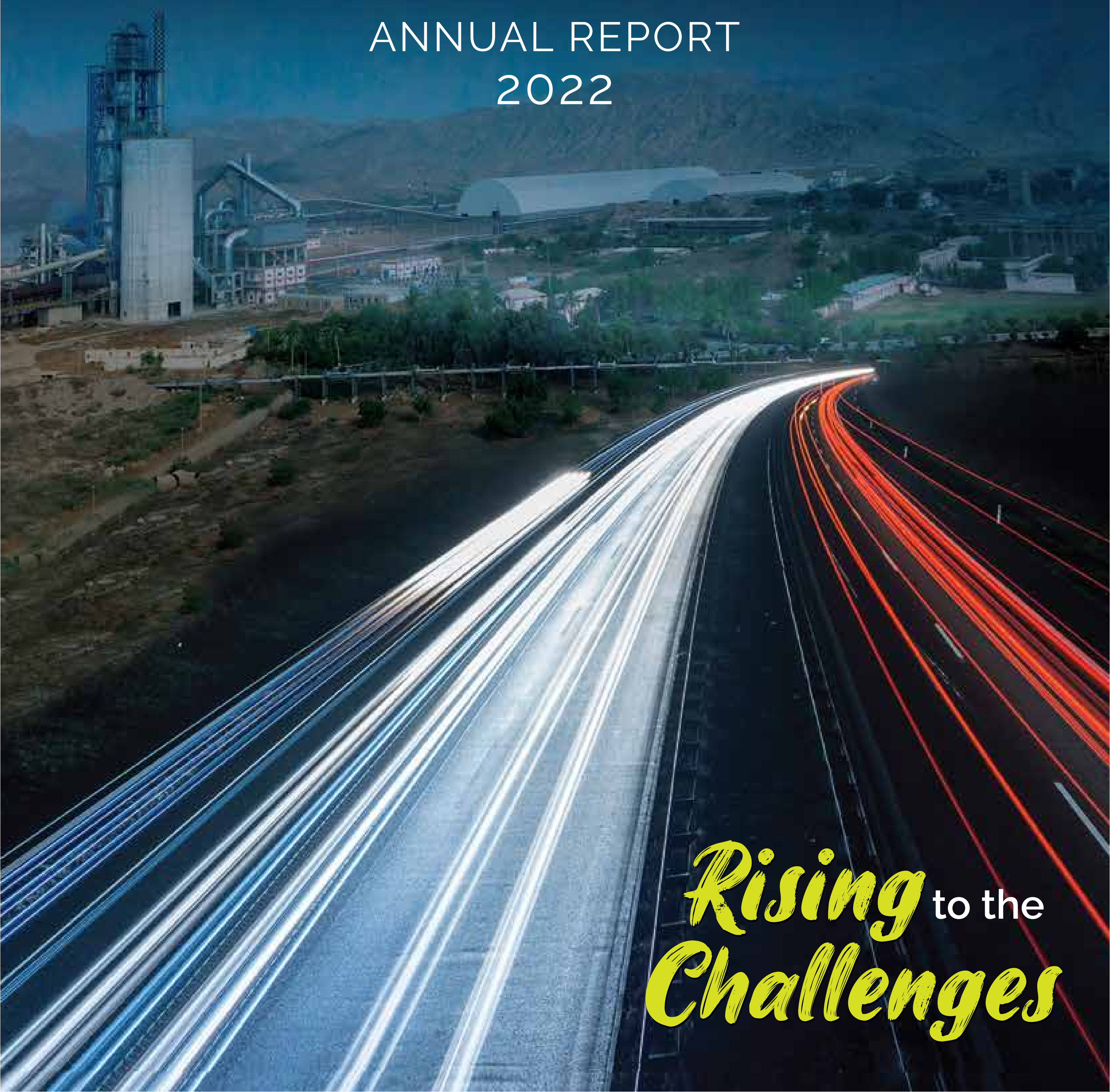
FALCON CEMENT

ATTOCK CEMENT PAKISTAN LIMITED

ANNUAL REPORT 2022



Rising to the Challenges

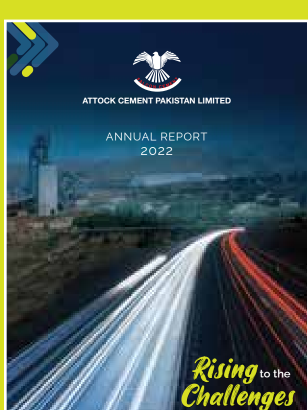
OVERVIEW

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

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

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

Rising
to the
Challenges



The cement industry plays a pivotal role in Pakistan's economy. At Attock Cement, with a team of about 1,000 direct employees and indirect employment to further thousands of people in the value chain, we are determined to create opportunities for employment and growth in Pakistan.

This year's title depicts title Rising to the Challenges. At this moment in time, the cement industry is facing momentous challenges like highest ever global coal prices, unprecedented increase in electricity tariff rates, significant increase in diesel & petrol prices and massive jump in interest rates. We are realigning ourselves to meet these challanges & move forward with sustainable growth.

We are laser-focused on our long-term goals. In order to achieve our ambitious growth and financial objectives, we are investing in innovation and growth and continue to advance our aggressive carbon management strategy. Supporting this, we have invested in 20MW Solar Power project to meaningfully reduce greenhouse gases.

At tough times, Rising to the Challenges and moving forward is rooted in our perennial commitment to boost the economic and infrastructural development of our Company and the Country.

CONTENTS

COMPANY **INFORMATION**

Board of Directors

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

Chief Executive
Babar Bashir Nawaz

Alternate Directors
Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

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

HR & Remuneration Committee

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

Company Secretary
Irfan Amanullah

Chief Financial Officer
Muhammad Rehan

Auditors
A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors
UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor
M/s. HNT & Associates

Bankers
MCB Bank Limited
The Bank of Punjab
Allied Bank Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited
Habib Metropolitan Bank Limited
BankIslami Pakistan Limited

Registered Office
D-70, Block-4, Kehkashan-5,
Clifton, Karachi-75600

Tel: (92-21) 35309773-4
UAN: (92) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Web site: www.attockcement.com

Plant
1. Hub Chowki, Lasbela Balochistan

2. **Cement Grinding Unit**

   Industrial Sector,
   Land No. 1/7, Sector 56,
   Al-Arquli Al Janobi,
   Khor Al-Zubair, Basra, Iraq.

Share Registrar
M/s. FAMCO Associates (Private) Ltd.

8-F, Near Hotel Faran,
Nursery, Block-6, PECHS,
Shahra-e-Faisal, Karachi
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106

GROUP
STRUCTURE

Holding Company

PIGL

Pharaon Investment Group Limited

Associated Companies

FALCON CEMENT

Attock Cement Pakistan Limited

60% Owned Subsidiary

FALCON CEMENT

Saqr Al Keetan for Cement Production Company Ltd., Iraq

AOC

The Attock Oil Company Limited

Attock

Attock Petroleum Limited

POL

Pakistan Oilfields Limited

ARL

Attock Refinery Limited

National Refinery Limited

AGL

Attock Gen Limited

AITSL

Attock Information Technology Services (Pvt) Limited

ATTOCK ENERGY

Attock Energy (Pvt) Limited

OUR **HISTORY**

1981
Company Formation

1988
Line-I
Clinker production capacity
600,000
tons per annum

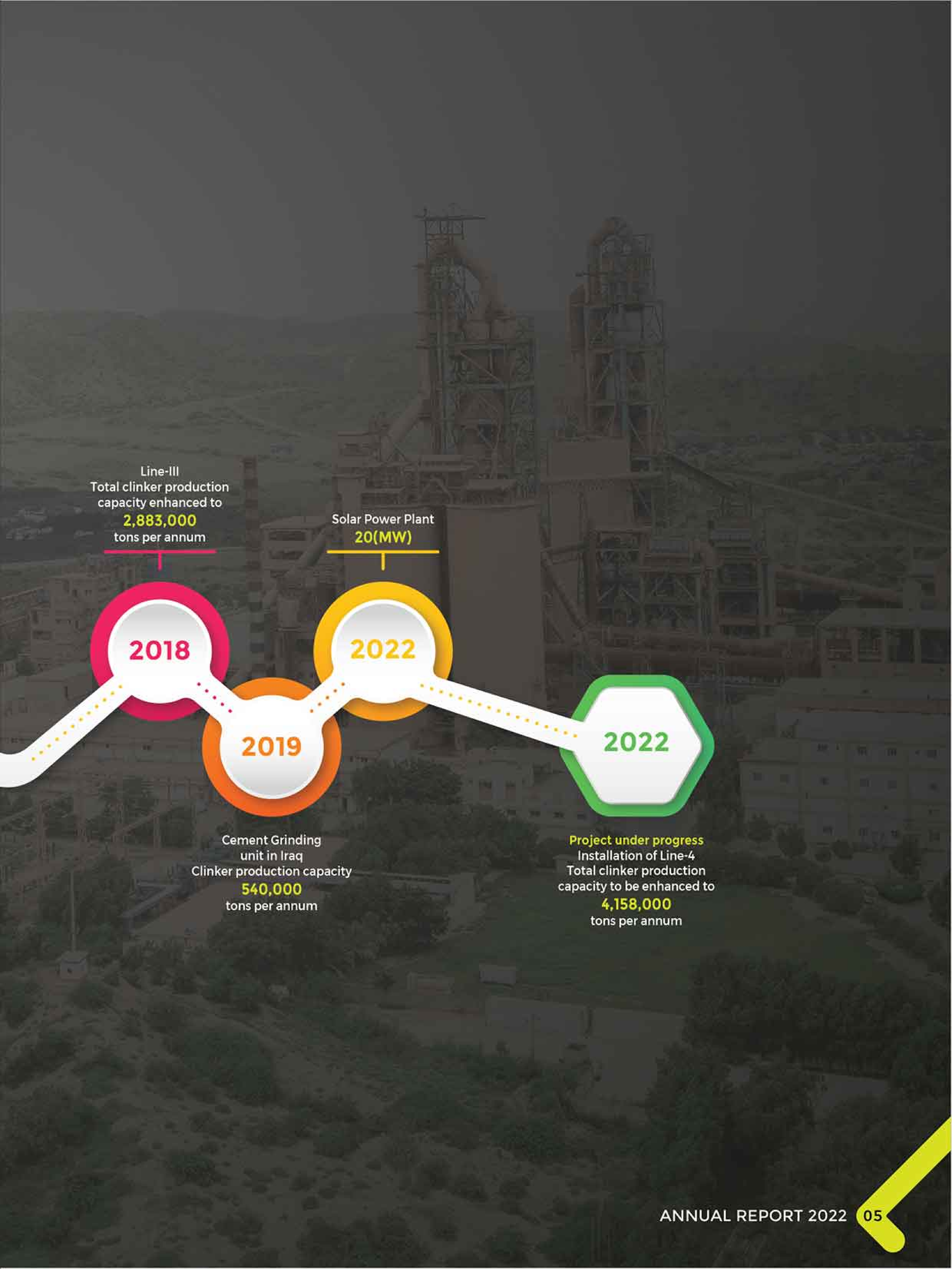
1994
Debottling of Line-I
Clinker production capacity enhanced to
720,000
tons per annum

2003
Coal firing Mill

2006
Line-II
Total clinker production capacity enhanced to
1,740,000
tons per annum

2010
Waste Heat Recovery System

2013
Alternate Fuel Project


Line-III
Total clinker production
capacity enhanced to
2,883,000
tons per annum
2018
2019
Cement Grinding
unit in Iraq
Clinker production capacity
540,000
tons per annum
Solar Power Plant
20(MW)
2022
2022
Project under progress
Installation of Line-4
Total clinker production
capacity to be enhanced to
4,158,000
tons per annum

VISION

To be the leading organization continuously providing high quality cement, excelling in every aspect of its business and to remain market leader in Cement Industry.

MISSION

To be a premier and reputable cement manufacturing company dedicated to become an industry leader by producing quality products, providing excellent services, enhancing customer satisfaction and maximizing shareholders' value through professionalism and dedicated teamwork.

CORPORATE **STRATEGY**

Objectives

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

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

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

Strategy

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

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

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

CORE VALUES

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

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

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

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

CODE OF **CONDUCT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10) **Corporate Opportunities**
Directors and Employees are expected not to:

a. take personal use of opportunities that are discovered through the use of Company property, information or position.

b. use Company property, information, or position for personal gains.

c. Directors and employees are expected to put aside their personal interests in favor of the Company interests.

11) **Business Excellence, Competition and Fair Dealing**
The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired results.

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

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

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

12) Equal Employment Opportunity

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

13) Work Environment

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

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

14) Record Keeping

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

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

15) Protection of Privacy and Confidentiality

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

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

16) Protection and Proper use of Company Assets / Data

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

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

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

17) Gift Receiving

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

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

18) Communication

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

19) Employee Retention

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

20) Internet use / Information Technology

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

21) Compliance with Business Travel Policies

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

22) Compliance

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

QUALITY, HEALTH, SAFETY & **ENVIRONMENTAL POLICY**

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

We will achieve this standard through:

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

GENDER **DIVERSITY POLICY**

Attock Cement Pakistan Limited (ACPL) has always been active by aligning its policies with the current market trends. Simultaneously, it has always tried to keep its employees motivated, satisfied and informed about best practices.

In the current situation, a need for gender diversity policy has been felt in order to create a non-discriminatory, just and respectful workplace environment where women are supported and given recognition based on individual merit and are considered for opportunities to advance and succeed regardless of their gender or terms of employment.

This policy applies to all employees working under any form of contract with ACPL including interns. Those working with ACPL on 3rd party contracts, advisors or as consultants are also expected to observe the spirit of this policy.

Following are the main elements of the policy:

- Company is an equal employment opportunity employer, and as such, committed to providing a safe and harmonious work environment free of discrimination and harassment.
- It is Company's aim to progressively move to a more equal gender balance in the workforce in a manner which enables the business to thrive and the culture to flourish.
- Inappropriate behavior or attitudes to women will not be tolerated because it is totally at odds with Company's culture where all people are accepted, included and welcomed.
- All Company managers are responsible for addressing any such behavior which is inconsistent with the Company's Code of Conduct
- The Company will support the development ambitions of women in the workplace. This also means that selection, promotion, retention and development will continue to be considered on the basis of merit and will exclude any gender-based consideration
- Company will nurture mentoring and development opportunities where women in the business have been identified as having potential for further development
- Where women take parental leave arrangements, managers will conduct performance reviews and evaluations that nullify the impact of these arrangements to maintain absolute fairness with regard to advancement or reward potential.
- Unless the job role requires otherwise, managers will make every effort to include women both into the recruitment & selection pool ensuring that hiring continues to be merit-based.
- Information and education on Gender Diversity will be provided to all employees and managers to assist them to understand the requirements of this Policy and to enable them to uphold the support of women in the workplace.

It will be responsibility of all HODs to get their team members properly acquainted with the policy so that they behave in an appropriate manner towards women in keeping with the company Code of Conduct. Further, Human Resource Department will ensure its education on the subject matter to all employees and will make every effort to not only ensure women are called for interview wherever applicable, but also their selection and promotion is awarded based on individual merit regardless of gender.

WHISTLE BLOWING **POLICY STATEMENT**

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

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

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

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

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

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

EMPLOYMENT PRACTICES

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

As always, the Company remained an active member of the local community and during the year the Company took the following initiatives as part of its' CSR Program:

EDUCATION:

ACPL constructed additional washrooms and an underground water storage tank at Lal Muhammad Gurgunari Goth for school children. Renovation and roof repairing work of Government Boys Middle School Kolvai was completed in 2022. Additional classrooms at Falcon Public School Ramzan Marri Goth were constructed in 2022.

COMMUNITY DEVELOPMENT:

The Company regularly provides food ration to poor families residing in nearby Goths every month. Furthermore, during the holy month of Ramadan, a sum of around Rs. 1 million was disbursed on account of zakat. Additionally, the Company also distributed bags of ration among the needy people of Sakran area in 2022. Finally, ACPL management also provided gym items to Officer Club Uthal in 2022.

HEALTH:

During the year in review, the Company provided Anti Rabies Vaccine and Insulin to District Health Officer Lasbela and various medicines for inmates of Central Prison, Gaddani.

The Company also regularly provides transport to residents of the adjoining goths for medical consultation at Karachi and also gives financial aid for medical treatment of local poor and needy residents of the community.

Lastly, medical camps are conducted all year round for the nearby communities so that the local population can be provided the best medical care & attention possible.

INFRASTRUCTURE DEVELOPMENT:

Attock Cement Pakistan Limited constructed Gazebo and main Passway at Gaddani Beach in 2022, on the request of Deputy Commissioner Lasbela.

Additionally, ACPL continues to bear the cost of maintaining the road that leads from Sakran Police Station to our Factory along with bearing the cost of maintaining the road going from Serat Chowk to Sakran Police Station.

WATER PROVISION / PURIFICATION:

Most recently, work on two water filteration plants powered by solar energy was completed at Nabi Bux Goth and one at Rakhshani Goth, Sakran due to which approximately 8000 people have been getting pure drinking water.

CONTRIBUTION TO FIGHT COVID-19

For the safety of the employees, the ACPL was working with the minimal no. of employees, while the rest were provided facilitation to work from home.

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

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

ACPL Management also provided Anti Rabies Vaccine and insulin to District Health officer Lasbela.

OCCUPATIONAL HEALTH & SAFETY

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

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

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

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

COMMUNITY RELATIONS

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

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

EDUCATION

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

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

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

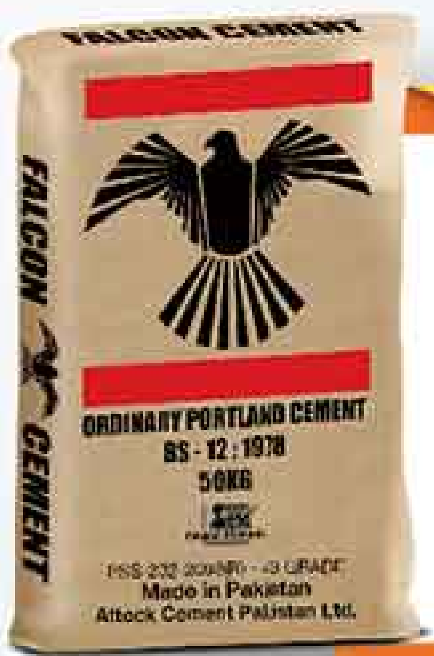
OUR QUALITY IS GLOBALLY ENDORSED

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

OUR ACTIVE EXPORT MARKETS INCLUDE

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

OUR PRODUCTS



Ordinary Portland Cement (OPC)

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

- Pakistan Standard PS 232-2008(R) Grade 43
- European Standard EN 197-1 : 2011, CEM I, Class 42.5N

Sulphate Resistant Cement (SRC)

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

Falcon Block Cement

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

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

Falcon Rock Cement

Another popular product of the Company is Falcon Rock Cement. This product conforms and surpass the Pakistan Standard PS-5313-2014 CEM II A-M (L) & European Standard EN 197-1:2000 (E) CEM II A-M 42.5N

SOLAR POWER PLANT

In collaboration with lead consultant and our associated Company **M/s. Attock Energy Private Limited** and leading Chinese suppliers,

the **20MW** Solar Power Plant

has been successfully commissioned and is fully operational with effect from January 01, 2022.

BOARD OF **DIRECTORS**

Laith G. Pharaon
Chairman
Attock Group of Companies

Wael G. Pharaon

Shuaib A. Malik

Abdus Sattar

Shamim Ahmad Khan

Mohammad Haroon

Babar Bashir Nawaz

Irfan Amanullah
(Alternate Director)

PROFILE OF THE
BOARD OF DIRECTORS

Laith G. Pharaon
Chairman
Non Executive Director

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

OTHER ENGAGEMENTS
Chairman & Director
Attock Petroleum Limited
The Attock Oil Company Limited

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

Wael G. Pharaon
Non Executive Director

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

OTHER ENGAGEMENTS
Director
The Attock Oil Company Limited
Pakistan Oilfields Limited
Attock Petroleum Limited
Attock Refinery Limited
National Refinery Limited
Attock Gen Limited

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

Mr. Shuaib A. Malik has been associated with Attock Group of Companies, one of the largest conglomerates in the Country having diversified interests in Oil & Gas, Power Generation, Cement, Information Technology, Renewable Energy, Medical Services and Real Estate Development etc., for more than four decades. He served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies.

He became the youngest Chief Executive of the Group Holding Company, "The Attock Oil Company Limited" on September 01, 1995. With his hard work, dedication, business acumen and professional abilities, he eventually rose to the highest management position in the Group and was appointed as Group Chief Executive of "Attock Group of Companies" in July 2006.

He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA.

He has exhaustive experience and in depth knowledge related to various aspects of upstream, midstream and downstream petroleum business and it was due to his visionary leadership that the Attock Group was able to grow leaps and bounds and diversify into various trades and industries.

In addition to holding the position of Group Chief Executive of the Attock Group of Companies, presently, he is serving as Chairman & Chief Executive of Pakistan Oilfields Limited, Chairman of Attock Refinery Limited and National Refinery Limited and Chief Executive Officer of The Attock Oil Company Limited and Attock Petroleum Limited besides being the Director on the Board of all the Companies in the Group including listed and unlisted public/private limited Companies.

OTHER ENGAGEMENTS
Chairman, Chief Executive Officer, Director & Alternate Director
Pakistan Oilfields Limited

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

Chief Executive Officer & Director
The Attock Oil Company Limited
Attock Petroleum Limited

Director & Alternate Director
Attock Gen Limited

Resident Representative
Pharaon Investment Group Limited (Holding) S.A.L.

