Rupees	2023 Rupees
25	**Sales - net**		
	Gross Sales		
	Local	52,629,386,462	52,834,034,197
	Export	506,518,071	414,231,584
		53,135,904,533	53,248,265,781
	Less: Sales tax	(9,014,692,480)	(8,949,407,921)
	Federal Excise Duty	(5,087,859,420)	(4,924,360,715)
	Discount / rebate	(385,584,661)	(452,861,795)
		(14,488,136,561)	(14,326,630,431)
		38,647,767,972	38,921,635,350

25.1 Disaggregation of revenue

25.1.1 Type of customers - Gross sales

	2024 Rupees	2023 Rupees
Contracts with government customers	2,518,709,999	998,159,970
Contracts with non-government customers	50,617,194,534	52,250,105,811
	53,135,904,533	53,248,265,781

25.1.2 Geographical region - Gross Revenue

	2024 Rupees	2023 Rupees
Pakistan	52,629,386,462	52,834,034,197
Afghanistan	506,518,071	414,231,584
	53,135,904,533	53,248,265,781

25.1.3 During the year the Company has recognized revenue amounting to Rs. 239.50 million out of contract liability as at 01 July 2023.

		Note	2024 Rupees	2023 Rupees
26	**Cost of sales**			
	Raw materials consumed		1,315,105,785	1,605,500,571
	Packing materials consumed		2,227,265,425	2,406,357,467
	Power and fuel		5,903,638,078	5,933,856,199
	Coal and gas		12,676,526,352	16,176,333,859
	Stores and spares consumed		1,050,381,378	683,284,419
	Salaries, wages and other benefits	26.1	812,830,304	707,370,632
	Royalty and excise duty	26.2	447,776,282	560,779,787
	Rent, rates and taxes		46,929,652	46,388,658
	Repairs and maintenance		220,231,797	175,191,790
	Insurance		61,811,896	52,047,457
	Depreciation	14.3	1,161,057,615	1,102,121,757
	Loading and freight charges		237,910,782	166,217,687
	Other expenses		242,302,081	176,947,801
			26,403,767,427	29,792,398,084
	Work in process			
	At beginning of the year		1,563,113,179	737,992,650
	At end of the year		(723,387,446)	(1,563,113,179)
			27,243,493,160	28,967,277,556
	Finished goods			
	At beginning of the year		825,190,561	359,946,311
	At end of the year		(671,167,588)	(825,190,561)
			27,397,516,132	28,502,033,306
	Less: Cost attributable to own cement consumption and others		(6,239,655)	(13,091,975)
			27,391,276,477	28,488,941,331

26.1 Salaries, wages and other benefits include Rs. 19.30 million (2023: Rs. 16.42 million) and Rs. 1.63 million (2023: Rs. 5.80 million) in respect of provident fund contributions and compensated absences, respectively.

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

		Note	2024 Rupees	2023 Rupees
27	**Selling and distribution expenses**			
	Salaries, wages and other benefits	27.1	124,952,194	100,731,763
	Vehicle running		10,008,512	9,448,655
	Travelling and conveyance		5,680,747	5,347,944
	Printing and stationary		616,987	458,012
	Postage, telephone and telegrams		1,543,733	1,655,999
	Repairs and maintenance		1,547,905	7,204,904
	Entertainment		5,731,004	4,293,786
	Rent, rates and taxes		4,020,417	4,205,938
	Electricity, water and gas		1,156,467	846,326
	Sales promotion		35,898,002	36,170,967
	Depreciation	14.3	4,272,778	4,512,049
	Miscellaneous		1,830,613	1,247,115
			197,259,359	176,123,458

27.1 Salaries, wages and other benefits include Rs. 2.81 million (2023: Rs. 2.20 million) and Rs. 0.26 million (2023: Rs. 0.72 million) in respect of provident fund contributions and compensated absences, respectively.

		Note	2024 Rupees	2023 Rupees
28	**Administrative and general expenses**			
	Salaries, wages and other benefits	28.1	363,107,521	295,973,283
	Vehicle running		10,306,358	7,127,897
	Travelling and conveyance		2,643,153	2,712,140
	Printing and stationary		6,178,155	7,018,674
	Legal and professional	28.2	21,434,077	17,144,737
	Postage, telephone and telegrams		6,572,546	6,192,321
	Repairs and maintenance		24,733,652	20,842,155
	Rent, rates and taxes		9,986,473	7,316,603
	Electricity, water and gas		10,309,292	9,237,643
	Entertainment		8,103,991	7,034,921
	Auditors' remuneration and fee for other services	28.3	4,610,000	3,491,250
	Depreciation	14.3	16,397,298	8,245,936
	Amortization	15	1,059,483	1,133,648
	Advertisement		428,704	737,925
	Miscellaneous		2,172,128	2,020,921
			488,042,831	396,230,055

28.1 Salaries, wages and other benefits include Rs. 5.67 million (2023: Rs. 4.87 million) and Rs. 0.51 million (2023: Rs. 1.82 million) in respect of provident fund contributions and compensated absences, respectively.

28.2 Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.289 million (2023: Rs. 0.262).

		2024 Rupees	2023 Rupees
28.3	**Auditors' remuneration and fee for other services**		
	Statutory audit	2,860,000	2,540,000
	Half year review	500,000	400,000
	Certification of buy back of shares	500,000	-
	Tax consultancy	750,000	551,250
		4,610,000	3,491,250

		Note	2024 Rupees	2023 Rupees
29	**Other expenses**			
	Workers' Profit Participation Fund	9.2	391,347,845	559,857,211
	Workers' Welfare Fund	9.3	173,023,244	167,959,171
	Donations	29.1	6,200,000	2,560,000
	Foreign currency exchange loss - net		1,379,300	-
	Provision for loss allowance against trade debts		-	6,047,129
	Advances no longer receivable written off		-	89,448
			571,950,389	736,512,959

29.1 It includes donations paid to Saylani Welfare Trust Rs. 2.5 million, Al-Khidmat Foundation Rs. 2.5 million and Akhuwat Foundation Rs. 1.2 million. None of the Directors of the Company or any of their spouse have any interest in donee's fund.

		2024 Rupees	2023 Rupees
30	**Other income**		
	Income from financial assets - Conventional:		
	Interest on bank deposits and investments	91,606,211	48,304,294
	Realized gain on investments at FVTPL-Mutual Funds	39,681,840	90,609,288
	Realized gain on investments at FVTPL-Market Treasury Bills	-	494,778,500
	Realized gain on investments at FVTPL-Equity	73,159,252	-
	Dividend received from investment in mutual funds	1,568,473,288	1,028,047,489
	Dividend received from investment in equity securities	207,074,563	113,628,537
	Net change in fair value of financial assets at FVTPL	644,657,889	1,013,687
	Foreign currency exchange gain - net	-	40,463
	Interest on employees' loans	74,064	23,629
	Interest/commission on financing facilities to Ultra Kraft (Pvt) Ltd - associated company	97,026,448	18,246,214
	Income from financial assets - Shariah compliant:		
	Profit on bank deposits and investments	46,846,059	49,061,335
	Net change in fair value of financial assets at FVTPL	(6,011,010)	8,271,348
	Realized gain on investments at FVTPL-Mutual Funds	87,592,649	6,224,517
	Dividend received from investment in mutual funds	1,584,376,443	217,630,457
		4,434,557,696	2,075,879,758
	Income from non-financial assets		
	Income from sale of scrap	11,223,568	3,611,266
	Reversal of provision for loss allowance against trade debts	2,010,516	-
	Miscellaneous income	4,305,368	1,606,455
	Profit on disposal / retirement of property, plant and equipment	2,329,881	4,710,575
		19,869,333	9,928,295
		4,454,427,029	2,085,808,053

		2024 Rupees	2023 Rupees
31	**Finance cost**		
	Mark-up on conventional finances:		
	Short term borrowings- secured	14,347,482	137,578
	Long term finances-secured	631,836,653	683,425,751
		646,184,135	683,563,329
	Bank charges, commission and others	31,196,710	56,744,443
		677,380,845	740,307,772

		2024 Rupees	2023 Rupees Restated
32	**Final tax**		
	Final tax on dividends and exports	844,151,365	343,981,005

This represents final tax paid under section 5 of Income Tax Ordinance, 2001 (ITO, 2001) tax on dividends and section 154 of Income Tax Ordinance, 2001 (ITO, 2001) tax on exports, representing levy in terms of requirements of IFRIC 21/ IAS 37. Refer to note 3.1 for details.

		2024 Rupees	2023 Rupees Restated
33	**Taxation**		
	Current		
	- for the year	3,354,978,718	2,843,751,848
	- for prior year	1,034,682	45,059,002
		3,356,013,400	2,888,810,850
	Deferred tax	682,665,547	1,415,784,828
		4,038,678,947	4,304,595,678

		2024 Rupees	2023 Rupees Restated
33.1	**Relationship between tax expense and accounting profit**		
	Profit before income tax and final tax	13,776,285,100	10,469,327,828
	Tax calculated at the rate of 29% (2023 : 29%)	3,995,122,679	3,036,105,070
	Tax effect of:		
	- income under Final Tax Regime / separate block of income	(395,095,923)	(218,167,442)
	- super tax @ 10%	1,205,127,746	1,033,987,723
	- change in proportion of local and export sales	68,727,097	31,458,888
	- change in tax rate	–	742,024,376
	- tax revision prior year	1,034,682	45,059,002
	- others	7,912,581	(21,890,934)
	- Final tax treated as levy	(844,151,365)	(343,981,005)
		4,038,677,497	4,304,595,678

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

33.2 Reconciliation of current tax charge charged as per tax laws for the year with current tax recognized in the profit and loss account is as follows:

	2024 Rupees	2023 Rupees
Current tax liability for the year as per applicable tax laws	4,882,830,312	4,648,576,683
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(4,038,678,947)	(4,304,595,678)
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37	(844,151,365)	(343,981,005)
Difference	–	–

33.3 In accordance with the Finance Act 2023, super tax for the tax year 2023 and onwards was revised to 10% from 4% in the prior year, in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

34 Earnings per share - basic and diluted

34.1 Basic Earnings per share

	Unit	2024	2023
Profit for the year after taxation	Rupees	8,893,454,788	5,820,751,145
Weighted average number of ordinary shares	Numbers	196,435,067	200,861,297
Earnings per share	Rupees	45.27	28.98

34.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 June 2024 and 30 June 2023.

		Note	2024 Rupees	2023 Rupees Restated
35	**Cash generated from operations**			
	Profit before taxation		12,932,133,735	10,125,346,823
	Adjustments for non-cash and other items:			
	Depreciation on property, plant and equipment	14.3	1,181,727,691	1,114,879,742
	Amortization on intangibles	28	1,059,483	1,133,648
	Gain on disposal of property, plant and equipment	30	(2,329,881)	(4,710,575)
	Profit on bank deposits and loans - Conventional	30	(188,632,658)	(48,304,294)
	Profit on bank deposits - Shariah compliant	30	(46,846,059)	(49,061,335)
	Realized gain on investment at FVTPL	30	(200,433,741)	(591,612,305)
	Net change in fair value of financial assets at FVTPL	30	(638,646,879)	(9,285,035)
	Dividend income	30	(3,359,924,294)	(1,359,306,483)
	Provision for compensated absences	8.2	2,337,415	12,085,162
	Provision for Workers' Welfare Fund	29	173,023,244	167,959,171
	Provision for Workers' Profit Participation Fund	29	391,347,845	559,857,211
	Finance cost	31	677,380,845	740,307,772
	Final tax on dividends and exports	32	844,151,365	343,981,005
	Foreign currency exchange gain		-	(40,463)
	Provision for loss allowance against trade debts		-	6,047,129
			(1,165,785,624)	883,930,350
	Operating profit before working capital changes		11,766,348,111	11,009,277,173
	Changes in working capital			
	(Increase) / decrease in current assets:			
	Stores, spares and loose tools		(1,072,553,722)	(498,300,128)
	Stock in trade		1,149,119,114	(1,486,704,772)
	Trade debts		(904,694,527)	(295,561,035)
	Advances, deposits, prepayments and other receivables		(99,768,979)	(35,559,934)
			(927,898,114)	(2,316,125,869)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		716,051,253	(820,209,632)
	Contract Liabilities		(139,717,339)	(11,848,463)
	Long term deposits		-	1,500,000
	Cash generated from operations		11,414,783,911	7,862,593,209
36	**Cash and cash equivalents**			
	Cash and bank balances	24	1,102,649,172	933,537,193