Abdus Sattar
Non Executive Director

Mr. Abdus Sattar has over 40 years of Financial Management experience at key positions of responsibility in various Government organizations / ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses / leakages and fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board, while working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of Boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountant of Pakistan (ICMAP) and was also nominated as council member of ICMAP for three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad. Presently, he is visiting faculty member of a number of reputed universities and professional institutions.

OTHER ENGAGEMENTS
Director
Pakistan Oilfields Limited
Attock Petroleum Limited
Attock Refinery Limited
National Refinery Limited

PROFILE OF THE
BOARD OF DIRECTORS

Shamim Ahmad Khan
Independent Director

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

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

Mohammad Haroon
Independent Director

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

OTHER ENGAGEMENTS
Independent Director
Sui Northern Gas Pipelines Limited
(Ministry of Energy – Petroleum Division)

Babar Bashir Nawaz

Chief Executive & Director

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

OTHER ENGAGEMENTS

Alternate Director

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

Irfan Amanullah

Alternate Director

Mr. Irfan Amanullah is a fellow member of both the Institute of Chartered Accountant of Pakistan and the Institute of Cost and Management Accountants of Pakistan. During his career span of over 30 years he has worked with various multinational companies in Pakistan like Unilever Pakistan Limited, Merck Sharp & Dohme of Pakistan Limited and Hinopak Motors Limited. He joined Attock Cement Pakistan Limited in 2000 and since last 22 years he has been associated with this company. Presently he is the Senior General Manager (Finance & Coordination) and in this capacity he has been looking after the Finance, Marketing, Human Resource, Procurement & Planning, Plant Administration & Industrial Relations. As a Business Manager, one of his best achievements was to re-introduce Pakistan Cement at regional level through EXPORTS. He has represented the cement sector of Pakistan at various national and international forums. He remained key speaker on Pakistan Cement Sector in some of the leading cement conferences in Afro-Asian countries, organized by the international reputable forums such as INTERCEM, CEMTECH and CEMASIA.

MANAGEMENT **COMMITTEE**

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

Executive Committee

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

Procurement Committee

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

IT Steering Committee

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

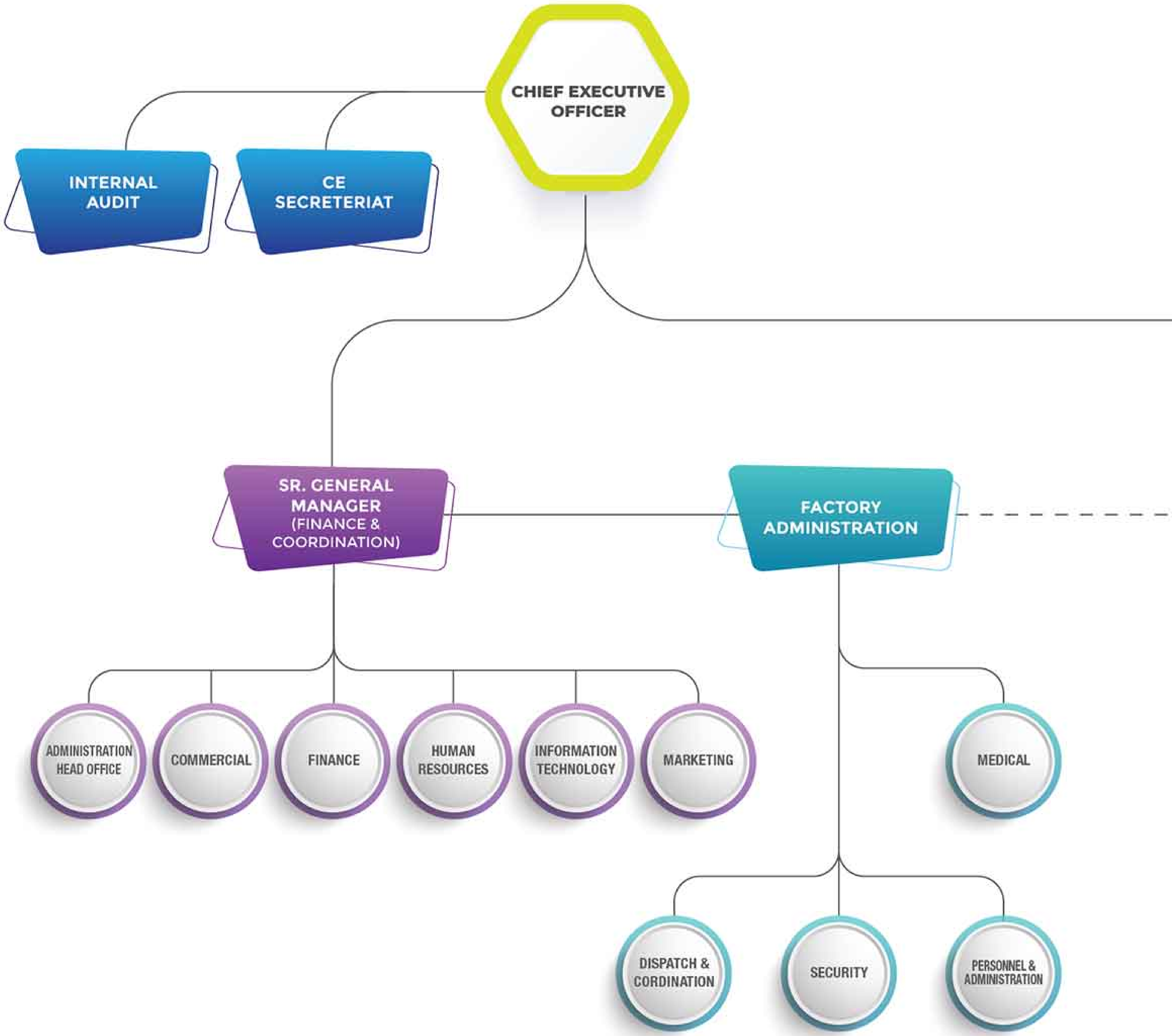
Budget Committee

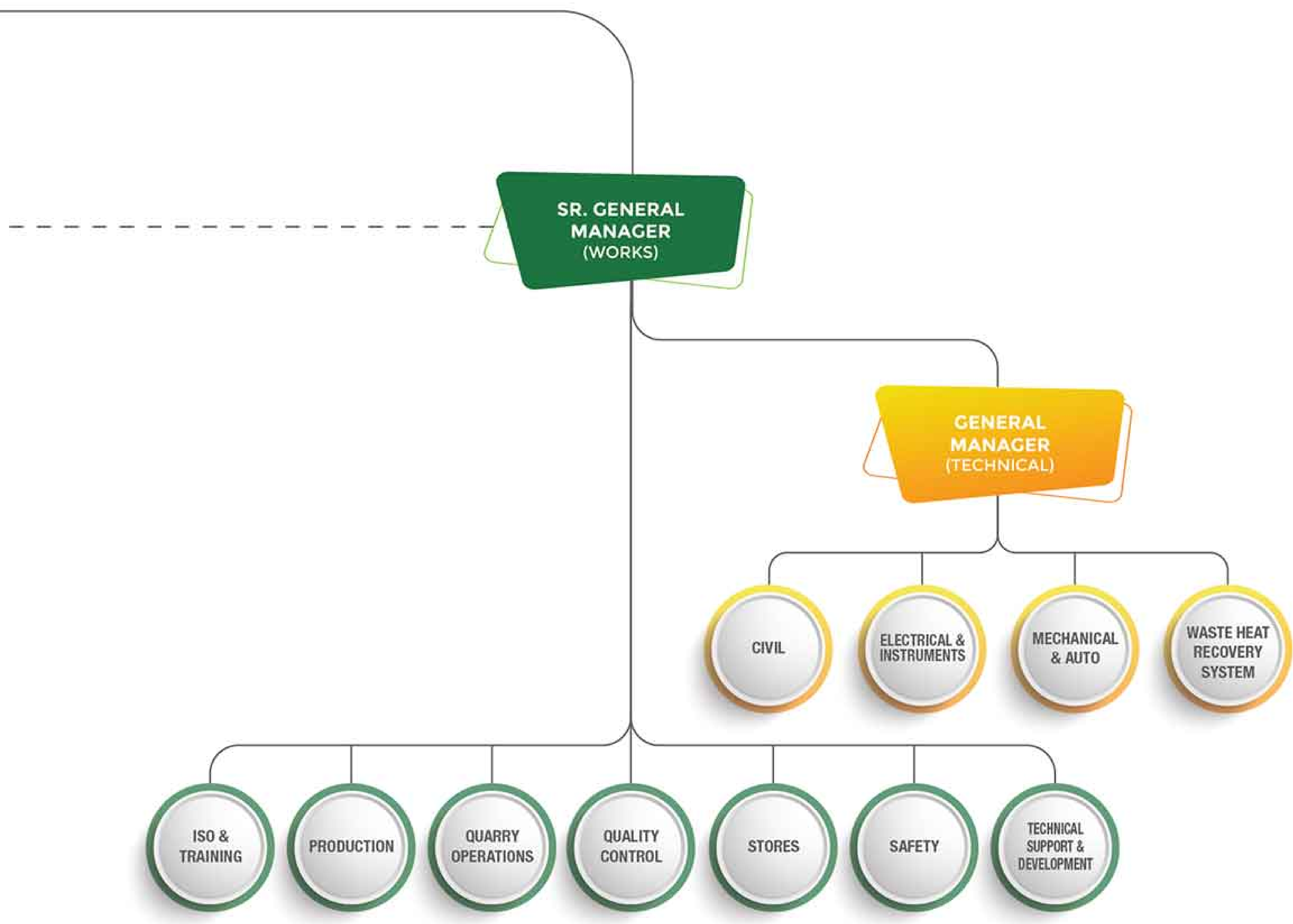
The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee

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

CORPORATE **ORGANOGRAM**




SR. GENERAL MANAGER (WORKS)
GENERAL MANAGER (TECHNICAL)
CIVIL
ELECTRICAL & INSTRUMENTS
MECHANICAL & AUTO
WASTE HEAT RECOVERY SYSTEM
ISO & TRAINING
PRODUCTION
QUARRY OPERATIONS
QUALITY CONTROL
STORES
SAFETY
TECHNICAL SUPPORT & DEVELOPMENT

CHAIRMAN'S **REVIEW**

I welcome you all in the

43RD

Annual General Meeting of the Company.

Overview of the Economy

The year 2021-22 was perhaps the most difficult year for the global economies. The elevated global commodity prices, energy shortages, global freight rates, record inflation and resulting higher interest rates put the world economies at the door step of a mega recession. The Russia Ukrain war in the 2nd half of the fiscal year further escalated the pressure on developing economies as bulk of their foreign exchange was utilized in securing energy supply lines which resulted massive devaluation of currencies in the developing countries.

Pakistan's economy which performed exceptionally well during the pandemic also suffered badly owing to above reasons and as a result rupee plummeted by almost 33% against US $ and in order to keep the economy away from brinks of collapse the State Bank of Pakistan raised the interest rates by 800 basis points to 15%.

Though the overall GDP growth showed an impressive growth of around 5.97% but it seems that this growth rate is unsustainable owing to higher energy prices, supply related disruptions and due to various structural, financial and macro-economic imbalances.

The prevailing political impasse has also increased the level of uncertainty and it has significantly eroded the confidence of local and foreign investors. However, it is expected that economy will gain stability and will pick up momentum after the approval of the IMF programme and end of the current political uncertainties.

Industry Review

The cement industry faced significant challenges during the year on both internal and external fronts. Highest ever global coal prices, unprecedented increase in electricity tariff rates, significant increase in diesel & petrol prices and massive jump in interest rates made the cost of doing business unrealistically high causing reduction in margins. During the fiscal year 2021-22, the industry showed negative growth of 8% as compared to last year. Local dispatches decreased by 1% while exports decreased by 44%. Higher production cost may further deplete the overall size of the market as abnormal price increases may not be subscribed by the end users which could result not only in closure of ongoing projects but may also slow down the start of any new projects.

Operational & Financial Performance

The year 2021-22 was a challenging year for the company as export sales remain depressed due to un-competitive prices demanded by the regional markets which were also facing the uncertainties. As a result the overall volumetric sales of both clinker and cement reduced by 32%. The overall revenue declined by 4%. Furthermore, due to higher input costs owing to the significant increase in energy prices the gross margin also declined by 4%. However because of exchange gain on foreign receivables and dividend income received from Saqr Al Keetan operating margin improved by 3%.

Board of Directors Performance

I would like to appreciate the performance of the Board of Directors under the most difficult circumstances in devising excellent operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience.

The Board is fully equipped with all resources necessary for translating the vision and core values of the business into tangible results towards maximizing the shareholders' value and throughout the year they encouraged and guided the management to convert challenges into opportunities through best possible risk management.

Best practices of corporate governance have now been completely embedded into the Company's culture to maintain highest level of integrity, professionalism and business conduct. Risk management framework, effective internal controls and audit functions have been implemented and are in practice to ensure that the day-to-day operations are fully aligned with the strategic guidelines provided by the Board in the overall interest of the company. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

Acknowledgement

The Board acknowledges and offers its sincere thanks to the support received from both federal and provincial governments, regulatory bodies, customers, bankers and suppliers.

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

Laith G. Pharaon
Chairman

August 16, 2022

DIRECTORS' REPORT

The Directors of your Company have pleasure to present before you the Annual Report of your Company along with the audited financial statements for the year ended June 30, 2022.

PRODUCTION & SALES

Production and sales figures for the year ended June 30, 2022 are as follows:

	2021-22	2020-21
	------- Qty in M. tons	-------
Clinker Production	2,180,178	3,191,164
Cement Production	1,797,723	2,006,269
Cement Dispatches:		
Local	1,581,592	1,490,250
Exports	217,289	520,281
Total	1,798,881	2,010,531
Clinker Dispatches	505,999	1,355,276
Total Dispatches	2,304,880	3,365,807

Due to rising coal prices in the international market and non-availability of corresponding escalation in the prices of clinker and cement in regional markets, the Company decided to reassess its production and sales strategy and temporarily closed its Line 1 w.e.f. August 25, 2021. This decision was taken to preserve cheaper coal and clinker inventory. Accordingly, the overall capacity utilization reduced to 76%, which is significantly lower than the same period last year.

During the year under review, the Company sold 1,798,881 M. tons of cement in both local and export markets, showing a net decline of 11% as compared to the preceding year. Out of the total quantity sold, 1,581,592 M. tons (2020-21: 1,490,250 M. tons) was sold in the local market, showing an increase of 6% as compared to the preceding year. Though the local market remained buoyant till 3rd quarter of the fiscal year, however, in 4th quarter the local market, because of the political uncertainty coupled with significant devaluation and higher interest rates, started to show sign of weakness.

As far as export markets are concerned, the company did not push for increased dispatches due to lower prices in the regional markets. Accordingly, the management took a prudent decision and reduced its exposure in these markets. Consequently both cement and clinker exports reduced by 58% and 63% respectively.

FINANCIAL PERFORMANCE

A comparison of the key financial numbers of your Company for the year ended June 30, 2022 with the preceding year is as under:

	2021-22	2020-21	(Decrease) / Increase	(Decrease) / Increase
	Rs. in Million			%
Net Sales	**20,479**	21,245	(766)	(4)
Gross Profit	**3,702**	4,643	(941)	(20)
Operating Profit	**2,563**	1,892	671	35
Profit Before Tax	**2,312**	1,540	772	50
Profit After Tax	**1,122**	1,107	15	1
EPS in Rupees	**8.16**	8.06	0.10	1

(i) Sales Performance

The overall net sales revenue decreased by Rs. 766 million (4%) as compared to the preceding year due to massive volumetric decline of 1,060,927 M. tons (32%). The overall net retention (both cement & clinker) increased by Rs 2,573 per ton (41%) primarily due to higher local sales as it contributed around 69% of total despatches as compared to 44% in the preceding year. The exuberant increase in production cost was partially passed on to local market consumers and accordingly net retention of cement in local market increased by 23% as compared to the preceding year. However, the prices in the international market remained under pressure and did not increase in line with the increase in other commodity prices, therefore, the management prudently restricted the export sales of both cement and clinker to only those customers in export markets who were able to match the threshold of prices set by the company to meet at least its variable cost of production.

(ii) Profitability

In the year 2021-22, the Company earned a net profit after tax of Rs. 1,122 million (2020-21: Rs. 1,107 million) increased by Rs. 15 million (1%) as compared to the same period last year.

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

- **Fuel Cost**

  The coal prices in the international market have significantly increased since May, 2021 as the global supply disruptions changed the landscape of energy prices. Further, because of Russia Ukraine war the demand of coal has significantly increased which further led the massive surge in coal prices. The CFR Karachi prices of coal so far increased from around US$ 90 / ton in May, 2021 to US$ 300 / ton CFR in June, 2022 which represents over 200% increase.

  Owing to increase in coal prices, fuel cost per ton of clinker produced has increased by Rs. 1,505 per ton as compared to corresponding period.

- **Power Tariff**

  During the year K-Electric tariff (on weighted average basis) has been increased by Rs.2.6 per unit as compared to the preceding year. In addition to tariff increase, K-Electric also charged Fuel Charge Adjustment (FCA) on monthly basis duly approved by NEPRA. Because of rising fuel prices in the international market, the weighted average net FCA impact is Rs. 5.2 per unit or approximately 26% of the base rate. This phenomenal increase has put a lot of pressure on cash flows of the company also besides a massive jump in overall production cost of the Company.

  As earlier apprised, the company successfully commissioned Solar power Plant of 20 MW at its plant site on January 1, 2022 and around 26.3 million units were generated during the year under review which helped the company to keep check on rising electricity bill to a certain extent.

  Owing to increase in power cost from national grid, Power cost per ton of cement produced increased by Rs. 282 per ton as compared to the preceding year.

- **Diesel Cost**

  During the last quarter of the year under review, the diesel prices jumped up from Rs. 144 per liter to Rs. 263 per liter which resulted in a steep rise not only in the transportation cost but also triggered the massive inflation in all cost drivers.

- **Paper Bag Cost**

  During the COVID period, most of the kraft paper suppliers either cut down their production or switched to other packaging material due to higher demand in other segments. As a result the paper bag prices shot up by almost 40% during the year under review.

  Because of the factors mentioned above gross margin reduced from 22% to 18% as compared to the corresponding period.

  Operating margin improved from 9% to 13% as compared to the preceding year mainly due to increase in other income by Rs. 786 million on account of dividend received from subsidiary company and exchange gain on trade receivables.

  Accordingly the company reported profit before tax of Rs. 2,312 million (2020-21: Rs. 1,540 million) higher by 772 million (50%) as compared to the preceding year.

  In the Finance Act 2022, the government imposed Super tax @ 10% on profits applicable from the current year and, thereafter, @ 4% on profits from 2023 onwards. By virtue of said amendment, the company's tax liability has increased significantly and effective tax rate surged to 51% from 28% as compared to preceding year due to impact of super tax and readjustment of liabilities under the head of deferred tax.

(ii) Appropriation

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

	2021-22	2020-21
	(Rupees '000)	
Profit after tax	**1,121,591**	1,107,352
Re-measurements of post - employment benefit obligations	**(6,033)**	21,529
Total Comprehensive income for the year	**1,115,558**	1,128,881
Un-appropriated profit b/f	**15,826,272**	15,178,386
Profit available for appropriation	**16,941,830**	16,307,267
Appropriation:		
Final Dividend for the year 2020-21:		
Cash Dividend of Rs. 4.0 per share (2019-20: Rs. 3.5 per share)	**(549,708)**	(480,995)
Interim Dividend for the year 2021-22:		
Cash Dividend of Rs. 2.0 per share (2020-21: Rs. NIL per share)	**(274,854)**	-
Un-appropriated profit c/f	**16,117,268**	15,826,272

For the year ended June 30, 2022 the Board in its meeting held on August 16, 2022 has proposed a final cash dividend of Rs. 1.50 per share (15%) amounting to Rs. 206 million.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 6,782 million during the year to the national exchequer on account of payments towards sales tax, income tax, excise duty and other statutory levies. An amount of approximately Rs. 610 million was also paid as withholding income tax deducted by the Company from shareholders, employees, suppliers and contractors. In addition to that your Company earned approximate foreign exchange of US$ 37 million during the year under review from export proceeds.

MARKETING

Over the years, the company has invested in building customer loyalty through consistently providing of high quality cement / clinker, faster delivery to consumers and continued customer engagement through its dedicated sales and marketing team. It also keeps installing new marketing resources in markets where demand-supply conditions are considered to be relatively favorable, especially the high net retention Karachi Market, where the company has maintained its leadership position despite entrance of new competition over the last 3 years.

On the local market front, because of the measures taken by the Government of Pakistan such as launching of schemes like Mera Pakistan, Mera Ghar (MPMG), and availability of cheaper house financing from the banks, the momentum of demand for cement continued during 1HFY22. However, in 2HFY22, due to global issues coupled with local political uncertainty, the local market was also negatively affected and as a result of which fresh investments in the construction sector reduced significantly, leading to lower demand.

On the export front, both the key markets for ACPL's Products, Sri Lanka and Bangladesh were slammed due to multiple reasons. Sri Lankan Market was mainly hurt by its rupee devaluation to the extent of almost 85% in one year's time; under this devaluation scenario, the ongoing political corruption was also exposed, leading to default of the country on its international financial commitments. On the other hand, Bangladesh Market was affected due to comparatively higher freight from Pakistan.

Resultantly, the export of cement for the year 2021-22 was reduced to 217,289 tons as compared to 520,281 tons in the preceding year. Around 94% of this total export sale of cement was made to Sri Lanka.