37 Transactions with related parties

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

	Percentage of Holding	Relationship	Nature of transactions	Note	2024 Rupees	2023 Rupees
Transactions with related parties						
Company's Employees Provident Fund Trust		Post employment benefit plan	Contribution		27,773,995	23,487,425
Kohat Cement Educational Trust	0.08%	Common Directorship/ Trustee	Contribution		7,932,347	5,900,000
Ultra Pack (Private) Limited		Common Control	Purchase of packing material		1,621,340,191	1,838,132,576
Ultra Pack (Private) Limited		Common Control	Sale of asset		865,000	-
Ultra Kraft (Private) Limited		Common Control	Purchase of packing material		468,898,299	17,449,250
Ultra Kraft (Private) Limited		Common Control	Short term working capital loan		502,000,000	160,000,000
Ultra Kraft (Private) Limited		Common Control	Commission/markup		97,026,448	18,246,214
Art Vision (Private) Limited		Common directorship	Professional Services		7,840	-
Chief Executive		Key Management Personnel	Remuneration paid	38	135,928,916	118,765,747
Other executive		Key Management Personnel	Remuneration paid		219,753,116	119,803,414
Balances with related parties						
Company's Employees Provident Fund Trust		Post employment benefit plan	Payable	9	5,663,132	4,987,873
Ultra Pack (Private) Limited		Common Control	Trade creditors	9.1	191,311,814	43,542,000
Ultra Kraft (Private) Limited		Common Control	Trade creditors	9.1	19,630,244	-
Ultra Kraft (Private) Limited		Common Control	Loan/commission/ markup receivable	23	531,786,858	169,834,269

37.1 The Company has paid Rs. 102.01 million (2023: Rs. 101.80 million) to the Chairman on account of his remuneration and has also paid Rs. 1.75 million (2023: Rs. 2.57 million) to the six non-executive directors being the fee for attending Board and Committee meetings.

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

38 Remuneration of Chief Executive, Directors and Executives

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

	2024			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	–	68,073,508	–	–
Managerial remuneration	68,073,508	–	–	264,130,496
Bonus	18,791,000	–	–	38,201,629
Medical expenses reimbursed	237,325	4,623,287	–	–
Other benefits	45,423,413	29,310,810	–	1,817,041
	132,525,246	102,007,605	–	304,149,166
Post employment benefits				
Contribution to provident fund	3,403,670	–	–	8,805,210
	135,928,916	102,007,605	–	312,954,376
Number of persons	1	1	–	23

	2023			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	–	59,591,110	–	–
Managerial remuneration	59,591,110	–	–	188,695,704
Bonus	16,249,904	–	–	35,146,823
Medical expenses reimbursed	670,061	11,968,266	–	–
Other benefits	39,351,464	30,236,292	–	1,188,764
	115,862,539	101,795,668	–	225,031,291
Post employment benefits				
Contribution to provident fund	2,903,208	–	–	6,282,487
	118,765,747	101,795,668	–	231,313,778
Number of persons	1	1	–	20

38.1 The Company has paid Rs. 1.75 million (2023: Rs. 2.57 million) to the six non-executive directors as fee for attending Board and Committee meetings.

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

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

39 Financial risk management

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

- credit risk
- liquidity risk
- market risk

Risk management framework

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

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

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

39.1 Credit risk

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

39.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	Note	2024 Rupees	2023 Rupees
Loans and receivables			
Long term deposits	17	43,356,640	43,356,640
Trade debts - unsecured, considered good	21	2,110,247,902	1,205,553,375
Short term investments - mutual funds	22	19,029,738,851	11,593,649,353
Short term investments - term finance certificates	22	97,340,000	97,355,000
Government of Pakistan Market Treasury Bills	22	-	-
Loan to Ultra Kraft (Private) Ltd- an associated undertaking	23.3	531,786,858	169,834,269
Accrued interest on bank deposits	23	4,929,596	7,780,631
Letter of credit / Bank guarantee margin	23	61,914,328	75,863,696
Deposits and other receivables		171,112,147	123,775,616
Cash at banks	24	1,102,463,505	932,908,156
		23,152,889,827	14,250,076,736

39.1.2 Concentration of credit risk

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

	2024 Rupees	2023 Rupees
Customers	2,110,247,902	1,205,553,375
Banking companies and mutual funds	20,199,046,280	12,610,201,836
Others	746,255,645	336,966,525
	23,055,549,827	14,152,721,736

39.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates and present ages.