The Company during the year, though, continued its exports of high quality clinker in the regional markets of Bangladesh, Sri Lanka and Qatar, and to the newly developed market of China but as the reasons cited above, was able to sell 496,003 tons of clinker (2020-21: 1,355,276 tons) showing a decrease of 63% as compared to the preceding year.

HUMAN RESOURCE

Firmly believing that our employees are our most important asset, the Company spent generously on training of employees to ensure their professional development.

During the year special attention was given for improving the soft skills of the employees together with developing safe workplace environment through several workshops & seminars conducted by renowned expert trainers.

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

Our programs on talent acquisition and performance evaluation have been designed in order to retain and reward every employee with ample opportunities to prove them for future leadership role. The Company's compensation packages to its employees are market-driven and are based on the fair assessment of employees' performance. In this regard, regular market surveys are being conducted for bench marking and critical positions development. Hence, the Company is proud to provide opportunities to its employees that are rewarding both; in terms of compensation and in terms of career opportunities.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

As always, the Company remained an active member of the local community and during the year the Company took several initiatives as part of its' CSR program in the field of education, health, welfare and community development.

In the field of education, ACPL initiated a program whereby the infrastructure facilities of the government schools located in the area of Sakran were upgraded.

Water provision has been one of the most important areas of our CSR initiatives. Recently, two water filtration plants have been set up powered by solar energy at Nabi Bux Goth and another one at Rakhshani Goth, Sakran due to which approximately 8,000 people have been getting pure drinking water.

Besides this, the Company is active in community development programs by providing assistance to the poor families located in adjoining Goths around plant area.

In health sector, during the year in review, the Company provided Anti Rabies Vaccine and Insulin to District Health Officer Lasbela and various medicines for inmates of Central Prison, Gaddani. The Company's program of free medicines and clinical consultation through team of doctors around the plant area continued during the year under review.

Lastly, medical camps are conducted all year round for the nearby communities so that the local population can be provided the best possible medical care & attention.

Attock Cement Pakistan Limited has been active on the front of infrastructure development, where a Gazebo and main Passway at Gaddani Beach were constructed in 2022. Additionally, ACPL continues to bear the cost of maintaining the road that leads from Sakran Police Station to our Factory along with bearing the cost of maintaining the road going from Serat Chowk to Sakran Police Station.

HEALTH, SAFETY AND ENVIRONMENT

The 20 MW solar power plant has started operation during the year which has significantly reduced ACPL's reliance on power generated through fossil fuels and further strengthens our commitment to manufacturing cement using the most environment friendly methods possible.

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

ACPL regularly conducts plantation drives and is committed making the area in and around the factory as green as possible. In this regard, the Company planted more than 4,000 plants this year around the factory premises and will continue to do so in future as well.

INVESTMENT IN SUBSIDIARY SAQR AL KEETAN

The company has 60% investment in Subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. The Company started commercial production from September 1, 2019. During the year total cement despatches recorded at 690,436 tons (2020-21: 749,004 tons). The net sales revenue for the year ended June 30, 2022 is US$ 41.8 million (2020-21: US$ 45.1 million) and profit after tax is US$ 3.2 million (2020-21: US$ 7.8 million). Overall the market situation is healthy as far as despatches are concerned; however, the margins are significantly depleted due to higher commodity prices and the significant devaluation of Iraqi Dinar against US Dollar.

INSTALLATION OF LINE - 4

Almost 90% shipments of plant and machineries have arrived at plant site. All civil, mechanical and electrical contractors have been mobilized and the work on the project is in full swing. It is expected that the plant erection would be completed by June, 2023.

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

The Directors hereby confirm that:

a) The annexed financial statements present fairly the state of the affairs of the Company, the result of its operations, cash flows and changes in equity;

b) Proper books of accounts have been maintained by the Company;

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

e) The system of internal control is sound in design and has been effectively monitored and implemented;

f) There are no significant doubts upon the Company's ability to continue as a going concern;

g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations;

h) The following is the value of investments of terminal benefit schemes based on their respective latest accounts;

	Rupees in Million	Year Ended
Provident Fund (unaudited)	904	June 30, 2022
Gratuity Funds (unaudited)	522	June 30, 2022
Pension Funds (unaudited)	493	June 30, 2022

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

Sr. No.	Name of the Directors / Chief Executive	No. of meetings attended
1.	Mr. Laith G. Pharaon **(Chairman)** **Non Executive Director**	5
2.	Mr. Wael G. Pharaon **Non Executive Director**	5
3.	Mr. Shuaib A. Malik **Non Executive Director**	5
4.	Mr. Abdus Sattar **Non Executive Director**	5
5.	Mr. Shamim Ahmad Khan **Non Executive & Independent Director**	5
6.	Mr. Mohammad Haroon **Non Executive & Independent Director**	5
7.	Mr. Babar Bashir Nawaz **Executive Director & Chief Executive**	5

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

Sr. No.	Name of the Members	No. of meetings attended
1.	Mr. Shamim Ahmad Khan **(Chairman)** **Non Executive & Independent Director**	4
2.	Mr. Shuaib A. Malik **Non Executive Director**	4
3.	Mr. Abdus Sattar **Non Executive Director**	4

k) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2021-22 have been given on page 48.

l) The key operating and financial data for the last 6 years is set out on page 57.

DIRECTORS' REMUNERATION POLICY

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

HOLDING COMPANY

M/s Pharaon Investment Group Limited, Holding S.A.L., Lebanon (PIGL) is a company incorporated in Lebanon having its registered office at Beirut, Lebanon. PIGL holds 84.06% shares of Attock Cement Pakistan Limited.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2022 is given on page 48.

AUDITORS

The retiring auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 43rd Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

AUDIT COMMITTEE

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

Sr. No.	Name of Members	Status
1.	Mr. Shamim Ahmad Khan **Non-Executive & Independent Director**	Chairman
2.	Mr. Shuaib A. Malik **Non Executive Director**	Member
3.	Mr. Abdus Sattar **Non Executive Director**	Member

Terms of Reference

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

1. Determination of appropriate measures to safeguard the assets.

2. Review of preliminary announcements of results prior to external communication and publication.

3. Review of quarterly, half yearly and annual financial statements prior to the approval by the Board of Directors, major focus on:

    - Judgmental areas
    - Significant adjustments resulting from the audit
    - Going concern assumption
    - Any changes in accounting policies and practices
    - Compliance with applicable accounting standards
    - Compliance with the listing regulations and other statutory and regulatory requirements and
    - All related party transactions

4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight in the absence of management, where necessary.

5. Review of management letter issued by external auditors and management response thereto.

6. Ensuring coordination between the internal and external auditors.

7. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.

8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.

9. Ascertaining that the internal control system includes financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.

10. Review of statement on internal control systems prior to the endorsement by the Board of Directors.

11. Instituting special projects, value for money studies or other investigations on any matters specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.

12. Determination of compliance with relevant statutory requirements.

13. Monitoring compliance with these regulations and identification of significant violations thereof.

14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.

15. Consideration of any other issue or matter as may be assigned by the Board of Directors.

16. External Auditors
    - Recommendations regarding the appointment of External Auditors.
    - Resignation and removal of External Auditors.
    - Audit fees.
    - Provision by external auditors of any services to the company in addition to the audit of the financial statements.
    - Facilitating external audit and discussion with external auditors of major observations arising from interim and final audits and any other matter that auditors wish to highlight.

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

Terms of Reference

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

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

FORWARD LOOKING STATEMENT

The country is passing through a very difficult phase. The challenge of rising inflation, volatility in exchange rates, higher fuel prices, escalation in power tariff and growing uncertainty because of political differences have dented the investors' confidence to a great extent. Recurring economic and political crisis have increased the country risk and lack of timely strategic response to these crisis from policy makers have brought a paradigm shift in the overall economic landscape of the country.

Cement industry like any other large scale and capital intensive industry is also badly suffering due to these uncertainties.

The external shocks have caused significant damage to public finance and it is anticipated that in the next 12-18 months, the government's power to spend more money through PSDP would be affected badly resulting lower demand of cement. The exceptionally high interest rate environment will also impact the private sector investment in housing sector and it is anticipated that overall local demand of cement may reduce by 8% ~ 10% in the year 2022-23.

Key export markets of the Pakistan cement and clinker are also facing the challenges of uncertain FX regime and political uncertainties and chances of utilization of excess capacities in these markets also seem to be difficult.

Under these circumstances, the management is trying and preserves low price coal and devising various cost saving initiatives to ensure smooth sailing. Comprehensive costs saving measures have been taken to support the cash flows so that dependence on external borrowing is reduced. Reliance is being made on utilization of alternative fuel to a maximum extent in order to replace expensive coal and on consumption of electricity generated through solar power plant in order to replace expensive grid.

The Management is fully alive to the situation and trying its level best to steer out the company from these difficult times.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

August 16, 2022
Karachi

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2022

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
462	1	100	19,125
516	101	500	155,111
362	501	1,000	311,323
447	1,001	5,000	1,093,867
122	5,001	10,000	927,826
158	10,001	95,000	4,572,015
29	95,001	955,000	10,789,860
1	955,001	2,070,000	1,958,800
1	2,070,001	2,075,000	2,072,696
1	2,075,001	115,530,000	115,526,338
2,099			137,426,961

S.No.	Categories of Shareholders	Shares held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	144,011	0.10
2	Associated Companies, Undertakings and related Parties	7,000	0.01
3	Banks, Development Financial Institutions, Non Banking Financial Institutions	104,235	0.08
4	Insurance Companies	2,244,416	1.63
5	Modarabas and Mutual Funds	5,995,128	4.36
6	Shareholders holding 10% or more	115,526,338	84.06
7	General Public:		
	- Local	10,489,286	7.64
8	Others	2,916,547	2.12
		137,426,961	**100**

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

Total Paid-up Capital of the Company 137,426,961 Shares

5% of the paid-up capital of the Company 6,871,348 Shares

Name of Shareholders	Description	No. of Shares Held	Percentage %
Pharaon Investment Group Limited Holding S.A.L., Beriut, Lebanon	Falls in Category # 6	115,526,338	84.06

No transaction has been reported by the Chief Executive and/or any other company's Director(s), Executives and their spouse(s) and minor Children from July 01, 2021 to June 30, 2022 in the shares of the Company.

STAKEHOLDERS' **ENGAGEMENT**

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

Corporate Briefing Session 2020-21 through video link

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

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

On October 14, 2021, the Company held a formal corporate briefing session on its financial performance and operational overview through video link. The CFO briefed the investors regarding the financial statements of the Company for the year ended June 30, 2021 and the Company's investment plans for the future years. Further, the CFO also highlighted the status of project in hand. The Investors attended the event and showed great interest in the affairs of the Company. The presentation was followed by a Question and Answer Session where some thought-provoking questions were put forward to the Management, which were very well addressed to the satisfaction of the audience.

SHAREHOLDERS' INFORMATION

VERTICAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30

	2022		2021		2020		2019		2018		2017	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue from contracts with customers	20,479.14	100.00	21,244.56	100.00	18,500.57	100.00	20,780.93	100.00	16,495.66	100.00	14,735.17	100.00
Cost of sales	(16,776.78)	(81.92)	(16,602.00)	(78.15)	(14,251.50)	(77.03)	(15,978.03)	(76.89)	(11,697.58)	(70.91)	(8,842.96)	(60.01)
Gross profit	3,702.36	18.08	4,642.56	21.85	4,249.07	22.97	4,802.90	23.11	4,798.08	29.09	5,892.21	39.99
Distribution costs	(1,294.66)	(6.32)	(2,203.45)	(10.37)	(1,830.95)	(9.90)	(1,414.82)	(6.80)	(782.22)	(4.74)	(903.53)	(6.13)
Administrative expenses	(640.80)	(3.13)	(568.04)	(2.67)	(506.94)	(2.74)	(505.15)	(2.43)	(533.11)	(3.23)	(419.38)	(2.85)
Other expenses	(124.44)	(0.61)	(114.13)	(0.54)	(92.27)	(0.50)	(149.75)	(0.72)	(163.00)	(0.99)	(333.65)	(2.26)
Other income	920.62	4.50	134.80	0.63	233.55	1.26	293.80	1.41	60.80	0.37	236.63	1.61
Profit from Operations	2,563.08	12.52	1,891.75	8.90	2,052.46	11.09	3,026.98	14.57	3,380.55	20.49	4,472.29	30.36
Finance cost	(257.95)	(1.26)	(357.49)	(1.68)	(525.89)	(2.84)	(648.44)	(3.12)	(251.17)	(1.52)	(28.37)	(0.19)
Share of net income of associate accounted for using the equity method	6.81	0.03	5.65	0.03	5.92	0.03	24.66	0.12	-	-	-	-
Profit before income tax	2,311.94	11.29	1,539.91	7.25	1,532.49	8.28	2,403.20	11.56	3,129.38	18.97	4,443.92	30.16
Income tax (expense) / credit	(1,190.35)	(5.81)	(432.56)	(2.04)	(425.00)	(2.30)	(330.00)	(1.59)	1,270.41	7.70	(1,409.86)	(9.57)
Profit for the year	1,121.59	5.48	1,107.35	5.21	1,107.49	5.99	2,073.20	9.98	4,399.78	26.67	3,034.06	20.59

VERTICAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2022		2021		2020		2019		2018		2017	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - Property, plant & equipment	26,729.63	68.11	19,477.02	59.64	17,255.96	62.93	17,685.58	64.74	17,962.93	68.03	16,660.34	80.45
Long-term investments	1,870.55	4.77	1,863.74	5.71	1,858.09	6.78	1,836.54	6.72	1,435.38	5.44	786.11	3.80
Long-term loans and advances-considered good	64.81	0.17	67.96	0.21	38.82	0.14	47.59	0.17	47.31	0.18	48.59	0.23
Long-term deposits	99.94	0.25	99.94	0.31	99.94	0.36	99.94	0.37	99.94	0.38	42.98	0.21
Deferred tax asset	-	-	-	-	-	-	-	-	131.54	0.50	-	-
	28,764.93	73.30	21,508.67	65.86	19,252.81	70.21	19,669.65	72.00	19,677.10	74.52	17,538.02	84.69
Current assets												
Inventories	5,404.31	13.77	3,642.50	11.15	3,465.94	12.64	3,395.52	12.43	3,649.07	13.82	1,929.78	9.32
Trade receivables - considered good	951.85	2.43	1,631.40	5.00	494.54	1.80	795.06	2.91	709.92	2.69	180.49	0.87
Loans and advances - considered good	105.40	0.27	143.93	0.44	162.44	0.59	87.93	0.32	78.50	0.30	76.38	0.37
Short-term deposits and prepayments	20.59	0.05	25.36	0.08	13.25	0.05	45.21	0.17	22.59	0.09	23.66	0.11
Other receivables	410.47	1.05	320.04	0.98	324.52	1.18	235.81	0.86	201.37	0.76	105.79	0.51
Taxation - payments less provisions	2,555.25	6.51	2,859.34	8.76	2,866.87	10.45	2,602.24	9.53	1,453.30	5.50	236.66	1.14
Tax refunds due from government - Sales tax	106.69	0.27	19.43	0.06	56.52	0.21	182.59	0.68	289.27	1.10	496.76	2.40
Short-term investment	-	-	1,914.89	5.86	-	-	-	-	-	-	-	-
Cash and bank balances	924.80	2.36	591.41	1.81	785.56	2.86	302.59	1.11	324.94	1.23	121.85	0.59
	10,479.35	26.70	11,148.29	34.14	8,169.63	29.79	7,646.95	28.00	6,728.95	25.48	3,171.36	15.31
Total Assets	39,244.28	100.00	32,656.96	100.00	27,422.44	100.00	27,316.60	100.00	26,406.06	100.00	20,709.38	100.00
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital-issued, subscribed & paid up	1,374.27	3.50	1,374.27	4.21	1,374.27	5.01	1,374.27	5.03	1,145.23	4.34	1,145.23	5.53
Unappropriated profit	16,117.27	41.07	15,826.27	48.46	15,178.39	55.35	14,725.19	53.91	13,727.41	51.99	10,802.41	52.16
	17,491.54	44.57	17,200.54	52.67	16,552.66	60.36	16,099.46	58.94	14,872.64	56.33	11,947.64	57.69
LIABILITIES												
Non-current liabilities												
Long-term loans	7,211.86	18.38	2,435.11	7.29	236.25	0.86	2,187.50	8.01	3,437.50	13.02	1,500.00	7.24
Deferred income - Government grant	997.24	2.54	335.26	1.03	-	-	-	-	-	-	-	-
Long-term lease liabilities	38.56	0.10	38.28	0.12	46.46	0.17	7.91	0.03	10.79	0.04	1.03	0.01
Deferred tax liabilities	1,850.05	4.71	1,233.82	3.78	1,081.13	3.94	351.28	1.28	-	-	817.75	3.95
Employee benefit obligations	275.13	0.70	307.96	0.94	359.64	1.31	266.88	0.98	387.09	1.47	489.45	2.36
	10,372.83	26.43	4,350.42	13.16	1,723.48	6.28	2,813.57	10.30	3,835.39	14.52	2,808.23	13.56
Current liabilities												
Trade and other payables	6,620.37	16.87	6,657.14	20.39	4,185.44	15.26	3,577.44	13.10	4,983.84	18.87	3,816.09	18.43
Unclaimed dividend	11.42	0.03	10.67	0.03	10.42	0.04	10.18	0.04	9.00	0.03	7.59	0.04
Accrued mark-up	78.38	0.20	18.87	0.22	33.59	0.12	143.87	0.53	88.77	0.34	45.99	0.22
Short-term borrowings	4,647.60	11.84	4,393.85	13.45	4,902.75	17.88	4,669.20	17.09	2,612.51	9.89	2,080.85	10.05
Current portion of long-term lease liabilities	22.15	0.06	25.45	0.08	14.12	0.05	2.88	0.01	3.91	0.01	2.99	0.01
	11,379.91	29.00	11,106.00	34.17	9,146.31	33.35	8,403.57	30.76	7,698.03	29.14	5,953.51	28.75
Total liabilities	21,752.74	55.43	15,456.42	47.33	10,869.79	39.79	11,217.14	41.06	11,533.42	43.68	8,761.74	42.31
Total Equity and Liabilities	39,244.28	100.00	32,656.96	100.00	27,422.44	100.00	27,316.60	100.00	26,406.06	100.00	20,709.38	100.00

HORIZONTAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30

	2022		2021		2020		2019		2018		2017	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue from contracts with customers	**20,479.14**	**(3.60)**	21,244.56	14.83	18,500.57	(10.97)	20,780.93	25.98	16,495.66	11.95	14,735.17	100
Cost of sales	**(16,776.78)**	**1.05**	(16,602.00)	16.50	(14,251.50)	(10.81)	(15,978.03)	36.59	(11,697.58)	32.28	(8,842.96)	100
Gross profit	**3,702.36**	**(20.25)**	4,642.56	9.26	4,249.07	(11.53)	4,802.90	0.10	4,798.08	(18.57)	5,892.21	100
Distribution costs	**(1,294.66)**	**(41.24)**	(2,203.45)	20.34	(1,830.95)	29.41	(1,414.82)	80.87	(782.22)	(13.43)	(903.53)	100
Administrative expenses	**(640.80)**	**12.81**	(568.04)	12.05	(506.94)	0.35	(505.15)	(5.24)	(533.11)	27.12	(419.38)	100
Other expenses	**(124.44)**	**9.03**	(114.13)	23.69	(92.27)	(38.38)	(149.75)	(8.12)	(163.00)	(51.15)	(333.65)	100
Other income	**920.62**	**582.93**	134.80	(42.28)	233.55	(20.51)	293.80	383.22	60.80	(74.30)	236.63	100
Profit from Operations	**2,563.08**	**35.49**	1,891.75	(7.83)	2,052.46	(32.19)	3,026.98	(10.46)	3,380.55	(24.41)	4,472.29	100
Finance cost	**(257.95)**	**(27.84)**	(357.49)	(32.02)	(525.89)	(18.90)	(648.44)	158.17	(251.17)	785.34	(28.37)	100
Share of net income of associate accounted for using the equity method	**6.81**	**20.43**	5.65	(4.56)	5.92	(75.98)	24.66	-	-	-	-	100
Profit before income tax	**2,311.94**	**50.13**	1,539.91	0.48	1,532.49	(36.23)	2,403.20	(23.21)	3,129.38	(29.58)	4,443.92	100
Income Tax (expense) / credit	**(1,190.35)**	**175.19**	(432.56)	1.78	(425.00)	28.79	(330.00)	(125.97)	1,270.41	(190.11)	(1,409.86)	100
Profit for the year	**1,121.59**	**1.29**	1,107.35	(0.01)	1,107.49	(46.58)	2,073.20	(52.88)	4,399.78	45.01	3,034.06	100

HORIZONTAL ANALYSIS - UNCONSOLIDATED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