39.1.3(a) Counterparties with external credit ratings

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

	Rating				
Bank	Short term	Long term	Rating agency	2024 Rupees	2023 Rupees
Allied Bank Limited	A1+	AAA	PACRA	241,268,332	208,585,487
Askari Bank Limited	A1+	AA+	PACRA	47,937,525	156,545,494
Bank Alfalah Limited	A1+	AAA	PACRA	908,831	5,160,433
Bank Al Habib Limited	A1+	AAA	PACRA	460	91
Bank Islami Pakistan Limited	A1	AA-	PACRA	21,654	19,453
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	50,600,755	51,797,543
Habib Bank Limited	A-1+	AAA	JCR-VIS	239,729,367	103,640,425
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	53,027,350	31,088,274
JS Bank Limited	A1+	AA	PACRA	2,614,382	17,616,448
MCB Islamic Bank Limited	A1	A+	PACRA	62,505	50,062,505
MCB Bank Limited	A1+	AAA	PACRA	38,420,331	18,448,748
Meezan Bank Limited	A-1+	AAA	JCR-VIS	30,601,154	2,696,221
National Bank of Pakistan	A1+	AAA	PACRA	909,706	326,955
Samba Bank Limited	A1	AA	PACRA	1,301,083	1,005,022
Soneri Bank Limited	A1+	AA-	PACRA	50,678,500	8,693,992
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	650,709	9,750,657
The Bank of Punjab	A1+	AA+	PACRA	111,827,440	176,415,526
The Bank of Khyber	A-1	A+	JCR-VIS	37,131,576	14,251,977
United Bank Limited	A-1+	AAA	JCR-VIS	194,771,850	76,802,908
				1,102,463,508	932,908,160
LC / guarantee margins					
Askari Bank Limited	A1+	AA+	PACRA	-	11,678,400
Bank Alfalah Limited	A1+	AAA	PACRA	2,000,000	2,000,000
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	8,188,796
Habib Bank Limited	A-1+	AAA	JCR-VIS	-	45,756,317
Soneri Bank Limited	A1+	AA-	PACRA	-	2,303,683
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	5,936,500	5,936,500
United Bank Limited	A-1+	AAA	JCR-VIS	53,977,837	-
				61,914,337	75,863,696

Mutual Funds	Rating	Rating agency	2024 Rupees	2023 Rupees
ABL Cash Fund	AA+(f)	PACRA	1,175,787,369	-
ABL Government Security Fund	AA-(f)	PACRA	101,580,176	-
ABL Islamic Cash Fund	AA+(f)	PACRA	873,218,300	737,264,208
Al Hamra Islamic Money Market Fund	AA+(f)	PACRA	832,644,390	1,266,870,302
Alfalah GHP Money Market Fund	AA+(f)	PACRA	843,014,227	-
Alfalah Islamic Rozana Amdani Fund	AA(f)	PACRA	1,066,131,509	823,209,370
Al-Habib Cash Fund	AA+(f)	JCR-VIS	402,699,649	-
Al-Habib Government Securities Fund		N/A	407,579,505	-
Al-Habib Islamic Cash Fund	AA+(f)	PACRA	655,002,080	555,209,740
Al-Habib Money Market Fund	AA+(f)	JCR-VIS	588,930,201	-
Atlas Islamic Money Market Fund	AA(f)	PACRA	80,690	126,295,471
Atlas Money Market Fund	AA+(f)	PACRA	695,308,506	-
Faysal Islamic Cash Fund	AA(f)	JCR-VIS	900,762,730	757,178,940

Mutual Funds	Rating	Rating agency	2024 Rupees	2023 Rupees
HBL Cash Fund	AA+(f)	JCR-VIS	1,724,764,553	-
HBL Islamic Money Market Fund	AA+(f)	JCR-VIS	-	1,454,190,024
JS Cash Fund	AA+(f)	PACRA	205,831,898	-
JS Islamic Daily Dividend Fund	AA(f)	PACRA	-	75,988,369
Lakson Income Fund	A+(f)	PACRA	305,048,039	-
Lakson Islamic Money Market Fund	AA(f)	PACRA	50,033	176,654,931
Lakson Money Market Fund	AA+(f)	PACRA	781,420,014	-
MCB Cash Management Optimizer	AA+(f)	PACRA	1,253,939,959	-
Meezan Rozana Amdani Fund	AA+(f)	JCR-VIS	1,462,017,784	2,023,185,821
NBP Government Securities Savings Fund	AA-(f)	PACRA	204,061,693	-
NBP Islamic Daily Dividend Fund	AA+(f)	PACRA	1,385,302	759,190,713
NBP Islamic Money Market Fund	AA(f)	PACRA	-	694,710,180
NBP Money Market Fund	AA(f)	PACRA	1,649,428,007	-
NBP Fixed Term Munafa Plan - II		N/A	-	307,809,108
NIT Islamic Money Market Fund	AA(f)	PACRA	-	304,083,852
NIT Money Market Fund	AAA(f)	PACRA	650,499,631	-
Pak Qatar Daily Dividend Plan	AA(f)	PACRA	101,889,939	-
UBL Al Ameen Islamic Cash Fund	AA+(f)	JCR-VIS	1,516,718	632,552,242
UBL Al Ameen Islamic Cash Plan-1	AA+(f)	JCR-VIS	736,935,978	899,256,082
UBL Cash Fund	AA+(f)	PACRA	7,435	-
UBL Government Security Fund	AA(f)	JCR-VIS	202,895,093	-
UBL Liquidity Plus Fund	AA+(f)	JCR-VIS	1,205,307,443	-
			19,029,738,851	11,593,649,353

Term Finance Certificates	Rating	Rating agency	2024 Rupees	2023 Rupees
Habib Bank Limited	AA+	JCR-VIS	47,665,000	47,665,000
The Bank of Punjab	AA-	PACRA	49,675,000	49,690,000
			97,340,000	97,355,000

	Rating				
Listed Equity Securities	Short term	Long term	Rating agency	2024 Rupees	2023 Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	-	4,198,790
MCB Bank Limited	A1+	AAA	PACRA	-	25,566,416
United Bank Limited	A-1+	AAA	JCR-VIS	757,508,030	353,354,036
Engro Fertilizers Limited	A1+	AA	PACRA	375,721,029	260,640,221
The Bank of Punjab	A1+	AA+	PACRA	19,438,044	-
Gharibwal Cement Limited	A2	A	PACRA	-	310,000
				1,152,667,103	644,069,463

39.1.3(b) Counterparties without external credit ratings

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	Gross carrying amount	
	2024 Rupees	2023 Rupees
Not yet due	1,527,327,836	1,019,577,148
Past due 0 - 90 days	565,788,658	157,903,367
Past due 91 - 180 days	17,379,300	19,587,739
Past due 181 - 270 days	839,182	10,065,194
Past due 271 - 360 days	1,253,736	8,286,840
Past due above one year	39,280,596	33,765,022
	2,151,869,308	1,249,185,309

39.2 Liquidity risk

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

39.2.1 Exposure to liquidity risk

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

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

		2024				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	2,152,998,351	2,690,923,205	1,383,952,301	1,306,970,904	-
Long term deposits	7	3,536,100	3,536,100	-	-	3,536,100
Trade and other payables	9	2,281,309,180	2,281,309,180	2,281,309,180	-	-
Mark-up accrued on borrowings	12	135,001,023	135,001,023	135,001,023	-	-
Dividend payable	10	36,835,022	36,835,022	36,835,022	-	-
Unclaimed dividend		8,503,909	8,503,909	8,503,909	-	-
		4,618,183,585	5,156,108,439	3,845,601,435	1,306,970,904	3,536,100

		2023				
		Restated				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	3,183,373,248	5,774,292,840	1,690,309,124	4,083,983,716	-
Long term deposits	7	3,536,100	3,536,100	-	-	3,536,100
Trade and other payables	9	1,446,833,989	1,446,833,989	1,446,833,989	-	-
Mark-up accrued on borrowings	12	192,674,790	192,674,790	192,674,790	-	-
Dividend payable	10	36,939,862	36,939,862	36,939,862	-	-
Unclaimed dividend		8,535,358	8,535,358	8,535,358	-	-
		4,871,893,347	7,462,812,939	3,375,293,123	4,083,983,716	3,536,100

39.3 Market risk

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

39.3.1 Currency risk

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

39.3.1(a) Exposure to currency risk

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

	2024				
	AED	CNY	EURO	USD	Rupees
Assets					
Cash and bank balances	-	-	-	147,504	41,050,419
Advances, deposits, prepayments and other receivables	-	336,569	4,297	5,956	15,885,304
Liabilities					
Trade creditors	-	(17,670)	(265,907)	(3,061,911)	(933,691,082)
Net balance sheet exposure	-	318,899	(261,611)	(2,908,451)	(876,755,359)
Off balance sheet exposure	-	(2,425,381)	(225,171)	(171,960)	(208,585,656)
Total Exposure	-	(2,106,482)	(486,782)	(3,080,411)	(1,085,341,015)

	2023				
	AED	CNY	EURO	USD	Rupees
Assets					
Cash and bank balances	-	-	-	63,097	18,083,572
Advances, deposits, prepayments and other receivables	-	509,240	154,733	21,965	75,161,706
Liabilities					
Trade creditors	(60,501)	(53,108)	(55,310)	(8,556)	(26,724,595)
Net balance sheet exposure	(60,501)	456,132	99,423	76,506	66,520,683
Off balance sheet exposure - Letters of credit	(141,200)	(7,418,552)	(285,556)	(5,011,770)	(1,836,329,686)
Total Exposure	(201,701)	(6,962,420)	(186,133)	(4,935,264)	(1,769,809,003)

39.3.1(b) Exchange rates applied during the year

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

	AED		CNY		EURO		USD	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Reporting date spot rate								
- buying	76.23	78.59	38.47	39.91	297.88	313.72	278.30	286.60
- selling	76.37	78.72	38.53	39.98	298.41	314.27	278.80	287.10
Average rate for the year	78.73	67.51	39.27	35.67	306.56	260.52	283.31	247.94

39.3.1(c) Sensitivity analysis

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

	Effect on profit before taxation	
	2024 Rupees	2023 Rupees
Weakening of Pak Rupee		
EURO	(780,672)	485,519
USD	(8,108,761)	219,648
CNY	122,872	203,594
	(8,766,562)	908,761

Amount of off-balance sheet letters of credit will increase by Rs. 2.09 million (2023: Rs. 18.36 million) if Pak Rupee weakens 1% against other currencies.

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

39.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 1.49% (2023: 0.13%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to British Pound Sterling, Chinese Yuan, Euro and US dollar will not have any material impact on the operational results.

39.3.2 Interest rate risk

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

39.3.2(a) Mark-up bearing financial instruments

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

	2024		2023	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
Non-derivative financial instruments				
Variable rate instruments	1,062,829,521	2,152,998,351	728,565,382	3,183,373,248
	1,062,829,521	2,152,998,351	728,565,382	3,183,373,248

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

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

	Effect on profit before taxation	
	2024 Rupees	2023 Rupees
Increase of 100 basis points	(10,901,688)	(24,548,079)
Decrease of 100 basis points	10,901,688	24,548,079

39.3.2(c) Interest rate risk management

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

39.3.3 Price risk

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

39.3.3(a) Investments exposed to price risk

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

	2024 Rupees	2023 Rupees
Investment in equity securities	1,152,667,103	644,069,463
Investment in units of mutual funds	19,029,738,851	11,593,649,353
Term Finance Certificates	97,340,000	97,355,000
	20,279,745,954	12,335,073,816

39.3.3(b) Sensitivity analysis

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

	Equity	
	2024 Rupees	2023 Rupees
FVOCI		
Effect of increase	62,500,355	37,071,223
Effect of decrease	(62,500,355)	(37,071,223)

	Profit and loss account	
	2024 Rupees	2023 Rupees
FVTPL		
Effect of increase	951,486,943	579,682,468
Effect of decrease	(951,486,943)	(579,682,468)

39.3.3(c) Price risk management

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

39.4 Fair value of financial instruments

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

		Carrying amount					Fair Value		
	Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		Rupees							
On-Balance sheet financial instruments 30 June 2024									
Financial assets measured at fair value									
Investments	22	97,340,000	20,182,405,954	-	-	-	20,279,745,954	-	-
		97,340,000	20,182,405,954	-	-	-	20,279,745,954	-	-
Financial assets at amortized cost									
Long term deposits	17	-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good	21	-	-	2,110,247,902	-	2,110,247,902	-	-	-
Deposits, and other receivables	23	-	-	769,742,929	-	769,742,929	-	-	-
Cash and Bank balances	24	-	-	1,102,649,172	-	1,102,649,172	-	-	-
	39.4.2	-	-	4,025,996,643	-	4,025,996,643	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortized cost									
Long term financing	6	-	-	-	2,152,998,351	2,152,998,351	-	-	-
Long term deposits	7	-	-	-	3,536,100	3,536,100	-	-	-
Trade and other payables	9	-	-	-	2,281,309,180	2,281,309,180	-	-	-
Mark-up accrued on borrowings	12	-	-	-	135,001,023	135,001,023	-	-	-
Dividend payable	10	-	-	-	36,835,022	36,835,022	-	-	-
Unclaimed dividend		-	-	-	8,503,909	8,503,909	-	-	-
	39.4.2	-	-	-	4,618,183,585	4,618,183,585	-	-	-