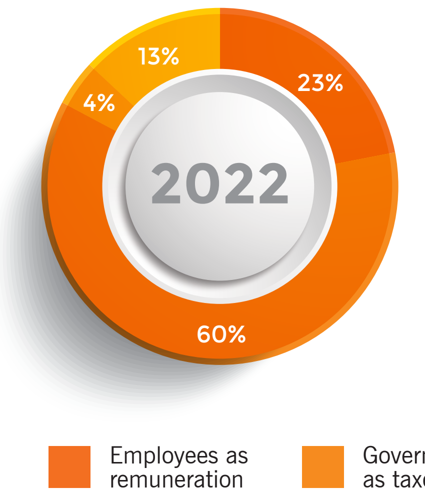
	2022		2021		2020		2019		2018		2017	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - Property, plant & equipment	26,729.63	37.24	19,477.02	12.87	17,255.96	(2.43)	17,685.58	(1.54)	17,962.93	7.82	16,660.34	100
Long-term investments	1,870.55	0.37	1,863.74	0.30	1,858.09	1.17	1,836.54	27.95	1,435.38	82.59	786.11	100
Long-term loans and advances	64.81	(4.65)	67.96	75.06	38.82	(18.44)	47.59	0.60	47.31	(2.63)	48.59	100
Long-term deposits	99.94	-	99.94	-	99.94	-	99.94	-	99.94	132.53	42.98	100
Deferred tax asset	-	-	-	-	-	-	-	(100.00)	131.54	100.00	-	100
	28,764.93	33.74	21,508.67	11.72	19,252.81	(2.12)	19,669.65	(0.04)	19,677.10	12.20	17,538.02	100
Current assets												
Inventories	5,404.31	48.37	3,642.50	5.09	3,465.94	2.07	3,395.52	(6.95)	3,649.07	89.09	1,929.78	100
Trade receivables - considered good	951.85	(41.65)	1,631.40	229.89	494.54	(37.80)	795.06	11.99	709.92	293.33	180.49	100
Loans and advances - considered good	105.40	(26.77)	143.93	(11.40)	162.44	84.74	87.93	12.01	78.50	2.77	76.38	100
Short-term deposits and prepayments	20.59	(18.80)	25.36	91.39	13.25	(70.70)	45.21	100.13	22.59	(4.51)	23.66	100
Other receivables	410.47	28.26	320.04	(1.38)	324.52	37.62	235.81	17.10	201.37	90.35	105.79	100
Taxation - payments less provisions	2,555.25	(10.64)	2,859.34	(0.26)	2,866.87	10.17	2,602.24	79.06	1,453.30	514.09	236.66	100
Tax refunds due from Government - Sales tax	106.69	449.05	19.43	(65.62)	56.52	(69.04)	182.59	(36.88)	289.27	(41.77)	496.76	100
Short term investment	-	(100.00)	1,914.89	100.00	-	-	-	-	-	-	-	100
Cash and bank balances	924.80	56.37	591.41	(24.71)	785.56	159.62	302.59	(6.88)	324.94	166.67	121.85	100
	10,479.35	(6.00)	11,148.29	36.46	8,169.63	6.84	7,646.95	13.64	6,728.95	112.18	3,171.36	100
Total Assets	39,244.28	20.17	32,656.96	19.09	27,422.44	0.39	27,316.60	3.45	26,406.06	27.51	20,709.38	100
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital-issued, subscribed & paid up	1,374.27	-	1,374.27	-	1,374.27	-	1,374.27	20.00	1,145.23	-	1,145.23	100
Unappropriated profit	16,117.27	1.84	15,826.27	4.27	15,178.39	3.08	14,725.19	7.27	13,727.41	27.08	10,802.41	100
	17,491.54	1.69	17,200.54	3.91	16,552.66	2.81	16,099.46	8.25	14,872.64	24.48	11,947.64	100
LIABILITIES												
Non-current liabilities												
Long-term loans	7,211.86	196.16	2,435.11	930.74	236.25	(89.20)	2,187.50	(36.36)	3,437.50	129.17	1,500.00	100
Deferred income - Govt. grant	997.24	197.45	335.26	100.00	-	-	-	-	-	-	-	100
Long-term lease liabilities	38.56	0.74	38.28	(17.60)	46.46	486.94	7.91	(26.65)	10.79	947.86	1.03	100
Deferred tax liabilities	1,850.05	49.95	1,233.82	14.12	1,081.13	351.28	351.28	-	-	-	817.75	100
Employee benefit obligations	275.13	(10.66)	307.96	(14.37)	359.64	34.76	266.88	(31.05)	387.09	(20.91)	489.45	100
	10,372.83	138.43	4,350.42	152.42	1,723.48	(38.74)	2,813.57	(26.64)	3,835.39	36.58	2,808.23	100
Current liabilities												
Trade and other payables	6,620.37	(0.55)	6,657.14	59.05	4,185.44	17.00	3,577.44	(27.66)	4,983.84	30.60	3,816.09	100
Unclaimed dividend	11.42	7.01	10.67	2.48	10.42	2.30	10.18	13.13	9.00	18.52	7.59	100
Accrued markup	78.38	315.28	18.87	(43.81)	33.59	(76.65)	143.87	62.07	88.77	93.02	45.99	100
Short-term borrowings	4,647.60	5.77	4,393.85	(10.38)	4,902.75	5.00	4,669.20	78.72	2,612.51	25.55	2,080.85	100
Current portion of long-term lease liabilities	22.15	(12.98)	25.45	80.33	14.12	390.44	2.88	(26.34)	3.91	30.80	2.99	100
	11,379.91	2.47	11,106.00	21.43	9,146.31	8.84	8,403.57	9.17	7,698.03	29.30	5,953.51	100
Total liabilities	21,752.74	40.74	15,456.42	42.20	10,869.79	(3.10)	11,217.14	(2.74)	11,533.42	31.63	8,761.74	100
Total Equity and Liabilities	39,244.28	20.17	32,656.96	19.09	27,422.44	0.39	27,316.60	3.45	26,406.06	27.51	20,709.38	100

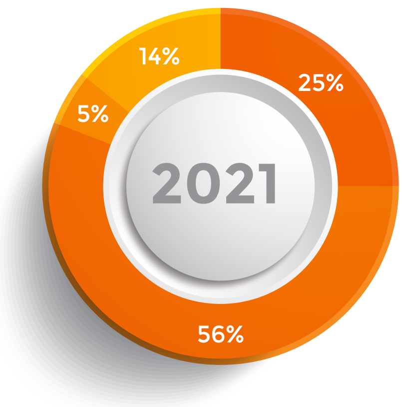
STATEMENT OF VALUE ADDITION AND DISTRIBUTION

FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		(Rupees in million)	
Gross Sales		28,111	27,751
Less:	Operating expenses	(16,990)	(17,746)
	Value added by Operations	11,121	10,005
Add:	Income from Investments	7	6
	Other Income	921	135
		928	141
	Total Value Added / wealth created	12,049	10,146
	Distributed as follows:		
	Employees as remuneration	2,740	2,540
	Government as:		
	Taxation	1,190	433
	Workers Funds	124	114
	Sales Tax & Excise Duty	5,998	5,130
		7,312	5,676
	Shareholders as dividend	481	550
	Retained in business		
	Depreciation	875	823
	Net earnings	641	558
		1,516	1,381
	Total value distributed	12,049	10,146

DISTRIBUTION OF VALUE ADDITION





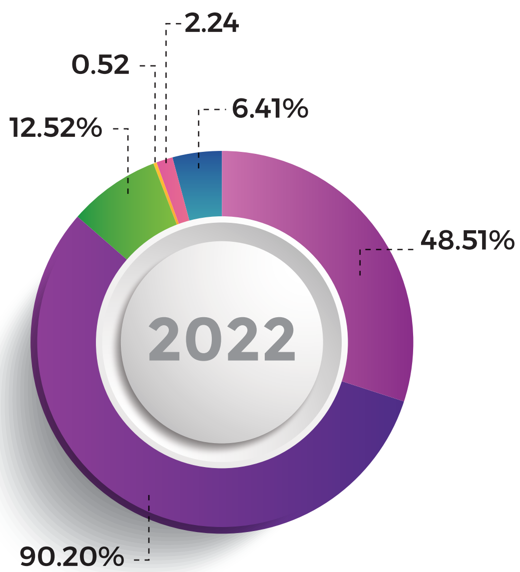
SIX YEARS AT A GLANCE

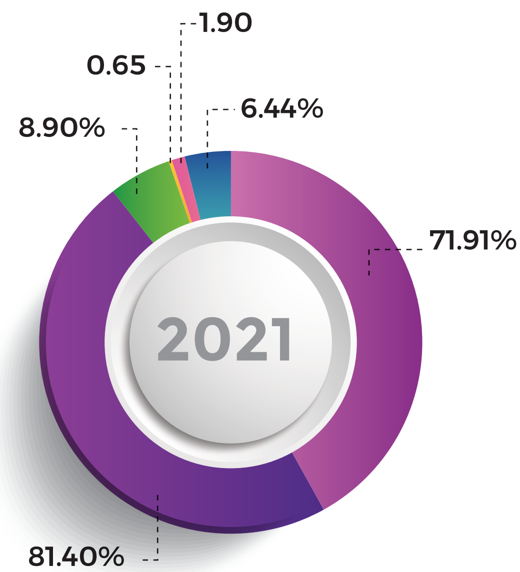
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	Rupees in million unless otherwise stated					
Productions and Sales						
Clinker production (in tons)	**2,180,178**	3,191,164	2,828,898	3,184,363	2,482,551	1,866,325
Capacity utilization (%)	**76**	110	98	110	109	107
Cement production (in tons)	**1,797,723**	2,006,269	1,766,734	2,437,425	2,309,345	2,081,858
Cement sales (in tons)	**1,798,881**	2,010,531	1,766,442	2,447,666	2,288,613	2,082,582
Profit or Loss						
Revenue from contracts with customers	**20,479**	21,245	18,501	20,781	16,496	14,735
Cost of sales	**16,777**	16,602	14,252	15,978	11,698	8,843
Gross profit	**3,702**	4,643	4,249	4,803	4,798	5,892
Other income	**921**	135	234	294	61	237
Operating profit	**2,563**	1,892	2,052	3,027	3,381	4,472
Profit before tax	**2,312**	1,540	1,532	2,403	3,129	4,444
Profit after tax	**1,122**	1,107	1,107	2,073	4,400	3,034
Financial Position						
Paid-up capital	**1,374**	1,374	1,374	1,374	1,145	1,145
Unappropriated profit	**16,117**	15,826	15,178	14,725	13,727	10,802
Long-term & deferred liabilities	**10,373**	4,350	1,723	2,814	3,835	2,808
Current liabilities	**11,380**	11,106	9,146	8,404	7,698	5,954
Fixed assets less depreciation	**26,730**	19,477	17,256	17,686	17,963	16,660
Other long-term assets	**2,035**	2,032	1,997	1,984	1,714	878
Current assets	**10,479**	11,148	8,170	7,647	6,729	3,171
Key Financial Ratios						
Gross profit (%)	**18**	22	23	23	29	40
Operating profit (%)	**13**	9	11	15	20	30
Net profit after tax (%)	**5**	5	6	10	26	21
Return on equity (%)	**6**	6	7	13	30	25
Return on capital employed	**15**	11	12	19	23	37
No. of days in inventory	**24**	27	35	11	22	22
No. of days in receivables	**23**	18	13	13	10	41
Fixed assets turnover ratio (times)	**1**	1	1	1	1	3
Current ratio (times)	**1**	1	1	1	1	1
Price earning ratio (times)	**8**	22	15	5	3	11
Dividend yield ratio (%)	**5**	2	3	6	6	4
Dividend payout ratio (%)	**43**	50	43	27	21	51
Debt equity ratio	**68**	40	31	43	41	30
Interest cover ratio (times)	**10**	5	4	5	13	158
Shares and Earnings						
Market price per share as at June 30 (Rs.)	**67**	180	125	71	135	303
Earnings per share (Rs.)	**8.16**	8.06	8.06	15.09	32.02	26.49
Cash dividend per share	**3.50**	4.00	3.50	4.00	8.00	13.50
Break-up value per share	**127.28**	125.16	120.45	117.15	129.87	104.33

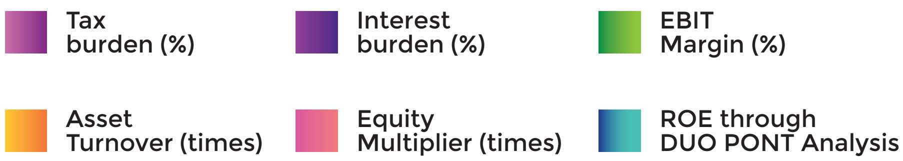
DUO PONT ANALYSIS

FOR THE YEAR ENDED JUNE 30

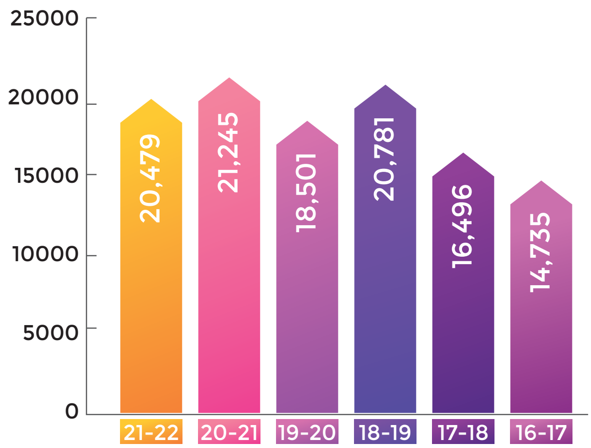
	2022	2021
Tax burden (%)	**48.51**	71.91
Interest burden (%)	**90.20**	81.40
EBIT Margin (%)	**12.52**	8.90
Asset Turnover (times)	**0.52**	0.65
Equity Multiplier (times)	**2.24**	1.90
ROE through DUO PONT Analysis (%)	**6.41**	6.44



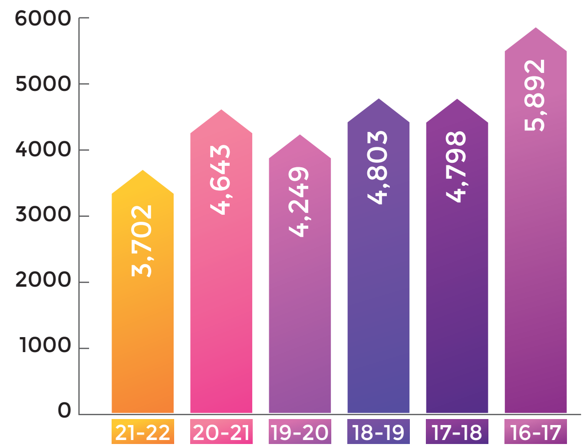




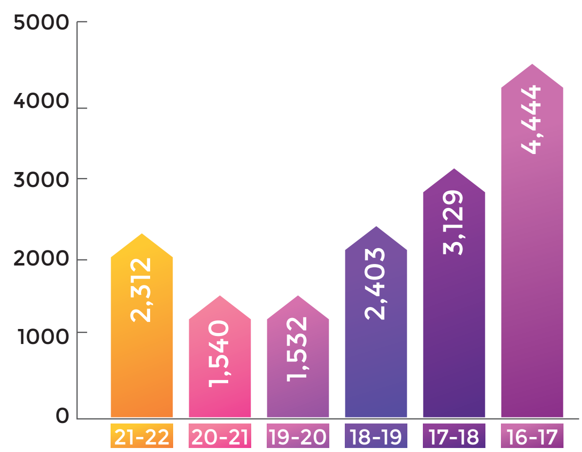
GRAPHICAL PRESENTATION



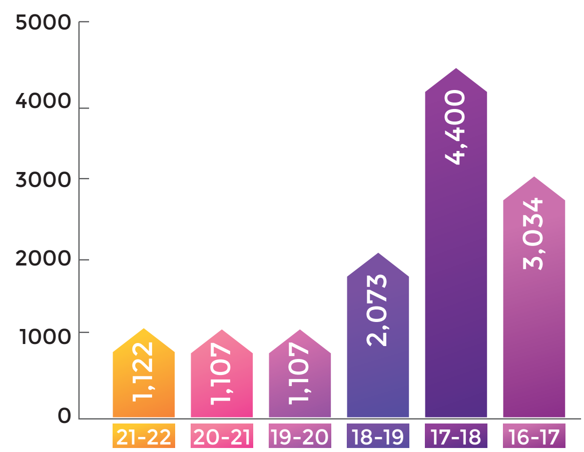
Net Sales
(Rs. in Million)



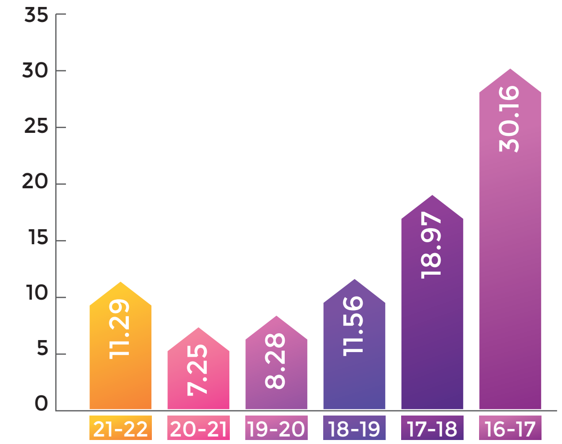
Gross Profit
(Rs. in Million)



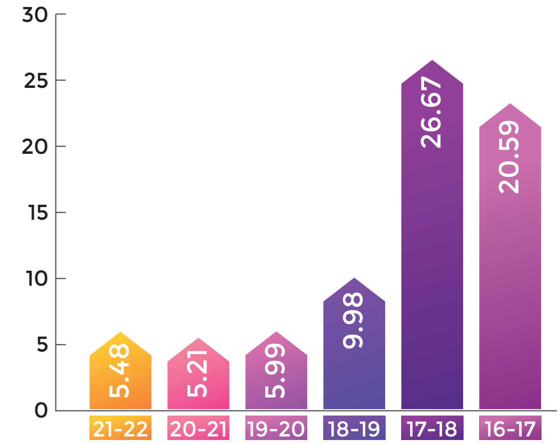
Profit Before Tax
(Rs. in Million)



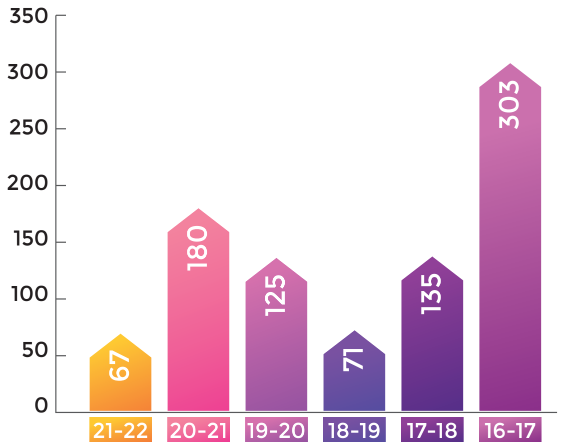
Profit After Tax
(Rs. in Million)



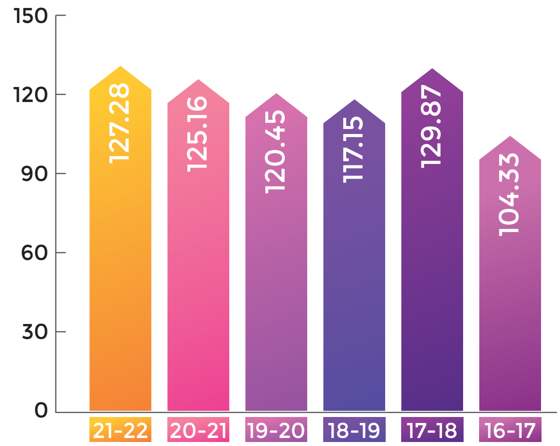
Profit Before Tax (%)



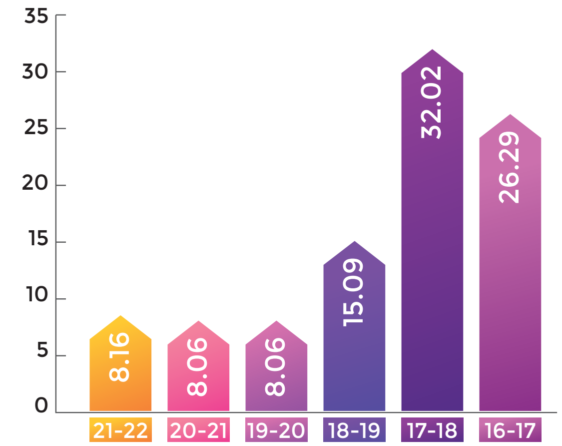
Profit After Tax (%)



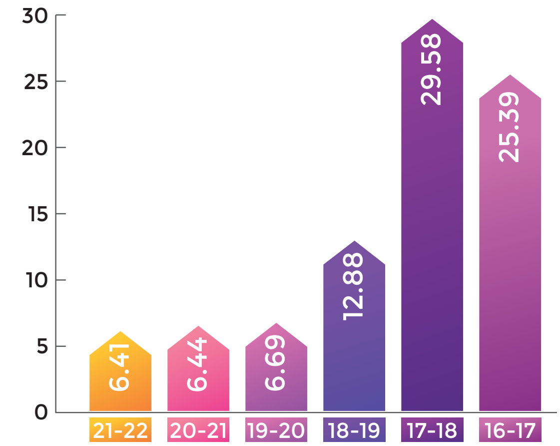
Market Price per Share (Rs.)



Break-up Value per Share (Rs.)



Earnings per Share (Rs.)

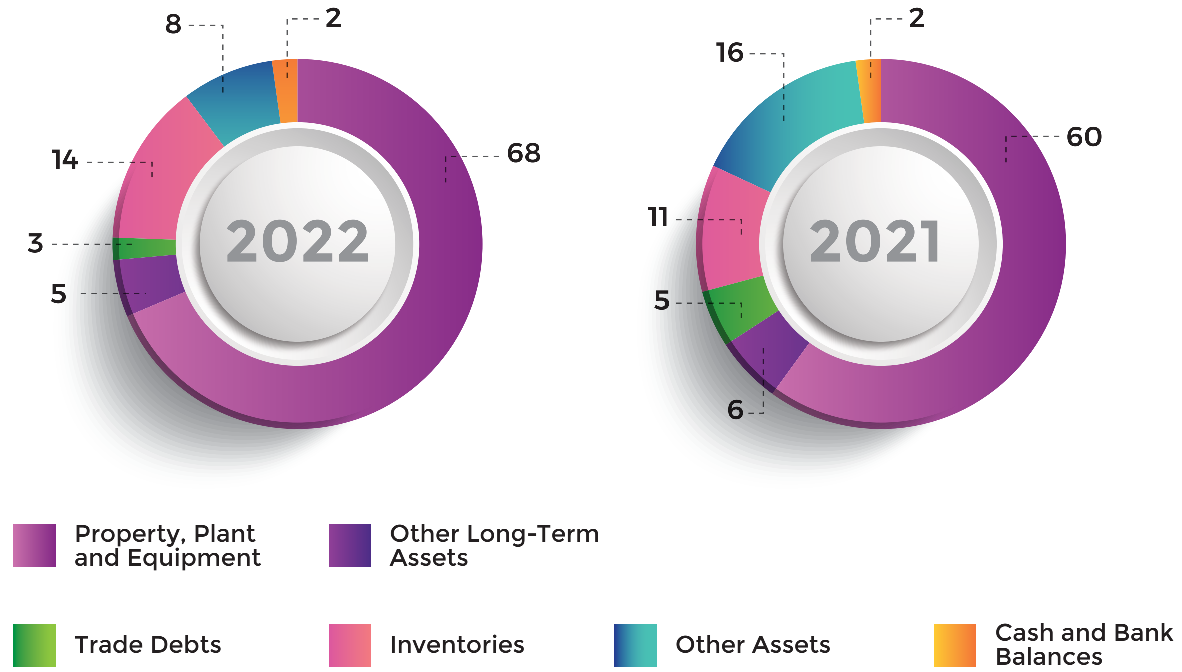


Return on equity (%)

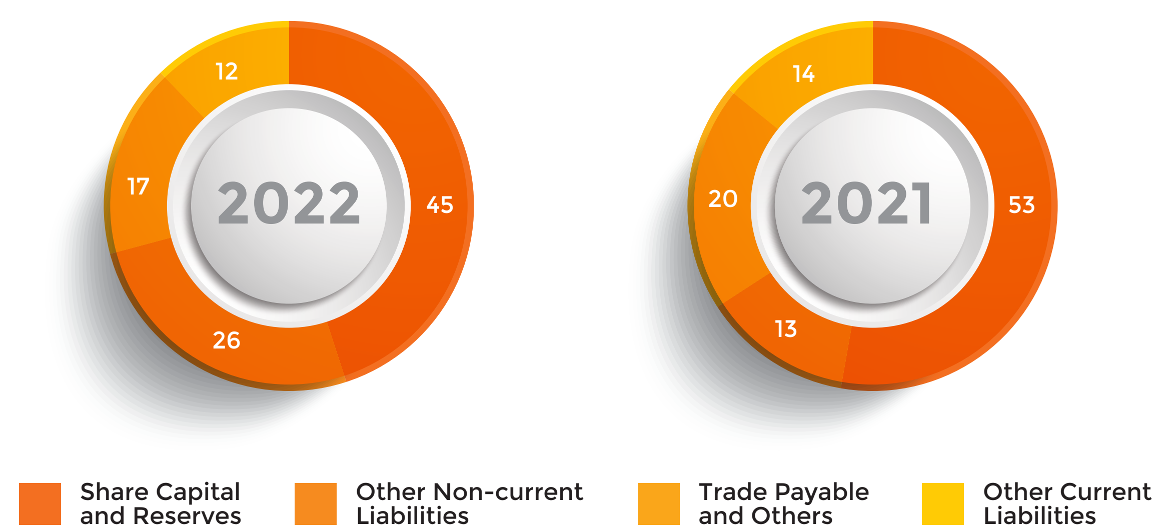
COMPOSITION OF STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30

Assets (%)



Equity and Liabilities (%)



NOTICE OF THE FORTY-THIRD (43RD) ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of Attock Cement Pakistan Limited (**the "Company"**) will be held on October 19, 2022 at 12:00 hours at Marriott Hotel, Karachi and also through video link to transact the following:

Ordinary Business

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2022 together with the Report of Auditors and the directors thereon.

2. To consider and if thought fit, approve the final cash dividend of 15% (Rs. 1.50 per share) as recommended by the Board of Directors for the year ended June 30, 2022. This is in addition to the interim cash dividend of 20% (Rs. 2.00 per share) already paid during the year.

3. To appoint the auditors for the financial year 2022-23 and to fix their remuneration.

4. To transact any other business with the permission of the Chairman.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 28, 2022

PARTICIPATION IN ANNUAL GENERAL MEETING (AGM) THROUGH ELECTRONIC MEANS:

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (email address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 12:00 p.m. on October 17, 2022.

Required information:

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

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

Modes of Communication:

The above mentioned information can be provided through following modes:
a) Mobile/WhatsApp: 0308-0972181
b) Email: 43agm@attockcement.com

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 17, 2022 by 12:00 p.m.

Notes:

1. The Register of members and share transfer books of the Company will remain closed from October 12, 2022 to October 19, 2022 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 11, 2022 are entitled to attend and vote at the meeting.

3. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law.

4. Members are requested to notify any changes in their addresses immediately.

For appointing proxies:

i) A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.

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

v) Proxies attending meeting on behalf of members are also required to provide below information in case they will be attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

Required information:

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

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

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

(a)	Rate of tax deduction for persons who are appearing in the active taxpayers list	15%
(b)	Rate of tax deduction for persons who are not appearing in the active taxpayers list	30%.

i) All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and if required take necessary actions for inclusion of their names in ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by hundred percent.

ii) In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.

iii) Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar, M/s FAMCO Associates (Pvt.) Limited, 8-F, Block-6, PECHS, Nursery, Shahrah-e-Faisal, Near Hotel Faran, Karachi by first day of Book Closure.

TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD/DVD:

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

TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

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

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

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2022 have been made available on the Company's website www.attockcement.com, in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH BANK ACCOUNTS OF THE SHAREHOLDERS:

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

CONSENT FOR VIDEO CONFERENCE FACILITY:

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

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

UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

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

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

DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY COMPANY (CDC):

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further, SECP vide its letter dated March 26, 2021 has advised to comply with section 72 of the Act, 2017 and encourage the shareholders to convert their physical shares into book entry form.

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

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

FOR THE YEAR ENDED JUNE 30, 2022

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

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

Male	7
Female	-

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

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

2. The composition of board is as follows:

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

* Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience.

The current Board of Directors of the Company adequately meets the requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

** Alternate Director Mr. Shuaib A. Malik
*** Alternate Director Mr. Irfan Amanullah

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

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

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

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and these Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. All the directors are either exempted or have attended the required training in prior years;

10. The Board has approved appointment of Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations, however, office of the Head of Internal Audit is vacated during the year, his remuneration will be presented before the Board once his recruitment is finalized;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;

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

    Audit Committee
    - Mr. Shamim Ahmad Khan (Chairman)
    - Mr. Shuaib A. Malik (Member)
    - Mr. Abdus Sattar (Member)

    HR and Remuneration Committee
    - Mr. Shamim Ahmad Khan (Chairman)
    - Mr. Shuaib A. Malik (Member)
    - Mr. Mohammad Haroon (Member)

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

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

Audit Committee	:	Quarterly
HR & Remuneration Committee	:	Yearly

15. The Board has set up an effective internal audit department which is experienced for the purpose and is fully conversant with the policies & 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, they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors of the company;

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

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non–mandatory requirements) are below:

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

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

LAITH G. PHARAON
Chairman

August 16, 2022
Karachi

pwc

A·F·FERGUSON&Co.

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Cement Pakistan Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Further, we highlight content of paragraph 1 of the statement where the matter of representation of female director on the Board of Directors of the Company has been explained.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 21, 2022

UDIN: CR2022100738haSvP7Td

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

INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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Following is the Key audit matter:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Inventories** (Refer note 7 to the unconsolidated financial statements) Inventories include: - raw materials comprising limestone, clay, gypsum, laterite and bauxite; - work-in-progress mainly comprising clinker; and - coal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - obtained samples of items to determine the nature / characteristics of the inventory. Such samples were then sent to the Company's laboratory to determine the nature of the inventory and other parameters; and - obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 21, 2022

UDIN: AR2022100731wsgXRaLJ

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees '000)	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	**26,729,628**	19,477,024
Long - term investments	4	**1,870,552**	1,863,743
Long - term loans and advances - considered good	5	**64,807**	67,964
Long - term deposits	6	**99,940**	99,940
		28,764,927	21,508,671
Current assets			
Inventories	7	**5,404,313**	3,642,496
Trade receivables - considered good	8	**951,849**	1,631,402
Loans and advances - considered good	9	**105,400**	143,929
Short - term deposits and prepayments	10	**20,588**	25,355
Other receivables	11	**410,470**	320,036
Taxation - payments less provisions		**2,555,250**	2,859,342
Tax refunds due from Government - Sales tax		**106,686**	19,431
Short - term investment	12	**-**	1,914,887
Cash and bank balances	13	**924,798**	591,414
		10,479,354	11,148,292
Total assets		**39,244,281**	32,656,963
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	14	**1,374,270**	1,374,270
Unappropriated profit		**16,117,268**	15,826,272
		17,491,538	17,200,542
LIABILITIES			
Non-current liabilities			
Long - term loans	15	**7,211,855**	2,435,113
Deferred Income - Government grant	16	**997,239**	335,259
Long - term lease liabilities	17	**38,564**	38,279
Deferred tax liabilities	18	**1,850,049**	1,233,815
Employee benefit obligations	19	**275,126**	307,957
		10,372,833	4,350,423
Current liabilities			
Trade and other payables	20	**6,620,372**	6,657,144
Unclaimed dividend		**11,422**	10,674
Accrued mark-up	21	**78,375**	18,873
Short - term borrowings	22	**4,647,591**	4,393,854
Current portion of long - term lease liabilities	17	**22,150**	25,453
		11,379,910	11,105,998
Total liabilities		**21,752,743**	15,456,421
Contingencies and commitments	23		
Total equity and liabilities		**39,244,281**	32,656,963

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

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees '000)	
Revenue from contracts with customers	24	**20,479,142**	21,244,562
Cost of sales	25	**(16,776,783)**	(16,601,998)
Gross profit		**3,702,359**	4,642,564
Distribution costs	26	**(1,294,657)**	(2,203,448)
Administrative expenses	27	**(640,800)**	(568,043)
Other expenses	28	**(124,435)**	(114,129)
Other income	29	**920,615**	134,803
Profit from operations		**2,563,082**	1,891,747
Finance cost	30	**(257,954)**	(357,487)
Share of net income of associate accounted for using the equity method	4	**6,809**	5,654
Profit before income tax		**2,311,937**	1,539,914
Income tax expense	31	**(1,190,346)**	(432,562)
Profit for the year		**1,121,591**	1,107,352
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations	19	**(6,033)**	21,529
Total comprehensive income for the year		**1,115,558**	1,128,881
Basic and diluted earnings per share	32	**Rs. 8.16**	Rs. 8.06

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

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

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	(Rupees '000)		
Balance as at July 01, 2020	1,374,270	15,178,386	16,552,656
Profit for the year ended June 30, 2021	-	1,107,352	1,107,352
Other comprehensive income for the year ended June 30, 2021	-	21,529	21,529
Total comprehensive income for the year ended June 30, 2021	-	1,128,881	1,128,881
Transaction with owners in their capacity as owners			
Dividend:			
- Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share	-	(480,995)	(480,995)
Balance as at July 01, 2021	1,374,270	15,826,272	17,200,542
Profit for the year ended June 30, 2022	**-**	**1,121,591**	**1,121,591**
Other comprehensive loss for the year ended June 30, 2022	**-**	**(6,033)**	**(6,033)**
Total comprehensive income for the year ended June 30, 2022	**-**	**1,115,558**	**1,115,558**
Transactions with owners in their capacity as owners			
Dividend:			
- Final dividend for the year ended June 30, 2021 @ Rs. 4 per share	**-**	**(549,708)**	**(549,708)**
- Interim dividend for the year ended June 30, 2022 @ Rs. 2 per share	**-**	**(274,854)**	**(274,854)**
Balance as at June 30, 2022	**1,374,270**	**16,117,268**	**17,491,538**

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

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	**1,636,827**	3,887,827
Finance cost paid - conventional		**(167,118)**	(286,299)
Finance cost paid - islamic		**(42,847)**	(49,899)
Income tax paid		**(270,020)**	(272,355)
Decrease / (increase) in long - term loans and advances		**3,157**	(29,146)
Employee benefit obligations paid		**(124,338)**	(110,020)
Net cash generated from operating activities		**1,035,661**	3,140,108
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(7,992,806)**	(3,086,312)
Proceeds from disposal of operating assets		**3,843**	4,462
Purchase of open ended mutual fund units		**(1,924,301)**	(3,785,105)
Proceeds from sale of open ended mutual fund units		**3,845,647**	1,895,502
Placement in Term Deposit Receipts (TDRs) - net		**(10,000)**	(61,000)
Dividend received		**368,849**	3,359
Interest received		**31,091**	14,866
Net cash used in investing activities		**(5,677,677)**	(5,014,228)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(823,814)**	(480,737)
Proceeds from long - term loans		**6,314,205**	2,931,559
Repayment of long - term loans		**(275,000)**	(60,802)
Lease rentals paid		**(29,846)**	(20,899)
Net cash generated from financing activities		**5,185,545**	2,369,121
Net increase in cash and cash equivalents		**543,529**	495,001
Cash and cash equivalents at beginning of the year		**(3,617,440)**	(4,112,441)
Cash and cash equivalents at end of the year	34	**(3,073,911)**	(3,617,440)

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. THE COMPANY AND ITS OPERATIONS

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

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

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

- The registered office of the Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Company's cement manufacturing plant is located in Tehsil Hub, District Lasbela, Balochistan.
- The Company also has a representative / liaison offices at:
  - Office No. 106, Pharoo Business Centre, Dubai Investment Park, UAE;
  - Plot No. D-69, Block-4, Kehkashan-5, Clifton, Karachi; and
  - Plot No. D-46, Block-4, Kehkashan-5, Clifton, Karachi.

1.2 The Company has investment in subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

1.3 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 15.2 and 15.3 respectively. The project is under construction.

1.4 During the year, the project of 20MW Captive Solar Power Plant has been commissioned with effect from January 1, 2022. This is financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in Note 15.4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.1.2 Critical accounting estimates and judgements

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

(i) Income tax

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

(ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.6 and 19 to these unconsolidated financial statements for valuation of present value of defined benefit obligation.

(iii) Inventories

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

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

(iv) Contingencies

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

(v) Fixed Assets - property, plant and equipment

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment as disclosed in notes 2.3 and 3.1 to these unconsolidated financial statements. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting date.

(vi) 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.

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

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

2.1.3 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

2.2 Overall valuation policy

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

2.3 Fixed Assets - property, plant and equipment

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

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

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

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

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

2.4 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

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

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

2.5 Off-setting of financial assets and liabilities

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

2.6 Staff retirement benefits

Defined benefit plans

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2022 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in unconsolidated statement of profit or loss and other comprehensive income.

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

Defined contribution plan

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

2.7 Long-term investments

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

2.8 Inventories

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

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

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

2.9 Loans, advances, deposits and prepayments

Loans, advances, deposits and prepayments are non-derivative financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

Interest free loans to employees are stated at amortised cost.

2.10 Trade and other receivables

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

2.11 Government grants

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

2.12 Cash and cash equivalents

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

2.13 Lease liability and right-of-use asset

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

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

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

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

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

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

2.14 Trade and other payables

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

2.15 Provisions

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

2.16 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

2.17 Contingent Liabilities

Contingent liability is disclosed when:

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

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

2.18 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any

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

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

2.19 Income tax

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

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

2.20 Borrowings and their cost

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

2.21 Foreign currencies

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

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

2.22 Revenue recognition

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

- Local sale of goods is recognised on dispatch of goods to customers.

- Revenue from export sales is recognised on the basis of terms of sale with the customer.

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

2.23 Other Income

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

Profit from savings accounts is accounted for as income on accrual basis.

2.24 Dividend

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

	2022	2021
	(Rupees '000)	
3. FIXED ASSETS - property, plant and equipment		
Operating assets - note 3.1	**16,487,073**	15,582,641
Capital work-in-progress - note 3.2	**9,330,456**	2,964,263
Stores held for capital expenditure - note 3.3	**912,099**	930,120
	26,729,628	19,477,024

3.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Right of use-assets - note 3.4	Total
					(Rupees '000)				
Year ended June 30, 2022									
Opening net book value	38,068	1,969,962	13,411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
Additions	-	1,626	1,782,611	-	184	7,063	26,084	19,513	1,837,081
Disposals	-	-	-	(313)	-	-	(965)	-	(1,278)
Transfers to stores	-	-	(56,039)	-	-	-	-	-	(56,039)
Depreciation charge	-	(160,584)	(659,373)	(3,947)	(699)	(7,162)	(19,751)	(23,816)	(875,332)
Closing net book value	38,068	1,811,004	14,478,795	25,945	1,552	11,561	60,709	59,439	16,487,073
At June 30, 2022									
Cost	38,068	3,271,958	22,559,413	235,627	30,051	130,725	165,642	133,127	26,564,611
Accumulated depreciation	-	(1,460,954)	(8,080,618)	(209,682)	(28,499)	(119,164)	(104,933)	(73,688)	(10,077,538)
Net book value	38,068	1,811,004	14,478,795	25,945	1,552	11,561	60,709	59,439	16,487,073
Year ended June 30, 2021									
Opening net book value	34,168	2,129,010	13,892,164	24,519	1,910	16,837	58,849	64,289	16,221,746
Additions	3,900	1,542	198,839	9,380	977	3,181	17,871	16,558	252,248
Disposals	-	-	-	-	-	(690)	(2,208)	-	(2,898)
Transfers to stores	-	-	(65,426)	-	-	-	-	-	(65,426)
Depreciation charge	-	(160,590)	(613,981)	(3,694)	(820)	(7,668)	(19,171)	(17,105)	(823,029)
Closing net book value	38,068	1,969,962	13,411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
At June 30 2021									
Cost	38,068	3,270,332	20,776,802	235,627	29,867	123,662	139,558	113,614	24,727,530
Accumulated depreciation	-	(1,300,370)	(7,365,206)	(205,422)	(27,800)	(112,002)	(84,217)	(49,872)	(9,144,889)
Net book value	38,068	1,969,962	13,411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
Rate of depreciation %	-	5%	3.33% - 5%	10%	20%	25%	20%	23% - 37%	

3.2 Movement in capital work-in-progress

	2022				2021			
	Balance as at July 1, 2021	Additions during the year	Transfers	Balance as at June 30, 2022	Balance as at July 1, 2020	Additions during the year	Transfers	Balance as at June 30, 2021
	(Rupees '000)							
Captive Solar Power Project - note 1.4								
Civil and electrical works	169,572	142,970	(312,542)	-	-	169,572	-	169,572
Plant and machinery	1,318,023	2,449	(1,320,472)	-	-	1,318,023	-	1,318,023
Others - note 3.2.1	31,719	27,062	(58,781)	-	-	31,719	-	31,719
	1,519,314	172,481	(1,691,795)	-	-	1,519,314	-	1,519,314
Installation of Line 4 - note 1.3								
Civil works	12,568	1,038,795	-	1,051,363	-	12,568	-	12,568
Plant and machinery	-	7,898,090	-	7,898,090	-	-	-	-
Advances to suppliers	1,399,792	(1,177,228)	-	222,564	-	1,399,792	-	1,399,792
Others - note 3.2.2	9,803	131,167	-	140,970	-	9,803	-	9,803
	1,422,163	7,890,824	-	9,312,987	-	1,422,163	-	1,422,163
Others								
Civil works	244	1,626	(1,849)	21	-	244	-	244
Plant and machinery	22,542	90,017	(103,608)	8,951	4,195	195,127	(176,780)	22,542
Vehicles	-	8,497	-	8,497	-	-	-	-
	22,786	100,140	(105,457)	17,469	4,195	195,371	(176,780)	22,786
Total	2,964,263	8,163,445	(1,797,252)	9,330,456	4,195	3,136,848	(176,780)	2,964,263

3.2.1 This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant as disclosed in note 1.4. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 22.19 million was capitalised at the internal rate of return of 3.25% per annum on specific borrowing obtained for financing of this project till January 01, 2022.

3.2.2 This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site as disclosed in note 1.3. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 123.91 million was capitalised at the internal rate of return of 1.96% per annum on specific borrowing obtained for financing of this project.

	2022	2021
	(Rupees '000)	
3.3 Stores held for capital expenditure		
Balance at beginning of the year	**930,120**	1,030,022
Additions during the year	**766,876**	116,003
Transfers made during the year	**(784,897)**	(215,905)
Balance at end of the year	**912,099**	930,120

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

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

Location	Usage of immovable property	Total Area	Covered Area
		(acres)	
Tehsil Hub, District Lasbela, Balochistan	Manufacturing facility	**669**	669

	2022	2021
	(Rupees '000)	
4. LONG-TERM INVESTMENTS		
Investment in subsidiary company		
Saqr Al-Keetan For Cement Production Company Limited - at cost - note 4.1	**1,823,001**	1,823,001
Investment in associated company accounted for using equity method		
Attock Information Technology Services (Private) Limited - 450,000 (2021: 450,000) fully paid ordinary shares of Rs. 10 each - notes 4.2 and 4.3	**47,551**	40,742
	1,870,552	1,863,743

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

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

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

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

4.2 The Company holds 10% (2021: 10%) of the associate's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.3. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

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

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

	2022	2021
	(Rupees '000)	
Opening balance	40,742	35,088
Share of net income of associate accounted for using the equity method	6,809	5,654
	47,551	40,742

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

	2022	2021
	(Rupees '000)	
Revenue	161,769	151,297
Profit after taxation	68,088	56,540
Non-current assets	86,994	75,656
Current assets	413,770	359,765
Non-current liabilities	(6,334)	(5,885)
Current liabilities	(18,925)	(22,119)
Net assets	475,505	407,417
Carrying value	47,551	40,742

5. LONG-TERM LOANS AND ADVANCES – considered good

	2022	2021
Director- note 5.2 & 5.3	4,320	10,079
Employees	158,052	146,076
	162,372	156,155
Less :Recoverable within one year - note 9	(97,565)	(88,191)
Long term portion	64,807	67,964

5.1 Amounts receivable from employees represent house rent advances given according to the Company's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of the employees.