				Carrying amount			Fair Value		
	Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
					Rupees				
On-Balance sheet financial instruments									
30 June 2023									
Restated									
Financial assets measured at fair value									
Investments	22	97,665,000	12,237,408,816	-	-	-	12,335,073,816	-	-
		97,665,000	12,237,408,816	-	-	-	12,335,073,816	-	-
Financial assets at amortized cost									
Long term deposits	17	-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good	21	-	-	1,205,553,375	-	1,205,553,375	-	-	-
Deposits, and other receivables	23	-	-	377,254,212	-	377,254,212	-	-	-
Cash and Bank balances	24	-	-	933,537,193	-	933,537,193	-	-	-
	39.4.2	-	-	2,559,701,420	-	2,559,701,420	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortized cost									
Long term financing	6	-	-	-	3,183,373,248	3,183,373,248	-	-	-
Long term deposits	7	-	-	-	3,536,100	3,536,100	-	-	-
Trade and other payables	9	-	-	-	1,446,833,989	1,446,833,989	-	-	-
Mark-up accrued on borrowings	12	-	-	-	192,674,790	192,674,790	-	-	-
Dividend payable	10	-	-	-	36,939,862	36,939,862	-	-	-
Unclaimed dividend		-	-	-	8,535,358	8,535,358	-	-	-
	39.4.2	-	-	-	4,871,893,347	4,871,893,347	-	-	-

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

40 Capital management

The Company's policy is to maintain a strong capital base to strengthen investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determines the level of dividend to ordinary shareholders, which is finally approved in annual general meeting of the shareholders.

The Company's objectives when managing capital are:

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

ii. to provide an adequate return to shareholders.

There were no changes in the Company's approach to capital management during the year. The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets.

41 Operating segments

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

41.2 Revenue from sale of cement represents 100.00% (2023: 100.00%) of gross sales of the Company.

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

	2024 Rupees	2023 Rupees
Pakistan	98.80%	99.02%
Afghanistan	1.20%	0.98%
	100.00%	100.00%

41.4 All assets of the Company as at 30 June 2024 are located in Pakistan.

42 Capacity and production - Clinker

	Plant capacity		Actual production	
	2024	2023	2024	2023
	Metric tons		Metric tons	
Grey	4,814,800	4,778,400	2,190,697	2,786,562
White	135,000	135,000	4,893	9,527

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

42.2 The capacity of plant has been determined on the basis of 300 production days.

42.3 During the year, BMR of Line-3 was carried out by the Company which resulted in enhancement of its production capacity from 6,700 tpd to 7,064 tpd.

43 Provident fund trust

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the conditions specified by the SECP for this purpose.

44 Number of employees

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

	2024	2023
	Number of employees	
Number of employees as at 30 June	715	696
Average number of employees during the year	707	690

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

	30 June 2024			
	Liabilities			
	Long and short term finances	Short term borrowings	Unclaimed and dividend payable	Total
	Rupees			
Balance as at 01 July 2023	3,183,373,248	-	45,475,220	3,228,848,468
Changes from financing activities				
Repayment of long term finances	(1,034,355,875)	-	-	(1,034,355,875)
Short term borrowings (disbursement)	-	828,789,900	-	828,789,900
Short term borrowings (repayment)	-	(828,789,900)	-	(828,789,900)
Dividend paid	-	-	(136,289)	(136,289)
Total changes from financing cash flows	(1,034,355,875)	-	(136,289)	(1,034,492,164)
Other changes				
Transaction cost	3,980,978	-	-	3,980,978
Total liability related other changes	3,980,978	-	-	3,980,978
Closing as at 30 June 2024	2,152,998,351	-	45,338,931	2,198,337,282

	30 June 2023			
	Liabilities			
	Long and short term finances	Short term borrowings	Unclaimed and dividend payable	Total
	Rupees			
Balance as at 01 July 2022	4,251,312,474	-	45,648,049	4,296,960,523
Changes from financing activities				
Repayment of long term finances	(1,071,920,204)	-	-	(1,071,920,204)
Dividend paid	-	-	(172,829)	(172,829)
Total changes from financing cash flows	(1,071,920,204)	-	(172,829)	(1,072,093,033)
Other changes				
Amortization of government grant and transaction cost	3,980,978	-	-	3,980,978
Total liability related other changes	3,980,978	-	-	3,980,978
Closing as at 30 June 2023	3,183,373,248	-	45,475,220	3,228,848,468

46 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 05 September 2024.