5.2 This represents housing advance given to Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017. The maximum amount due at the end of any month is Rs. 9.60 million (2021: Rs. 11.52 million).

5.3 Reconciliation of the carrying amount of loan to Alternate Director is as follows :

	2022	2021
	(Rupees '000)	
Opening	10,079	-
Disbursement	-	11,519
Repayment	(5,759)	(1,440)
Closing	4,320	10,079

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

6. LONG-TERM DEPOSITS

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

7. INVENTORIES

	2022	2021
	(Rupees '000)	
Stores, spares and loose tools - note 7.1	**4,326,628**	2,519,884
Raw materials	**143,884**	131,206
Packing materials	**134,324**	163,230
Semi - finished goods	**540,425**	622,627
Work-in-process	**38,742**	44,662
Finished goods - note 7.2	**220,310**	160,887
	5,404,313	3,642,496

7.1 Stores, spares and loose tools

	2022	2021
Coal - note 7.1.1	**3,143,627**	1,533,601
Stores and spares - note 7.1.2	**1,120,077**	916,025
Bricks	**147,171**	133,822
Loose tools	**2,667**	2,538
	4,413,542	2,585,986
Less: Provision for slow moving and obsolete items	**(86,914)**	(66,102)
	4,326,628	2,519,884

7.1.1 This includes coal in transit amounting to Rs. Nil (2021: Rs. 1,217.63 million).

7.1.2 This includes stores and spares in transit amounting to Rs. 19.33 million (2021: Rs. 42 million).

7.2 This includes cement held at port for export amounting to Rs. 31.64 million (2021: Rs. 170.43 million).

8. TRADE RECEIVABLES – considered good

	2022	2021
	(Rupees '000)	
Secured	**855,984**	1,608,921
Unsecured	**95,865**	22,481
	951,849	1,631,402

8.1 The age analysis of trade receivables is as follows:

	2022	2021
Not yet due	**437,337**	1,443,326
1 to 30 days	**138,886**	149,590
31 to 90 days	**355,286**	4
91 to 180 days	**20,340**	375
181 to 365 days	**-**	2
Over 365 days	**-**	38,105
	951,849	1,631,402

		2022	2021
		(Rupees '000)	
9.	**LOANS AND ADVANCES – considered good**		
	Current portion of long - term loans and advances - note 5		
	Employees	**97,565**	88,191
	Other advances - employees	**62**	436
	Advances to suppliers	**7,773**	55,302
		105,400	143,929
10.	**SHORT-TERM DEPOSITS AND PREPAYMENTS**		
	Deposits - considered good	**10,565**	14,127
	Prepayments	**10,023**	11,228
		20,588	25,355
11.	**OTHER RECEIVABLES**		
	Export rebate receivable	**538**	4,256
	Receivable from Saqr Al-Keetan - notes 11.1 & 11.2	**361,018**	277,219
	Due from related parties - note 11.3	**1,922**	3,114
	Others	**46,992**	35,447
		410,470	320,036

11.1 This amount represents various expenses incurred by the Company for its Iraq project that are recoverable from the subsidiary. The receivable amount is past due but not impaired.

11.2 The maximum amount due from Saqr Al Keetan at the end of any month was Rs. 361.02 million (2021: Rs. 294.9 million).

11.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2.22 million (2021: Rs. 7.05 million).

		2022	2021
		(Rupees '000)	
12.	**SHORT TERM INVESTMENTS**		
	Investments - Fair value through profit or loss	**-**	1,914,887
13.	**CASH AND BANK**		
	Cash at bank		
	Conventional		
	- On savings accounts		
	Local currency - notes 13.1 & 13.2	**298,644**	263,215
	Foreign currency - note 13.3	**793**	620
		299,437	263,835
	- On current accounts		
	Local currency - note 13.6	**310,125**	118,733
	Foreign currency - note 13.4	**44,628**	29,737
		354,753	148,470
	- Term deposit receipt - note 13.5	**70,000**	70,000
		724,190	482,305
	Islamic		
	- On Saving accounts		
	Local currency - notes 13.1	**379**	-
	- On Current accounts		
	Local currency	**33,441**	6,743
	Foreign currency - note 13.7	**135,951**	81,494
		169,392	88,237
	- Term deposit receipt - note 13.5	**30,000**	20,000
		199,392	108,237
	Cash in hand	**837**	872
		924,798	591,414

13.1 During the year, the mark-up / profit rates on savings accounts range from 7.51% to 13.5% (2021: 4.5% to 5.5%) per annum.

13.2 This includes deposits of Rs. 221.87 million (2021: Rs. 220.02 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

13.3 This represents foreign currency account having a balance of AED 0.014 million (2021: AED 0.014 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.

13.4 This represents foreign currency account having a balance of USD 0.22 million (2021: USD 0.10 million) placed in MCB Bank Limited - I.I. Chundrigar Branch.

13.5 These carry mark up / profit which range from 6.5% to 7% per annum (2021: 6.95% to 7% per annum) payable at maturity. The maturity dates of term deposits receipts (TDRs) amounting to Rs. 70 million and Rs. 30 million are due to mature within a year. These TDRs are held under lien against the guarantees issued by bank on behalf of the Company.

13.6 This includes deposits amounting to Rs. 225 million held under lien against the guarantees issued by bank on behalf of the Company.

13.7 This represents foreign currency account having a balance of USD 0.66 million (2021: USD 0.52 million) placed in Meezan Bank Limited - PNSC Branch.

14. SHARE CAPITAL

	2022	2021
	(Rupees '000)	
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2021: 200,000,000 ordinary shares of Rs. 10 each)	**2,000,000**	2,000,000

Issued, subscribed and paid-up capital
Ordinary shares of Rs. 10 each

2022	2021		**2022**	2021
No. of Shares			(Rupees '000)	
29,747,965	29,747,965	Shares allotted for consideration paid in cash	**297,480**	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	**41,325**	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	**1,035,465**	1,035,465
137,426,961	137,426,961		**1,374,270**	1,374,270

14.1 As at June 30, 2022, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2021: 115,526,349) ordinary shares of Rs. 10 each.

15. LONG-TERM LOANS

	2022	2021
	(Rupees '000)	
Balance at the beginning of the year	**2,710,113**	270,000
Long-Term Finance - secured		
- under Temporary Economic Refinance Facility - note 15.2	**2,684,629**	691,200
- under Long - Term Finance Facility - note 15.3	**3,602,076**	708,592
- under Renewable Energy Financing Scheme - note 15.4	**27,500**	1,281,017
- under Payroll Refinance Scheme - note 15.5	**-**	280,000
	6,314,205	2,960,809
Interest expense including impact of unwinding	**270,378**	64,443
Less:		
- Deferred government grant - note 16	**(944,567)**	(483,636)
- Advisory and arrangement fee paid	**-**	(29,250)
- Repayment made during the year	**(389,392)**	(72,253)
	(1,333,959)	(585,139)
Less: Current portion of long - term loan - note 22	**(748,882)**	(275,000)
	7,211,855	2,435,113

15.1

Facility	Loan Type	Repayment terms - Principal	Mark-up Payable basis	Mark-up Rate (per annum)	Effective Rate (%) 2022	Facility Amount (Rs. '000)	Date of drawdown	Last Repayment date
Temporary Economic Refinance Scheme	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.5%	1.50%	4,700,000	April-21	March-31
Long Term Finance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.40%	2.40%	5,000,000	June-21	March-31
Renewable Energy Financing Scheme	Term-loan	20 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.25%	3.25%	1,700,000	February-21	February-28
Payroll Refinance Scheme	Term-loan	8 Semi-annual (6 months grace period)	Quarterly	SBP rate + 0.50% - 0.75%	0.62%	550,000	April-20	April-23

15.1.1 The above facilities are secured against joint pari passu hypothecation / mortgage charges on the Company's present and future fixed assets excluding land and building to cover the facility amount along with a 20% margin.

15.1.2 In relation to the above borrowings, the Company needs to observe certain financial and non financial covenants as specified in the agreement with respective lenders which are complied at the reporting date.

15.2 Temporary Economic Refinance Facility

	2022	2021
	(Rupees '000)	
Balance at beginning of the year	**477,870**	-
Disbursements during the year	**2,684,629**	691,200
Deferred grant - note 16	**(940,339)**	(207,628)
Advisory and arrangement fee paid	**-**	(14,173)
Interest expense including impact of unwinding	**120,322**	10,216
Repayment during the year	**(25,402)**	(1,745)
	2,317,080	477,870
Current portion of long-term loan	**(210,989)**	-
Balance at end of the year	**2,106,091**	477,870

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

	2022	2021
	(Rupees '000)	
15.3 Long Term Finance Facility		
Balance at beginning of the year	**693,515**	-
Disbursements during the year	**3,602,076**	708,592
Advisory and arrangement fee paid	**-**	(15,077)
Interest expense including impact of unwinding	**47,435**	1,589
Repayment during the year	**(45,154)**	(1,589)
	4,297,872	693,515
Current portion of long - term loan	**(269,417)**	-
Balance at end of the year	**4,028,455**	693,515

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

	2022	2021
	(Rupees '000)	
15.4 Renewable Energy Financing Scheme		
Balance at beginning of the year	**1,075,461**	-
Disbursements during the year	**27,500**	1,281,017
Deferred grant - note 16	**(4,228)**	(212,424)
Interest expense including impact of unwinding	**85,738**	12,682
Repayment during the year	**(41,736)**	(5,814)
	1,142,735	1,075,461
Current portion of long - term loan	**(65,426)**	-
Balance at end of the year	**1,077,309**	1,075,461

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

	2022	2021
	(Rupees '000)	
15.5 Payroll Refinance Scheme		
Balance at beginning of the year	**463,267**	270,000
Disbursements during the year	**-**	280,000
Interest expense including impact of unwinding	**16,883**	39,956
Repayment during the year	**(277,100)**	(63,105)
Deferred grant - note 16	**-**	(63,584)
	203,050	463,267
Current portion of long-term loan	**(203,050)**	(275,000)
Balance at end of the year	**-**	188,267

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

16. DEFERRED INCOME - GOVERNMENT GRANT

	2022	2021
	(Rupees '000)	
Balance at beginning of the year	**431,407**	-
Deferred grant recorded:		
- under Temporary Economic Refinance Facility	**940,339**	207,628
- under Renewable Energy Financing Scheme	**4,228**	212,424
- under Payroll Refinance Scheme	**-**	63,584
	944,567	483,636
Less:		
- Government grant deducted from borrowing cost - note 3.2.1 and 3.2.2	**(93,136)**	(14,944)
- Government grant recognised in income - note 29	**(37,295)**	(37,285)
	(130,431)	(52,229)
Less: Current portion of deferred income - government grant - note 20	**(248,304)**	(96,148)
	997,239	335,259

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

17. LEASE LIABILITIES

	2022	2021
	(Rupees '000)	
Balance at beginning of the year	**63,732**	60,571
Addition	**19,513**	16,558
Accretion of interest	**7,315**	7,502
Payments	**(29,846)**	(20,899)
Balance at end of the year	**60,714**	63,732
Current portion	**22,150**	25,453
Non-current portion	**38,564**	38,279
	60,714	63,732

17.1 Lease liabilities payable are as follows:

	2022			2021
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees '000)			
Less than one year	**27,314**	**5,164**	**22,150**	25,453
Between one and five years	**42,075**	**3,511**	**38,564**	38,279
	69,389	**8,675**	**60,714**	63,732

17.2 Finance charge ranges between 6.01% to 14.90% per annum has been used for discounting factor.

18. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use - assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Total
	(Rupees '000)							
July 01, 2021	**1,722,834**	**11,491**	**(11,916)**	**(11,489)**	**-**	**(115,342)**	**(361,763)**	**1,233,815**
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	**625,111**	**3,324**	**(8,284)**	**(2,622)**	**-**	**-**	**(1,295)**	**616,234**
June 30, 2022	**2,347,945**	**14,815**	**(20,200)**	**(14,111)**	**-**	**(115,342)**	**(363,058)**	**1,850,049**
July 01, 2020	1,779,081	12,176	(10,329)	(11,472)	(90,296)	(236,265)	(361,763)	1,081,132
Impact on statement of financial position	-	-	-	-	-	120,923	-	120,923
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	(56,247)	(685)	(1,587)	(17)	90,296	-	-	31,760
June 30, 2021	1,722,834	11,491	(11,916)	(11,489)	-	(115,342)	(361,763)	1,233,815

18.1 Deferred tax liability is restricted to 70.43% (2021: 62.16%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

18.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

18.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including cement, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

19. EMPLOYEE BENEFIT OBLIGATIONS

19.1 Staff retirement benefits

19.1.1 As stated in note 2.6 the Company operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2022.

19.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882 (which is now repealed, and Provincial Trust Act are promulgated in September 2020), Companies Act, 2017, Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

19.1.3 Risks on account of defined benefit plan

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

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

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

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

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

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

19.1.4 The latest actuarial valuations of the Plans as at June 30, 2022 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

		2022		2021	
		Pension Funds	**Gratuity Funds**	Pension Funds	Gratuity Funds
		(Rupees '000)			
19.1.5	**Balance sheet reconciliation as at June 30**				
	Present value of defined benefit obligation	**637,681**	**617,168**	630,131	551,249
	Fair value of plan assets	**(472,322)**	**(507,401)**	(412,186)	(461,237)
	Deficit	**165,359**	**109,767**	217,945	90,012
19.1.6	**Movement in the defined benefit obligation**				
	Obligation as at July 01	**630,131**	**551,249**	621,233	511,669
	Service cost	**21,655**	**33,686**	21,499	28,349
	Interest expense	**62,929**	**54,215**	53,265	42,980
	Remeasurement on obligation	**(23,520)**	**22,228**	(26,219)	7,240
	Benefits paid	**(53,514)**	**(44,210)**	(39,647)	(38,989)
	Obligation as at June 30	**637,681**	**617,168**	630,131	551,249
19.1.7	**Movement in the fair value of plan assets**				
	Fair value as at July 01	**412,186**	**461,237**	354,898	418,361
	Interest income	**41,377**	**45,634**	30,865	35,365
	Remeasurement on plan assets	**(826)**	**(6,499)**	64	2,486
	Employer contributions	**73,099**	**51,239**	66,006	44,014
	Benefits paid	**(53,514)**	**(44,210)**	(39,647)	(38,989)
	Fair value as at June 30	**472,322**	**507,401**	412,186	461,237
19.1.8	**Expense recognised in unconsolidated statement of profit or loss**				
	Service cost	**21,655**	**33,686**	21,499	28,349
	Interest expense - net	**21,552**	**8,581**	22,400	7,615
		43,207	**42,267**	43,899	35,964
19.1.9	**Remeasurement recognised in other comprehensive income**				
	Experience (gains) / losses	**(23,520)**	**22,228**	(26,219)	7,240
	Remeasurement of fair value of plan assets	**826**	**6,499**	(64)	(2,486)
	Remeasurement (gain) / loss	**(22,694)**	**28,727**	(26,283)	4,754
19.1.10	**Net recognised liability**				
	Balance as at July 01	**217,945**	**90,012**	266,335	93,308
	Expense for the year	**43,207**	**42,267**	43,899	35,964
	Employer contributions	**(73,099)**	**(51,239)**	(66,006)	(44,014)
	Remeasurement recognised in other comprehensive (income) / loss	**(22,694)**	**28,727**	(26,283)	4,754
	Balance as at June 30	**165,359**	**109,767**	217,945	90,012

19.1.11 Composition of plan assets:

	2022		2021		2022		2021	
	Pension Funds				Gratuity Funds			
	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
Market Treasury Bills	89,592	18.97	57,728	14.01	76,882	15.15	38,345	8.31
Term Finance Certificates	38,568	8.17	46,554	11.29	28,699	5.66	36,435	7.90
Pakistan Investment bonds	-	-	72,258	17.53	-	-	71,742	15.55
Open-ended Mutual Funds	364,759	77.22	234,404	56.87	416,165	82.02	312,946	67.85
Other (including bank balance)	(20,597)	(4.36)	1,242	0.30	(14,345)	(2.83)	1,769	0.39
	472,322	100.00	412,186	100.00	507,401	100.00	461,237	100.00

19.1.12 Actuarial assumptions

	2022				2021			
	First	Second	Third	Fourth & onwards	First	Second	Third	Fourth & onwards
	(Year)							
Expected rate of increase in salaries								
- Management staff								
Senior management	9.00%	9.00%	11.50%	11.50%	9.00%	9.00%	8.50%	8.25%
Junior management	9.00%	9.00%	11.50%	11.50%	9.00%	9.00%	8.50%	8.25%
- Non-management staff	9.00%	9.00%	11.50%	11.50%	9.50%	9.00%	9.50%	8.25%

The discount factor used for pension and gratuity funds is 13.25% (2021: 10%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.58% (2021: 10.92%). This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

19.1.13 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

19.1.14 The Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

19.1.15 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the unconsolidated statement of financial position date.

19.1.16 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees '000)			
At June 30, 2022					
Discount rate	0.5%	(36,513)	39,651	(24,538)	26,363
Future salary increases	0.5%	(70,537)	(100,639)	22,612	(21,265)
At June 30, 2021					
Discount rate	0.5%	(39,008)	42,733	(22,503)	24,233
Future salary increases	0.5%	14,599	(13,812)	18,561	(17,447)

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

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

19.1.17 Historical information

	2022	2021	2020	2019	2018
			(Rupees '000)		
Pension Funds as at June 30					
Present value of defined benefit obligation	**637,681**	630,131	621,233	479,580	568,859
Fair value of plan assets	**(472,322)**	(412,186)	(354,898)	(317,858)	(293,571)
Deficit	**165,359**	217,945	266,335	161,722	275,288
Experience adjustments					
Gain / (loss) on obligation	**23,520**	26,219	(110,962)	107,274	95,671
(Loss) / gain on plan assets	**(826)**	64	(4,526)	(8,852)	(17,488)
	22,694	26,283	(115,488)	98,422	78,183
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**617,168**	551,249	511,669	474,803	435,787
Fair value of plan assets	**(507,401)**	(461,237)	(418,361)	(369,647)	(323,982)
Deficit	**109,767**	90,012	93,308	105,156	111,805
Experience adjustments					
(Loss) / gain on obligation	**(22,228)**	(7,240)	14,400	(18,744)	11,111
(Loss) / gain on plan assets	**(6,499)**	2,486	(3,498)	(9,875)	(18,025)
	(28,727)	(4,754)	10,902	(28,619)	(6,914)

19.1.18 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 56.903 million in 2023 (2022: Rs. 52.34 million).

19.1.19 The weighted average service duration of employees is as follows:

	Pension Fund	**Gratuity Fund**
	(No. of years)	
Management	**10.71**	**8.24**
Non-management	**15.57**	**8.22**

19.1.20 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
			(Rupees '000)			
As at June 30, 2022						
Pension Funds	**15,164**	**18,425**	**105,415**	**370,662**	**642,705**	**1,152,371**
Gratuity Funds	**60,466**	**55,395**	**191,381**	**521,505**	**722,043**	**1,550,790**
As at June 30, 2021						
Pension Funds	12,467	16,260	95,450	313,201	516,618	953,996
Gratuity Funds	48,953	55,546	172,372	363,198	431,701	1,071,770

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

		2022	2021
		(Rupees '000)	
20.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 20.1	**572,026**	1,102,942
	Accrued liabilities - note 20.1	**2,507,039**	2,770,068
	PSI marking fee payable- note 20.2	**274,388**	246,473
	Royalty payable - note 20.3	**658,704**	570,398
	Electricity charges payable - note 20.4	**631,529**	371,046
	Excise duty payable on sales	**233,341**	239,056
	Safety duty payable - note 20.5	**-**	104,857
	Infrastructure Cess - note 20.6	**177,091**	74,252
	Excise duty payable on extraction - note 20.7	**30,934**	20,277
	Workers' Welfare Fund - note 20.8	**280,767**	260,461
	Workers' Profits Participation Fund - note 20.9	**104,129**	82,702
	Current portion of deferred income - government grant - note 16	**248,304**	96,148
	Advances from customers - note 20.11	**622,180**	451,972
	Security deposits - note 13.2	**221,865**	220,016
	Retention money	**49,762**	38,476
	Payable to provident fund - note 20.10	**-**	23
	Taxes deducted at source and payable to statutory authorities	**1,015**	845
	Others - note 20.1	**7,298**	7,132
		6,620,372	6,657,144

20.1 Creditors, accrued liabilities and other liabilities include Rs. Nil, Rs. 43.05 million and Rs. 5.76 million (2021: Rs. 22.08 million, Rs. 4.40 million and Rs. 5.76 million) in respect of amounts due to related parties.

20.2 This includes provision amounting to Rs. 274.39 million (2021: 246.47 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Company is under an industry-wide dispute on the basis of calculation of marking fee.

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

The Company has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the Court, the Company has furnished a bank guarantee of Rs. 236.18 million (2021: Rs 236.18 million) for the additional portion of royalty.

20.4 This includes Rs. 179.86 million (2021: Rs. 179.86 million) and Rs. 248 million (2021: Rs. 0.65 million) in respect of industry support package adjustment and fuel charge adjustment respectively.

20.5 This pertains to duty of safety / rescue / training enacted by Government of Balochistan vide Notification No. PAB/Legis:II(01)/2020 dated July 15, 2020 enhancing the rate of safety duty from Rs.5 per ton to 25% of per ton royalty rate on minerals effective from July 01, 2020.

The Company has filed a petition against the Government of Balochistan before the High Court of Balochistan terming this notification as unconstitutional. The matter has been decided in the favor of the Company on April 25, 2022.

Based on the decision of the High Court of Balochistan the Company has reversed provision amounting to Rs. 104.86 million recorded at rate of 25% of per ton royalty in the prior years. However, no provision has been made during the current year.

The advocate of the Government of Balochistan intended to file an appeal against the decision of the High Court. However, the Company has not received any notice.

20.6 This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Company has challenged the levy before the Sindh High Court which is pending adjudication. However, in similar matters the Sindh High Court has dismissed the constitutional petitions.

20.7 This includes provision in respect of enhanced excise duty of 10% per ton of royalty rate on minerals extractions by the Government of Balochistan through Notification A-1/323-2020/1761 dated April 16, 2021 effective from July 01, 2021. The Company is currently paying the excise duty at Rs.5 per ton of the minerals extracted.

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

20.8 This includes provision of Rs. 20.31 million, Rs. 31.43 million , Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, 63.31 million and Rs. 40.05 million pertaining to the year 2022, 2021, 2020, 2019, 2018, 2017 and 2016 respectively. The Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

		2022	2021
		(Rupees '000)	
20.9	**Workers' Profits Participation Fund**		
	At beginning of the year	**82,702**	81,274
	Charge for the year - note 28	**104,129**	82,702
		186,831	163,976
	Interest on funds utilised in Company's business - note 30	**496**	915
		187,327	164,891
	Less: Amount paid to the Fund	**(83,198)**	(82,189)
		104,129	82,702

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

20.11 Advance from Customers

Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.22 is satisfied.

	2022	2021
	(Rupees '000)	
Opening balance	**451,972**	221,868
Advance received during the year	**13,838,049**	9,111,861
Revenue recognised during the year	**(13,667,841)**	(8,881,757)
Closing balance	**622,180**	451,972

21. ACCRUED MARK-UP

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

	2022	2021
	(Rupees '000)	
22. SHORT-TERM BORROWINGS		
Conventional		
Short - term running finance - notes 22.1 & 22.2	**1,395,709**	223,854
Export refinance facility - notes 22.1 & 22.3	**1,653,000**	2,195,000
Islamic		
Short - term finance under running musharakah - note 22.4	**850,000**	1,700,000
Current maturity of long - term loan - note 15	**748,882**	275,000
	4,647,591	4,393,854

22.1 The facilities available from various banks amounted to Rs. 12.66 billion (2021: Rs. 6.41 billion). The arrangements are secured by way of joint pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2022 and 2023.

22.2 The rates of mark-up ranging between one-month KIBOR plus 0% to 1% (2021: one month KIBOR minus 0.2% to plus 0.5%) per annum.

22.3 The export refinance facilities available from different banks are secured by way of joint pari-passu charge against hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.5% to 1% (2021: 0.75% to 1%).

22.4 The facility is for short term finance under running musharakah available from Meezan Bank Limited is secured by way of joint pari-passu charge against hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 1% (2021: 0.75% to 1%).

22.5 The facilities for opening letters of credit and guarantee as at June 30, 2022 amounted to Rs. 9.5 billion (2021: Rs. 6 billion) of which unutilised balance at year end amounted to Rs. 9.35 billion (2021: Rs. 4.3 billion).

22.6 The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 15.82 billion.

23. CONTINGENCIES AND COMMITMENTS

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

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

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

23.2 SALES TAX MATTERS

23.2.1 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Company in relation to its filed sales tax returns for the months of July 2015 through August 2017 alleging that Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Company. The Company filed an appeal at the Appellate Tribunal Inland Revenue (ATIR) against the judgement of the CIRA which is pending adjudication.

23.2.2 Further, in 2019, another order was passed by DCIR against the Company in relation to its filed sales tax returns for the months of July 2013 through June 2018 in which the Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Company filed an appeal to the CIRA against the order passed by the DCIR. Partial case was decided in favor of the Company. The Company has filed an appeal against the order of CIRA at ATIR, the case was discussed and remanded back to the learned assessing officer.

23.2.3 Based on the advice of its tax counsel, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these unconsolidated financial statements.

23.3 Commitments for capital expenditure outstanding as at June 30, 2022 amounted to Rs. 6.83 billion (2021: Rs. 8.24 billion).

	2022	2021
	(Rupees '000)	
24. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sale of goods	**22,478,669**	17,615,358
Sales tax	**(3,616,738)**	(2,906,380)
Federal excise duty	**(2,381,398)**	(2,223,645)
	(5,998,136)	(5,130,025)
Rebates and discounts	**(643,302)**	(451,004)
Net local sale of goods	**15,837,231**	12,034,329
Export sales - note 24.2	**5,632,400**	10,135,627
Freight	**(990,489)**	(925,394)
	4,641,911	9,210,233
	20,479,142	21,244,562

24.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, one of the Company's customers contributed towards 10.95% (2021: 10.42%) of the net revenue during the year amounting to Rs. 2.24 billion (2021: Rs. 2.34 billion).

24.2 Export sales comprise of sales made in the following regions:

	2022	2021
	(Rupees '000)	
Africa and Middle East Asia	**423,248**	381,070
Sri Lanka	**4,215,325**	5,696,022
Bangladesh	**676,750**	3,040,614
Others	**317,077**	1,017,921
	5,632,400	10,135,627

	2022	2021
25. COST OF SALES		
Raw materials consumed	**1,382,116**	1,973,417
Packing materials consumed	**1,089,300**	1,035,959
Cement packaging and loading charges	**27,982**	27,755
Salaries, wages and benefits - note 25.1	**2,166,132**	2,043,680
Fuel	**7,642,143**	6,381,855
Electricity and water	**2,508,019**	2,772,361
Stores and spares consumed	**522,721**	790,921
Repairs and maintenance	**123,623**	146,405
Insurance	**64,552**	52,817
Vehicle running and maintenance	**188,193**	154,839
Security expenses	**163,990**	149,132
Depreciation	**834,647**	789,318
Other expenses - note 25.2	**34,666**	23,013
	16,748,084	16,341,472
Add: Opening semi - finished goods and work-in-process	**667,289**	913,751
Less: Closing semi - finished goods and work-in-process	**(579,167)**	(667,289)
Cost of goods manufactured	**16,836,206**	16,587,934
Add: Opening stock of finished goods	**160,887**	174,951
Less: Closing stock of finished goods	**(220,310)**	(160,887)
	16,776,783	16,601,998

25.1 Salaries, wages and benefits include Rs. 65.86 million and Rs. 49.72 million (2021: Rs. 61.94 million and Rs. 42.89 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

25.2 This includes provision for slow moving and obsolete items amounting to Rs. 20.81 million (2021: Rs. 11.56 million).

	2022	2021
	(Rupees '000)	
26. DISTRIBUTION COSTS		
Salaries, wages and benefits - note 26.1	**119,171**	115,575
Handling and other export related expenses	**623,564**	1,495,257
Commission on export sales	**34,197**	151,483
Carriage outward on local sales	**480,956**	361,166
PSI marking fee	**28,111**	67,104
Advertisement and sales promotion	**3,231**	8,927
Travelling and entertainment	**1,086**	128
Other expenses	**4,341**	3,808
	1,294,657	2,203,448

26.1 Salaries, wages and benefits include Rs. 4.93 million and Rs. 3.3 million (2021: Rs. 4.48 million and Rs. 2.75 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

	2022	2021
	(Rupees '000)	
27. ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits - note 27.1	**455,355**	381,044
Depreciation	**40,684**	33,711
Rent, rates and taxes	**756**	7,855
Utilities	**6,602**	6,046
Insurance	**3,049**	2,563
Repairs and maintenance	**14,824**	12,887
Communication and printing	**20,950**	30,045
Travelling and entertainment	**9,313**	2,010
Legal and professional charges	**29,862**	40,011
Auditor's remuneration - note 27.2	**5,381**	6,037
Donations - note 27.3	**11,153**	11,461
Directors' fees	**8,400**	7,628
Other expenses	**34,471**	26,745
	640,800	568,043

27.1 Salaries, wages and benefits include Rs. 14.68 million and Rs. 8.84 million (2021: Rs. 13.44 million and Rs. 7.04 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

	2022	2021
	(Rupees '000)	
27.2 Auditors' remuneration		
Audit fee (including consolidation)	**3,000**	2,800
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	**1,150**	1,150
Taxation services	**572**	1,269
Other certifications, attestations and other services	**345**	235
Out-of-pocket expenses	**314**	583
	5,381	6,037

27.3 This represents donation given to The Citizens Foundation Rs. 11.15 million (2021: Rs. 11.46 million). None of the directors or their spouses had any interest in the donee.

		2022	2021
		(Rupees '000)	
28.	**OTHER EXPENSES**		
	Workers' Welfare Fund- note 20.8	20,306	31,427
	Workers' Profits Participation Fund - note 20.9	104,129	82,702
		124,435	114,129
29.	**OTHER INCOME**		
	Income from financial assets		
	Income on savings accounts under interest / markup arrangements	26,926	14,866
	Dividend income from subsidiary company		
	- Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) (USD: 2,000,000)	353,800	-
	Dividend income on mutual funds	15,049	3,359
	Unrealised gain on investments classified as fair value through profit or loss	-	14,887
	Gain on disposal of open ended mutual fund units	6,459	10,397
	Income on term deposit receipts	4,165	-
	Exchange gain - net	443,000	-
	Income from non-financial assets		
	Gain on disposal of operating assets	2,565	1,564
	Others		
	Export rebate	988	2,220
	Scrap sales	29,611	49,759
	Grant income	37,295	37,285
	Others	757	466
		920,615	134,803
30.	**FINANCE COST**		
	Conventional		
	Mark-up on:		
	Long-term loans	60,348	39,956
	Short-term borrowings	108,585	73,499
		168,933	113,455
	Islamic		
	Short-term finance under running musharakah	46,490	49,899
	Bank charges and commission	34,720	63,305
	Interest on Workers' Profits Participation Fund - note 20.9	496	915
	Finance charges on finance lease	7,315	7,502
	Exchange loss	-	122,411
		257,954	357,487

	2022	2021
	(Rupees '000)	
31. INCOME TAX EXPENSE		
Current	**427,236**	400,802
Super tax - note 31.1	**146,876**	-
Deferred	**616,234**	31,760
	1,190,346	432,562

31.1 As per Finance Act, 2022, companies operating in certain sectors, including cement, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years.

	2022	2021
	(Rupees '000)	
31.2 Relationship between tax expense and accounting profit		
Profit before income tax	**2,311,937**	1,539,914
Tax at the applicable rate of 29% (2021: 29%)	**670,462**	446,575
Effect of final tax regime	**77,473**	76,532
Effect of income taxable at lower rate	**(52,705)**	(3,814)
Effect of super tax	**146,876**	-
Others	**348,240**	(86,731)
	1,190,346	432,562
Effective tax rate	**51.49%**	28.09%
32. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year	**1,121,591**	1,107,352
Weighted average number of outstanding shares at the end of year (in thousands)	**137,427**	137,427
Basic and diluted earnings per share	**Rs. 8.16**	Rs. 8.06

32.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.

	2022	2021
	(Rupees '000)	

33. CASH GENERATED FROM OPERATIONS

	2022	2021
Profit before income tax	2,311,937	1,539,914
Add / (less): Adjustments for non-cash charges and other items		
Depreciation	875,331	823,029
Gain on disposal of property, plant and equipment	(2,565)	(1,564)
Dividend income	(368,849)	(3,359)
Unrealised gain on investments classified as fair value through profit or loss	-	(14,887)
Gain on sale of open ended mutual fund units	(6,459)	(10,397)
Provision for stores, spares and loose tools	20,812	11,563
Income on savings accounts under interest / markup arrangements	(26,926)	(14,866)
Income on term deposit receipts	(4,165)	-
Finance cost	222,738	357,487
Employee benefit obligations	85,474	79,863
Government grant recognised in income	(37,295)	(37,285)
Share of net income of associate accounted for using the equity method	(6,809)	(5,654)
Profit before working capital changes	3,063,224	2,723,844
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(1,782,629)	(122,693)
Trade receivables	679,553	(1,136,867)
Loans and advances	38,529	18,514
Short term deposits and prepayments	4,767	(12,107)
Tax refunds due from Government - Sales tax	(87,255)	37,090
Other receivables	(90,434)	4,486
	(1,237,469)	(1,211,577)
(Decrease) / increase in current liabilities		
Trade and other payables	(188,928)	2,375,560
	(1,426,397)	1,163,983
Cash generated from operations	1,636,827	3,887,827

34. CASH AND CASH EQUIVALENTS

	2022	2021
Cash and bank balances - note 13 (excluding TDR having term of more than 3 months)	824,798	501,414
Short-term running finance - note 22	(1,395,709)	(223,854)
Export refinance facility - note 22	(1,653,000)	(2,195,000)
Short - term finance under running musharakah - note 22	(850,000)	(1,700,000)
	(3,073,911)	(3,617,440)

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Executive Director		Executives	
	2022	2021	**2022**	2021	**2022**	2021
	(Rupees '000)					
Managerial remuneration	**44,304**	37,608	**23,310**	19,366	**233,506**	175,674
Housing allowance	**12,083**	10,257	**6,768**	5,622	**77,090**	61,692
Utility allowance	**5,370**	4,559	**1,504**	1,249	**17,131**	13,709
Bonus	**22,376**	18,994	**12,532**	10,412	**125,668**	114,244
Retirement benefits	**-**	-	**5,764**	4,789	**48,532**	36,874
Others	**10,427**	8,138	**6,332**	4,622	**5,427**	28,549
	94,560	79,556	**56,210**	46,060	**507,354**	430,742
	1	1	**1**	1	**77**	70

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

35.2 In addition to the above, fee paid to 4 (2021: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 5.6 million (2021: Rs. 5.1 million).

36. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

	2022	2021
	(Rupees '000)	
Holding company		
Dividend paid	**693,158**	404,342
Recovery of expenses	**877**	1,750
Subsidiary company		
Dividend income	**353,800**	-
Expense incurred on behalf of subsidiary company	**-**	7,468
Group companies		
Purchase of goods	**493,457**	497,681
Reimbursement of expenses	**3,222**	2,107
Recovery of expenses	**4,372**	5,578
Sale of Goods	**667**	280
Other related parties		
Payments made to retirement benefit funds	**180,625**	127,661
Key management personnel *		
Loans and advances recovered during the year	**5,760**	1,440
Loans and advances disbursed during the year	**-**	11,519
Sale of Company's vehicle	**-**	195
Salaries and other short-term employee benefits	**145,006**	120,827
Post-employment benefits	**5,764**	4,789
Sale of Goods	**62**	3,241

The related party status of outstanding balances as at June 30, 2022 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

* Key management personnel includes CEO and Executive Director.

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

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

37. NUMBER OF EMPLOYEES

	2022	2021
	(Number)	
Number of employees at June 30		
- Regular	**948**	945
- Contractual	**50**	45
	998	990
Average number of employees during the year		
- Regular	**953**	938
- Contractual	**40**	31
	993	969

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 Financial risk factors

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

38.2 Financial assets and liabilities by category and their respective maturities

	2022			2021		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	**10,627**	**164,747**	**175,374**	14,563	167,904	182,467
Trade receivables	**951,849**	**-**	**951,849**	1,631,402	-	1,631,402
Other receivables	**410,470**	**-**	**410,470**	320,036	-	320,036
Bank balances	**923,961**	**-**	**923,961**	590,542	-	590,542
Cash in hand	**837**	**-**	**837**	872	-	872
At fair value through profit or loss						
Short-term investment	**-**	**-**	**-**	1,914,887	-	1,914,887
	2,297,744	**164,747**	**2,462,491**	4,472,302	167,904	4,640,206
Financial liabilities						
Long term finance	**-**	**7,211,855**	**7,211,855**	-	2,435,113	2,435,113
Trade and other liabilities	**5,134,391**	**-**	**5,134,391**	5,409,153	-	5,409,153
Unclaimed dividend	**11,422**	**-**	**11,422**	10,674	-	10,674
Short term borrowings	**3,048,709**	**-**	**3,048,709**	2,418,854	-	2,418,854
Lease liabilities	**60,714**	**-**	**60,714**	63,732	-	63,732
Accrued markup	**78,375**	**-**	**78,375**	18,873	-	18,873
	8,333,611	**7,211,855**	**15,545,466**	7,921,286	2,435,113	10,356,399
On statement of financial position date gap	**(6,035,867)**	**(7,047,108)**	**(13,082,975)**	(3,448,984)	(2,267,209)	(5,716,193)
Net financial (liabilities) / asset						
Interest bearing	**(2,485,779)**	**(7,211,855)**	**(9,697,634)**	(2,129,371)	(2,435,113)	(4,564,484)
Non-interest bearing	**(3,550,088)**	**164,747**	**(3,385,341)**	(1,319,613)	167,904	(1,151,709)
	(6,035,867)	**(7,047,108)**	**(13,082,975)**	(3,448,984)	(2,267,209)	(5,716,193)

a) Market Risk

i) Interest rate risk

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

At June 30, 2022, the Company has variable interest bearing financial liabilities of Rs. 11.24 billion (2021: Rs. 6.42 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been higher / lower by approximately Rs. 224.7 million (2021: Rs. 128.44 million) mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2022, trade and other payables of Rs. 38.90 million (2021: Rs. 2,320.40 million), trade debts of Rs. 578.25 million (2021: Rs. 1,498.76 million) and bank balance of Rs. 136.46 million (2021: Rs. 111.85 million) are exposed to foreign currency risk.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 15.03 million (2021: Rs. 7.81 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against CNY with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil (2021: Rs. 0.03 million), as a result of foreign exchange gains / losses on translation of CNY denominated trade and other payables.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.03 million (2021: Rs. 0.48 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.02 million (2021: Rs. 0.01 million), mainly as a result of foreign exchange gains / losses on translation of AED denominated bank balances.

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

iii) Price risk

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

The Company has fair value investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at June 30, 2022, had there been increase / decrease in net asset value by 2%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs Nil (2021: Rs. 0.04 million).

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 2,462 million (2021: Rs. 4,640 million) the financial assets exposed to the credit risk amounts to Rs. 2,461 million (2021: Rs. 2,724 million). The carrying values of financial assets are as under:

	2022	2021
	(Rupees '000)	
Trade receivables	**951,849**	1,631,402
Deposits, loans, advances and other receivables	**585,844**	502,503
Bank balances	**923,961**	590,542
	2,461,654	2,724,447

Trade receivables of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2022, secured and unsecured trade receivables amounted to Rs. 855.98 million and Rs. 95.87 million (2021: Rs. 1,608.92 million and Rs. 22.48 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2021: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 162.37 million (2021: Rs. 156.16 million) are secured against their retirement benefits.

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

c) Liquidity risk

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

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees '000)					
Financial liabilities						
Long term financing	**7,960,737**	**(10,039,329)**	**(303,925)**	**(650,511)**	**(5,598,820)**	**(3,486,073)**
Short-term borrowings	**3,898,709**	**(3,898,709)**	**(3,898,709)**	**-**	**-**	**-**
Accrued mark-up	**78,375**	**(78,375)**	**(78,375)**	**-**	**-**	**-**
Trade and other payables	**6,620,372**	**(6,620,372)**	**(6,620,372)**	**-**	**-**	**-**
Lease liabilities	**60,714**	**(69,389)**	**(11,601)**	**(15,713)**	**(42,075)**	**-**
Unclaimed dividend	**11,422**	**(11,422)**	**(11,422)**	**-**	**-**	**-**
	18,630,329	**(20,717,596)**	**(10,924,404)**	**(666,224)**	**(5,640,895)**	**(3,486,073)**

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees '000)					
Financial liabilities						
Long term financing	2,710,113	(3,112,590)	(168,941)	(168,511)	(1,688,389)	(1,086,749)
Short-term borrowings	4,118,854	(11,520,404)	(11,520,404)	-	-	-
Accrued mark-up	18,873	(223,770)	(223,770)	-	-	-
Trade and other payables	6,657,144	(5,205,243)	(5,205,243)	-	-	-
Lease liabilities	63,732	(99,235)	(14,758)	(15,089)	(69,388)	-
Unclaimed dividend	10,674	(8,433)	(8,433)	-	-	-
	13,579,390	(20,169,675)	(17,141,549)	(183,600)	(1,757,777)	(1,086,749)

d) Fair values of the financial instruments

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

As at June 30, 2022, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 1 of fair value hierarchy.

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

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

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

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

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

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

During the year, the Company has disposed off all of its financial assets measured at fair value through profit or loss, those assets were classified as level 1 financial assets.

38.3 Capital Risk Management

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

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

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

	2022	2021
	(Rupees '000)	
Total borrowings - notes 15 & 22	**11,859,446**	6,775,975
Cash and bank - note 13	**(924,798)**	(591,414)
Net debt	**10,934,648**	6,184,561
Equity	**17,491,538**	17,200,542
Total capital	**28,426,186**	23,385,103
Debt to capital ratio	**38%**	26%

		2022	2021
		(Metric tons)	
39.	**CAPACITY AND PRODUCTION**		
	Production capacity		
	- Clinker	**2,883,000**	2,883,000
	- Cement	**3,027,150**	3,027,150
	Actual production		
	- Clinker	**2,180,178**	3,191,164
	- Cement	**1,797,723**	2,006,269

39.1 The production capacity is based on standard 300 days. Actual production is based on actual production days.

40. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 16, 2022 has proposed cash dividend of Rs. 1.5 per share (2021: Rs. 4 per share) amounting to Rs. 206 million (2021: Rs. 550 million) subject to the approval of the Company in the forthcoming annual general meeting.