47 General

47.1 Figures have been rounded off to the nearest rupee.

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

PATTERN OF SHAREHOLDING

As at 30 June 2024

Number of Shareholders	Shareholdings			Total Number of Shares Held	Percentage of Total Capital
	From		To		
468	1	-	100	15,558	0.01
547	101	-	500	169,142	0.09
258	501	-	1000	201,027	0.10
649	1001	-	5000	1,334,013	0.68
85	5001	-	10000	627,393	0.32
55	10001	-	15000	697,000	0.36
24	15001	-	20000	421,135	0.22
15	20001	-	25000	346,409	0.18
8	25001	-	30000	213,361	0.11
8	30001	-	35000	257,863	0.13
3	35001	-	40000	112,114	0.06
4	40001	-	45000	173,008	0.09
4	45001	-	50000	195,076	0.10
3	50001	-	55000	161,353	0.08
1	55001	-	60000	59,620	0.03
1	60001	-	65000	63,900	0.03
5	65001	-	70000	338,026	0.17
1	70001	-	75000	75,000	0.04
2	75001	-	80000	155,030	0.08
2	80001	-	85000	167,565	0.09
5	85001	-	90000	434,680	0.22
2	90001	-	95000	185,252	0.09
2	95001	-	100000	200,000	0.10
3	100001	-	105000	305,181	0.16
2	115001	-	120000	237,700	0.12
1	120001	-	125000	122,500	0.06
2	125001	-	130000	256,675	0.13
1	135001	-	140000	139,470	0.07
1	140001	-	145000	140,995	0.07
2	145001	-	150000	296,833	0.15
1	150001	-	155000	152,045	0.08
1	165001	-	170000	169,097	0.09
1	170001	-	175000	173,799	0.09
5	190001	-	195000	968,593	0.49
1	195001	-	200000	195,515	0.10
2	200001	-	205000	402,215	0.21
1	240001	-	245000	243,360	0.12
1	250001	-	255000	253,320	0.13
1	265001	-	270000	265,980	0.14
1	275001	-	280000	278,472	0.14
2	290001	-	295000	586,889	0.30
1	300001	-	305000	300,660	0.15
1	310001	-	315000	314,129	0.16
1	380001	-	385000	380,623	0.19
3	420001	-	425000	1,268,775	0.65
1	435001	-	440000	437,034	0.22
1	440001	-	445000	443,586	0.23
1	500001	-	505000	502,860	0.26
1	575001	-	580000	578,246	0.30
1	585001	-	590000	587,116	0.30
1	685001	-	690000	689,896	0.35
1	720001	-	725000	723,392	0.37
1	810001	-	815000	810,820	0.41
1	860001	-	865000	862,521	0.44
1	910001	-	915000	911,851	0.47
1	990001	-	995000	993,187	0.51
1	1050001	-	1055000	1,052,100	0.54
1	1190001	-	1195000	1,193,943	0.61
1	1430001	-	1435000	1,431,000	0.73
1	1490001	-	1495000	1,494,078	0.76
1	1965001	-	1970000	1,967,191	1.00
1	2235001	-	2240000	2,238,448	1.14
1	2820001	-	2825000	2,823,245	1.44
1	5265001	-	5270000	5,267,214	2.69
1	5990001	-	5995000	5,991,326	3.06
1	6690001	-	6695000	6,691,900	3.42
1	33630001	-	33635000	33,631,672	17.17
1	110480001	-	110485000	110,482,320	56.41
2,210				195,861,297	100.00

CATEGORIES OF SHAREHOLDING

As at 30 June 2024

	Categories of Shareholders	Shares Held	Percentage
I	**Directors, Chief Executive Officer, their Spouse & Minor Children**	**33,890,019**	**17.30%**
	Directors		
	Mr. Aizaz Mansoor Sheikh	3,587	0.00%
	Mr. Nadeem Atta Sheikh	245,515	0.13%
	Mrs. Hafsa Nadeem	705	0.00%
	Mrs. Hijab Tariq	33,636,352	17.17%
	Mr. Muhammad Rehman Sheikh	780	0.00%
	Mr. Muhammad Atta Tanseer Sheikh	750	0.00%
	Mr. Ahmad Sajjad Khan	550	0.00%
	Mr. Talha Saeed Ahmed	1,000	0.00%
	Director's Spouse		
	Mrs. Shahnaz Aizaz	780	0.00%
II	**Associated Companies, Undertakings & Related Parties**	**110,634,365**	**56.49%**
	ANS Capital (Pvt) Limited	110,482,320	56.41%
	Kohat Cement Educational Trust	152,045	0.08%
III	**NIT & ICP**	**120,424**	**0.06%**
	FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED	119,800	0.06%
	INVESTMENT CORPORATION OF PAKISTAN	624	0.00%
IV	**Banks, Development Finance Institutions and Non-Banking Financial Institutions**	**1,200,053**	**0.61%**
V	**Insurance/ Takaful Companies**	**96,814**	**0.05%**
VI	**Modarbas**	-	**0.00%**
VII	**Mutual Funds**	**25,650,136**	**13.10%**
VIII	**Shareholder holding 10% and more (other than above)**	**Nil**	**0.00%**
IX	**General Public**	**20,221,860**	**10.32%**
	a) Local	18,773,553	9.59%
	b) Foreign	1,448,307	0.74%
X	**Others**	**4,047,626**	**2.07%**
	Joint Stock Companies	2,064,437	1.05%
	Gratuity/Pension/Provident Funds	1,402,020	0.72%
	Charitable Trusts / Non-Profit Organizations / Wakfs	73,520	0.04%
	Executives	224,111	0.11%
	Investment Companies	283,538	0.14%
	Total	195,861,297	100%

Iqra Khalid

Company Secretary

FINANCIAL CALENDAR

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

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

Annual General Meeting	October 15, 2024
First Quarter ending September 30, 2024	Last week of October 2024
Second Quarter ending December 31, 2024	Fourth week of February 2025
Third Quarter ending March 31, 2025	Fourth week of April 2025
Year ending June 30, 2025	Last week of August 2025

BALLOT PAPER

Kohat Cement Company Limited
Registered Office: Kohat Cement Factory, Rawalpindi Road, Kohat
Phone: 042 111 115 225 (Ext: 108], Website: www.kohatcement.com

Ballot Paper for voting through Post for the Special Businesses
(Voting shall be held at Annual General Meeting at 11:00 am on October 15, 2024)

Duly filled-in ballot paper shall be sent to the Chairman at his designated email address mis@kohatcement.com.

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below;

<table>
<tr><th rowspan="2">Nature and Description of resolutions</th><th colspan="2">I/We assent to Resolutions</th></tr>
<tr><th>FOR</th><th>AGAINST</th></tr>
<tr><td>Agenda Item 3 – To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2024
The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):
“Resolved that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2024 be and are hereby ratified, approved and confirmed.
<table>
<tr><th>Name of Related Party</th><th>Description of transaction</th><th>Amount (Rs.)</th></tr>
<tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution made to KCET (which runs a school within the vicinity of KCCL factory)</td><td>7,932,347</td></tr>
<tr><td rowspan="2">Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement</td><td>1,621,340,191</td></tr>
<tr><td>Sale of Company’s vehicle</td><td>865,000</td></tr>
<tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement</td><td>468,898,299</td></tr>
</table>
</td><td></td><td></td></tr>
<tr><td>Agenda Item 4 – To authorize the Chief Executive of the Company to approve all transactions with Related Parties
The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):
“Resolved that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the financial year ending June 30, 2025 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.
<table>
<tr><th>Name of Related Party</th><th>Description of transaction</th></tr>
<tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET</td></tr>
<tr><td>Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement and Sale of cement</td></tr>
<tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement and Sale of cement</td></tr>
</table>
Further Resolved that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”</td><td></td><td></td></tr>
<tr><td>Agenda Item 5 – To approve renewal of investment in associated company
The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):
“Resolved that approval of members of Kohat Cement Company Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its working capital requirements for a term of one year from October 29, 2024 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.
Further Resolved that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”</td><td></td><td></td></tr>
</table>

Nature and Description of resolutions	I/We assent to Resolutions	
	FOR	AGAINST
Agenda Item 6 – To approve Buy-Back of Shares of the Company The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s): "Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 88 and all other applicable provisions of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, for purchase/buy-back upto 12,000,000 (Twelve Million) of its own issued ordinary shares, having face value of Rs. 10 each, in cash, out of the distributable profits/reserves of the Company through the Pakistan Stock Exchange Limited (PSX) at the spot/current price acceptable to the Company prevailing during the purchase period. Further Resolved that ordinary shares purchased pursuant to these special resolution(s) shall be cancelled in accordance with the Regulations. Further Resolved that the purchase / buy-back by the Company of its issued ordinary shares shall be made in cash through PSX by utilizing the distributable profits / reserves of the Company and the purchase period shall be from October 23, 2024 to April 12, 2025 (both days inclusive), or till such date the Buy-Back is complete, whichever is earlier. Further Resolved that Mr. Nadeem Atta Sheikh, Chief Executive of the Company and / or Ms. Iqra Khalid, Company Secretary (each an "Authorized Person") be and are hereby authorized singly to prepare, finalize, execute, issue and file all necessary documents, notices, applications and any ancillary documents, take and do, and / or cause to be taken or done, any / all necessary actions, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as deemed fit for giving effect to the aforementioned resolutions or for the Buy-Back, as well as do all acts, matters, deeds and things which are necessary, incidental and/ or consequential to the principal or any ancillary matters thereto to fully achieve the objectives of aforesaid resolutions. Further Resolved that the Authorized Person be and is hereby further authorized and empowered singly to take or cause to be taken all actions including, but not limited to, obtaining any requisite regulatory or third party approvals, wherever required, preparing all documents, engaging legal counsel, financial advisors and consultants for the purpose of the Buy-Back, opening accounts/ sub-accounts with the Central Depository Company of Pakistan/ Securities Broker, filing of all the requisite statutory forms, returns and all documents as may be required to be filed with the regulator(s) or any other institution(s), executing all such documents or instrument, including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of the implementing, procuring and completing the Buy-Back and all other matters incidental or ancillary thereto. Further Resolved that the aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions that may be suggested, directed and advised by the regulator(s), which shall, if determined to be prudent or necessary by the Authorized Person, be deemed to be part of these resolutions, without the need of the members to pass fresh special resolutions."		

____
Signature of shareholder(s)
Place:
Date:

NOTES:

1. Duly filled postal ballot should be sent to Chairman, Kohat Cement Company Limited, Kohat Cement Factory, Rawalpindi Road, Kohat or email at mis@kohatcement.com on or before October 14, 2024. Any postal ballot received after this date, will not be considered for voting.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Signature on postal ballot should match with signature on CNIC.
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written and marked with (√) on both options given in ballot paper will be rejected.
5. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
6. Ballot paper has also been placed on the website of the Company www.kohatcement.com.

FORM OF PROXY

45th Annual General Meeting

I/We____ of ___________________________________

____ being a member of Kohat Cement Company Limited (the Company) and holder of _________________________________ (No.) Ordinary shares as per Share Register Folio No.____________________ _________and/or CDC Participant I.D. No. ________________________ and Sub Account No. _________________________ hereby appoint ______________________of _________________________________, another member of the Company having Folio No. _____________________________ and/or CDC Participant I.D. No. _______________________ and Sub Account No. ____________________________________ (or failing him ____ of _____________________________ having Folio No. _______________________ and/or CDC Participant I.D. No. ____________ and Sub Account No. ___________________________) as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, October 15, 2024 at 11:00 A.M. at the registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat and at any adjourned meeting thereof.

Signed this __________________day of________________2024.

Signature:

Please affix
Rupees Ten
revenue stamp

Witnesses:

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

Witnesses:

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

Note:

1. In order to be effective, a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. No person shall be appointed as a proxy who is not a member of the Company qualified to vote except that a Company/ Corporation being a member may appoint a person who is not a member for attending and voting at the meeting.
2. Shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary,

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

کوہاٹ سیمنٹ کمپنی لمیٹڈ

پراکسی فارم

پینتالیسواں سالانہ اجلاسِ عام

میں مسمّٰی / مسمّاۃ ______________________________

ساکن/نمائندہ ______________________________

ضلع __________ بحثیت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فولیو نمبر __________) مسمّٰی / مسمّاۃ ______________________________

ساکن __________________ (سی ڈی سی / فولیو نمبر __________) کو بطورِ مختار (پراکسی) مقرر کرتا ہوں، تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 15 اکتوبر 2024ء بروز منگل صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے

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

دستخط شیئر ہولڈر:

برائے مہربانی ۱۰ روپے مالیت کی ریونیو سٹیمپ چسپاں کریں۔

گواہان

1۔

دستخط: ______________________________

نام: ______________________________

پتہ: ______________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

یا

پاسپورٹ نمبر: ______________________________

2۔

دستخط: ______________________________

نام: ______________________________

پتہ: ______________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

یا

پاسپورٹ نمبر: ______________________________

نوٹ:

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

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

AFFIX
CORRECT
POSTAGE

The Company Secretary,

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

NOTE

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kohatcement.com

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