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on August 16, 2022.

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

CONSOLIDATED FINANCIAL STATEMENTS

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Attock Cement Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

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KARACHI LAHORE ISLAMABAD

Following is the Key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Inventories** (Refer note 7 to the consolidated financial statements) Inventories include: - raw materials comprising limestone, clay, gypsum, laterite and bauxite; - work-in-progress mainly comprising clinker; and - coal. The above inventory items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories is not practicable, Management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. The Group also involves an external surveyor in the inventory count process. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The Group performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Group and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - obtained samples of items to determine the nature / characteristics of the inventory. Such samples were then sent to the Group's laboratory to determine the nature of the inventory and other parameters; and - obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 21, 2022

UDIN: AR202210073NjTxz87s2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees '000)	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	32,340,244	23,716,819
Investment in associate	4	47,551	40,742
Long - term loans and advances - considered good	5	64,807	67,964
Long - term deposits	6	99,940	99,940
		32,552,542	23,925,465
Current assets			
Inventories	7	8,493,495	4,785,062
Trade receivables - considered good	8	1,028,524	1,707,826
Loans and advances - considered good	9	809,676	338,460
Short - term deposits and prepayments	10	30,201	32,742
Other receivables	11	49,452	42,816
Taxation - payments less provisions		2,555,250	2,859,342
Tax refunds due from Government - Sales tax		106,686	19,431
Short - term investment	12	-	1,914,887
Cash and bank balances	13	1,590,090	2,767,118
		14,663,374	14,467,684
Total assets		47,215,916	38,393,149
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	14	1,374,270	1,374,270
Unappropriated profit		17,754,248	17,465,015
Exchange revaluation reserve		2,107,169	704,135
Attributable to owners of Attock Cement Pakistan Limited - Holding company		21,235,687	19,543,420
Non-controlling interests		3,711,433	2,996,826
		24,947,120	22,540,246
LIABILITIES			
Non-current liabilities			
Long - term loans	15	7,211,855	2,435,113
Deferred Income - Government grant	16	997,239	335,259
Long - term lease liabilities	17	38,564	38,279
Deferred tax liabilities	18	1,850,049	1,233,815
Employee benefit obligations	19	275,126	307,957
		10,372,833	4,350,423
Current liabilities			
Trade and other payables	20	7,136,425	7,053,626
Unclaimed dividend		11,422	10,674
Accrued mark-up	21	78,375	18,873
Short - term borrowings	22	4,647,591	4,393,854
Current portion of long - term lease liabilities	17	22,150	25,453
		11,895,963	11,502,480
Total liabilities		22,268,796	15,852,903
Contingencies and commitments	23		
Total equity and liabilities		47,215,916	38,393,149

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		-----------(Rupees '000)-----------	
Revenue from contracts with customers	24	**28,087,029**	28,601,617
Cost of sales	25	**(23,605,526)**	(22,169,442)
Gross profit		**4,481,503**	6,432,175
Distribution costs	26	**(1,333,827)**	(2,235,568)
Administrative expenses	27	**(736,663)**	(690,932)
Other expenses	28	**(124,435)**	(114,129)
Other income	29	**518,288**	136,871
Profit from operations		**2,804,866**	3,528,417
Finance cost	30	**(266,810)**	(722,911)
Share of net income of associate accounted for using the equity method	4	**6,809**	5,654
Profit before income tax		**2,544,865**	2,811,160
Income tax expense	31	**(1,190,346)**	(432,562)
Profit for the year		**1,354,519**	2,378,598
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations	19	**(6,033)**	21,529
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		**2,123,667**	(400,093)
Total comprehensive income for the year		**3,472,153**	2,000,034
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		**2,516,829**	1,659,698
Non-controlling interests		**955,324**	340,336
		3,472,153	2,000,034
Basic and diluted earnings per share	32	**Rs. 8.15**	Rs. 13.61

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Attributable to the owners of the Holding Company					
		Revenue Reserve				
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	Total Equity
	(Rupees '000)					
Balance as at July 01, 2020	1,374,270	16,054,152	936,295	16,990,447	2,656,490	21,021,207
Profit for the year ended June 30, 2021	-	1,870,329	-	1,870,329	508,269	2,378,598
Other comprehensive income / (loss) for the year ended June 30, 2021	-	21,529	(232,160)	(210,631)	(167,933)	(378,564)
Total comprehensive income for the year ended June 30, 2021	-	1,891,858	(232,160)	1,659,698	340,336	2,000,034
Transaction with owners in their capacity as owners						
Dividend:						
- Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share	-	(480,995)	-	(480,995)	-	(480,995)
Balance as at July 01, 2021	**1,374,270**	**17,465,015**	**704,135**	**18,169,150**	**2,996,826**	**22,540,246**
Profit for the year ended June 30, 2022	**-**	**1,119,828**	**-**	**1,119,828**	**234,691**	**1,354,519**
Other comprehensive (loss) / income for the year ended June 30, 2022	**-**	**(6,033)**	**1,403,034**	**1,397,001**	**720,633**	**2,117,634**
Total comprehensive income for the year ended June 30, 2022	**-**	**1,113,795**	**1,403,034**	**2,516,829**	**955,324**	**3,472,153**
Transaction with owners in their capacity as owners						
Dividend:						
- Final dividend for the year ended June 30, 2021 @ Rs. 4 per share	**-**	**(549,708)**	**-**	**(549,708)**	**-**	**(549,708)**
- Interim dividend for the year ended June 30, 2022 @ Rs. 2 per share	**-**	**(274,854)**	**-**	**(274,854)**	**-**	**(274,854)**
- Dividends paid to non-controlling interests of SAKCPCL	**-**	**-**	**-**	**-**	**(240,717)**	**(240,717)**
Balance as at June 30, 2022	**1,374,270**	**17,754,248**	**2,107,169**	**19,861,417**	**3,711,433**	**24,947,120**

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	594,985	5,892,760
Finance cost paid - conventional		(167,118)	(651,723)
Finance cost paid - islamic		(42,847)	(49,899)
Income tax paid		(270,020)	(272,355)
Decrease / (increase) in long-term loans and advances		3,157	(29,146)
Employee benefit obligations paid		(124,338)	(110,020)
Net cash (used in) / generated from operating activities		(6,181)	4,779,617
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(8,282,749)	(3,181,360)
Proceeds from disposal of operating assets		3,843	4,462
Purchase of open ended mutual fund units		(1,924,301)	(3,785,105)
Proceeds from sale of open ended mutual fund units		3,845,647	1,895,502
Placement in term deposit receipts (TDRs)		(10,000)	(61,000)
Dividend received		15,049	3,359
Interest received		31,091	16,934
Net cash used in investing activities		(6,321,420)	(5,107,208)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to owners of the Holding Company		(823,814)	(480,737)
Dividend paid to Non-controlling interests		(240,717)	-
Proceeds from long - term loans		6,314,205	2,931,559
Repayment of long - term loans		(275,000)	(60,802)
Lease rentals paid		(29,846)	(20,899)
Net cash generated from financing activities		4,944,828	2,369,121
Net (decrease) / increase in cash and cash equivalents		(1,382,773)	2,041,530
Cash and cash equivalents at beginning of the year		(1,441,736)	(3,396,937)
Effects of exchange rate changes in cash and cash equivalents		415,890	(86,329)
Cash and cash equivalents at end of the year	34	(2,408,619)	(1,441,736)

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company - Attock Cement Pakistan Limited

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

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

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

- The registered office of the Holding Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.

- The Holding Company's cement manufacturing plant is located in Tehsil Hub, District Lasbela, Balochistan.

- The Company also has a representative / liaison offices at:
  - Office No. 106, Pharoo Business Centre, Dubai Investment Park, UAE;
  - Plot No. D-69, Block-4, Kehkashan-5, Clifton, Karachi; and
  - Plot No. D-46, Block-4, Kehkashan-5, Clifton, Karachi.

1.2 During the year, the project of 20MW Captive Solar Power Plant has been commissioned with effect from January 1, 2022. This is financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in note 15.4.

1.3 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 15.2 and 15.3 respectively. The project is under construction.

1.4 Subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)

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

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

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

- The registered office of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.

- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

The Holding Company held 60% shares of SAKCPCL as at June 30, 2022 (2021: 60% holding).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

The accounting and reporting standards applicable in Pakistan comprise of:

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

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

2.1.2 Critical accounting estimates and judgements

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

(i) Income tax

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

(ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.7 and 19 to these consolidated financial statements for valuation of present value of defined benefit obligation.

(iii) Inventories

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

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

(iv) Contingencies

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

(v) Fixed Assets - property, plant and equipment

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment as disclosed in notes 2.4 and 3.1 to these consolidated financial statements. Further, the Group Company reviews the carrying value of assets for impairment, if any, on each reporting date.

(vi) 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 Group Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

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

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

2.1.3 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

2.2 Overall valuation policy

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

2.3 Basis of consolidation

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

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

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

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

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

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

2.4 Fixed Assets - property, plant and equipment

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

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

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

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

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

2.5 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

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

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

Classification of financial assets

The Group classifies its financial instruments in the following categories:

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

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

2.6 Off-setting of financial assets and liabilities

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

2.7 Staff retirement benefits

Defined benefit plans

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2022 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to other comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

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

Defined contribution plan

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

2.8 Long-term investment

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

2.9 Loans, advances, deposits and prepayments

Loans, advances, deposits and prepayments are non-derivate financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

Interest free loans to employees are stated at amortised cost.

2.10 Inventories

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

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

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

2.11 Trade and other receivables

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

2.12 Government grants

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

2.13 Cash and cash equivalents

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

2.14 Lease liability and right-of-use asset

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

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

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

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

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

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

2.15 Trade and other payables

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

2.16 Provisions

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

2.17 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18 Contingent Liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

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

A contingent liability is disclosed unless the possibility of an outflow is remote.

2.19 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any

2.20 Income tax

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Holding Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Holding Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

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

2.21 Borrowings and their cost

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

2.22 Foreign currencies

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

2.22.2 The results and financial position of subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of profit or loss account and other comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income.

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

2.23 Revenue recognition

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

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

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

2.24 Other Income

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

Profit from savings accounts is accounted for as income on accrual basis.

2.25 Dividend

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

	2022	2021
	-----------(Rupees '000)-----------	
3. FIXED ASSETS - property, plant and equipment		
Operating assets - note 3.1	**21,704,121**	19,757,627
Capital work-in-progress - note 3.2	**9,724,024**	3,029,072
Stores held for capital expenditure - note 3.3	**912,099**	930,120
	32,340,244	23,716,819

3.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Right of use-assets - note 3.4	Total
	(Rupees '000)								
Year ended 30 June 2022									
Opening net book value	38,068	2,344,648	17,145,976	41,413	4,305	54,927	64,548	63,742	19,757,627
Additions	-	7,384	1,788,658	-	312	11,644	26,084	19,513	1,853,595
Disposals	-	-	-	(313)	-	-	(965)	-	(1,278)
Transfers to stores	-	-	(56,039)	-	-	-	-	-	(56,039)
Depreciation charge	-	(314,007)	(694,143)	(7,440)	(3,555)	(16,987)	(22,866)	(23,816)	(1,082,814)
Net exchange differences	-	1,061,004	158,390	3,767	1,316	6,281	2,272	-	1,233,030
Closing net book value	**38,068**	**3,099,029**	**18,342,842**	**37,427**	**2,378**	**55,865**	**69,073**	**59,439**	**21,704,121**
At 30 June 2022									
Cost	38,068	4,968,611	26,607,635	268,150	46,435	240,743	188,199	133,127	32,490,968
Accumulated depreciation	-	(1,869,582)	(8,264,793)	(230,723)	(44,057)	(184,878)	(119,126)	(73,688)	(10,786,847)
Net book value	**38,068**	**3,099,029**	**18,342,842**	**37,427**	**2,378**	**55,865**	**69,073**	**59,439**	**21,704,121**
Year ended 30 June 2021									
Opening net book value	34,168	2,668,438	17,823,503	40,717	6,877	55,242	63,849	64,289	20,757,083
Additions	3,900	2,948	258,416	9,380	1,259	18,372	24,723	16,558	335,556
Disposals	-	-	-	-	-	(690)	(2,208)	-	(2,898)
Transfers to stores	-	-	(65,426)	-	-	-	-	-	(65,426)
Depreciation charge	-	(299,686)	(642,802)	(7,855)	(3,436)	(15,575)	(21,390)	(17,105)	(1,007,849)
Net exchange differences	-	(27,052)	(227,715)	(829)	(395)	(2,422)	(426)	-	(258,839)
Closing net book value	**38,068**	**2,344,648**	**17,145,976**	**41,413**	**4,305**	**54,927**	**64,548**	**63,742**	**19,757,627**
At 30 June 2021									
Cost	38,068	3,802,078	24,640,949	257,797	42,314	215,556	156,892	113,614	29,267,268
Accumulated depreciation	-	(1,457,430)	(7,494,973)	(216,384)	(38,009)	(160,629)	(92,344)	(49,872)	(9,509,641)
Net book value	**38,068**	**2,344,648**	**17,145,976**	**41,413**	**4,305**	**54,927**	**64,548**	**63,742**	**19,757,627**
Rate of depreciation	**-**	**5%**	**3.33% - 5%**	**10%**	**20%**	**25%**	**20%**	**23% - 37%**	

3.2 Movement in capital work-in-progress

	2022					2021				
	Balance as at July 1, 2021	Additions during the year	Transfers during the year	Net exchange differences	Balance as at June 30, 2022	Balance as at July 1, 2020	Additions during the year	Transfers during the year	Net exchange differences	Balance as at June 30, 2021
	(Rupees '000)									
Captive Solar Power Project - note 1.2										
Civil works	169,572	142,970	(312,542)	-	-	-	169,572	-	-	169,572
Plant and machinery	1,318,023	2,449	(1,320,472)	-	-	-	1,318,023	-	-	1,318,023
Others - note 3.2.1	31,719	27,062	(58,781)	-	-	-	31,719	-	-	31,719
	1,519,314	172,481	(1,691,795)	-	-	-	1,519,314	-	-	1,519,314
Installation of Line 4 - note 1.3										
Civil works	12,568	1,038,795	-	-	1,051,363	-	12,568	-	-	12,568
Plant and machinery	-	7,898,090	-	-	7,898,090	-	-	-	-	-
Advances to suppliers	1,399,792	(1,177,228)	-	-	222,564	-	1,399,792	-	-	1,399,792
Others - note 3.2.2	9,803	131,167	-	-	140,970	-	9,803	-	-	9,803
	1,422,163	7,890,824	-	-	9,312,987	-	1,422,163	-	-	1,422,163
Others										
Civil works	65,052	275,054	(1,849)	55,331	393,588	56,695	11,980	-	(3,623)	65,052
Plant and machinery	22,543	90,017	(103,608)	-	8,952	4,196	195,127	(176,780)	-	22,543
Vehicles	-	8,497	-	-	8,497	-	-	-	-	-
	87,595	373,568	(105,457)	55,331	411,037	60,891	207,107	(176,780)	(3,623)	87,595
Total	3,029,072	8,436,873	(1,797,252)	55,331	9,724,024	60,891	3,148,584	(176,780)	(3,623)	3,029,072

3.2.1 This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant as disclosed in note 1.2. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 22.19 million was capitalised at the internal rate of return of 3.25% per anum on specific borrowing obtained for financing of this project till January 01, 2022.

3.2.2 This includes directly attributable expenditure for the development, construction and operation of Line 4 at their existing site as disclosed in note 1.3. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 123.91 million was capitalised at the internal rate of return of 1.96% per anum on specific borrowing obtained for financing of this project.

	2022	2021
	(Rupees '000)	

3.3 Stores held for capital expenditure

	2022	2021
Balance at beginning of the year	930,120	1,030,022
Additions during the year	766,876	116,003
Transfers made during the year	(784,897)	(215,905)
Balance at end of the year	912,099	930,120

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

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

Location	Usage of immovable property	Total Area	Covered Area
		(acres)	
Tehsil Hub, District Lasbela, Balochistan	Manufacturing facility	669	669
Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq	Cement grinding unit	60	60

4. INVESTMENT IN ASSOCIATE

	2022	2021
	(Rupees '000)	
Investment in associated company accounted for using equity method		
Attock Information Technology Services (Private) Limited - 450,000 (2021: 450,000) fully paid ordinary shares of Rs. 10 each - notes 4.1 & 4.2	47,551	40,742

4.1 The Group holds 10% (2021: 10%) of associates's total equity. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

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

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

	2022	2021
	(Rupees '000)	
Opening balance	40,742	35,088
Share of net income of associate accounted for using the equity method	6,809	5,654
	47,551	40,742

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

	2022	2021
	(Rupees '000)	
Revenue	161,769	151,297
Profit after taxation	68,088	56,540
Non-current assets	86,994	75,656
Current assets	413,770	359,765
Non-current liabilities	(6,334)	(5,885)
Current liabilities	(18,925)	(22,119)
Net assets	475,505	407,417
Carrying value	47,551	40,742

5. LONG-TERM LOANS AND ADVANCES - considered good

	2022	2021
Director - notes 5.2 & 5.3	4,320	10,079
Employees - note 5.1	158,052	146,076
	162,372	156,155
Recoverable within one year - note 9	(97,565)	(88,191)
Long-term portion	64,807	67,964

5.1 Amounts receivable from the employees represent house rent advances given according to the Group's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free. These loans and advances are secured against the retirement fund balances of employees.

5.2 This represents housing advance to its Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017. The maximum amount due at the end of any month is Rs. 9.60 million (2021: Rs. 11.52 million).

5.3 Reconciliation of the carrying amount of loan to Alternate Director is as follows :

	2022	2021
	(Rupees '000)	
Opening	10,079	-
Disbursement	-	11,519
Repayment	(5,759)	(1,440)
Closing	4,320	10,079

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

6. LONG-TERM DEPOSITS

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

		2022	2021
		(Rupees '000)	
7.	**INVENTORIES**		
	Stores, spares and loose tools - note 7.1	**4,352,603**	2,752,422
	Raw materials	**3,020,280**	920,334
	Packing materials	**278,889**	237,239
	Semi - finished goods - note 7.2	**540,425**	622,627
	Work-in-process	**38,742**	44,662
	Finished goods	**262,556**	207,778
		8,493,495	4,785,062
7.1	**Stores, spares and loose tools**		
	Coal - note 7.1.1	**3,143,627**	1,533,601
	Stores and spares - note 7.1.2	**1,146,052**	1,148,563
	Bricks	**147,171**	133,822
	Loose tools	**2,667**	2,538
		4,439,517	2,818,524
	Less: Provision for slow moving and obsolete items	**(86,914)**	(66,102)
		4,352,603	2,752,422

7.1.1 This includes coal in transit amounting to Rs. Nil (2021: Rs. 1,217.63 million).

7.1.2 This includes stores and spares in transit amounting to Rs. 19.33 million (2021: Rs. 42 million).

7.2 This includes cement held at port for export amounting to Rs. 31.64 million (2021: Rs. 170.43 million).

		2022	2021
		(Rupees '000)	
8.	**TRADE RECEIVABLES – considered good**		
	Secured	**855,984**	1,608,921
	Unsecured	**172,540**	98,905
		1,028,524	1,707,826
8.1	The age analysis of trade receivables is as follows:		
	Not yet due	**514,012**	1,519,750
	1 to 30 days	**138,886**	149,590
	31 to 90 days	**355,286**	4
	91 to 180 days	**20,340**	375
	181 to 365 days	**-**	2
	Over 365 days	**-**	38,105
		1,028,524	1,707,826
9.	**LOANS AND ADVANCES - considered good**		
	Current portion of long-term loans and advances - note 5		
	Employees	**97,565**	88,191
	Other advances - employees	**62**	436
	Advances to suppliers	**712,049**	249,833
		809,676	338,460
10.	**SHORT-TERM DEPOSITS AND PREPAYMENTS**		
	Deposits - considered good	**10,565**	14,127
	Prepayments	**19,636**	18,615
		30,201	32,742

	2022	2021
	(Rupees '000)	

11. OTHER RECEIVABLES

	2022	2021
Export rebate receivable	538	4,256
Due from related parties - note 11.1	1,922	3,114
Others	46,992	35,446
	49,452	42,816

11.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2.22 million (2021: Rs. 7.05 million).

12. SHORT TERM INVESTMENTS

	2022	2021
	(Rupees '000)	
Investments - Fair value through profit or loss	-	1,914,887

13. CASH AND BANK

	2022	2021
Cash at bank		
Conventional		
- On savings accounts		
Local currency - notes 13.1 & 13.2	298,644	263,215
Foreign currency - note 13.3	793	642
	299,437	263,857
- On current accounts		
Local Currency - note 13.6	310,125	118,733
Foreign currency - note 13.4	694,376	2,190,035
	1,004,501	2,308,768
- Term deposit receipt - note 13.5	70,000	70,000
	1,373,938	2,642,625
Islamic		
- On savings accounts		
Local currency - notes 13.1	379	-
- On current accounts		
Local currency	33,441	6,743
Foreign currency - note 13.7	135,951	81,494
	169,392	88,237
- Term deposit receipt - note 13.5	30,000	20,000
	199,392	108,237
Cash in hand	16,381	16,256
	1,590,090	2,767,118

13.1 During the year, the mark-up / profit rates on savings accounts is 7.5% to 13.5% (2021: 4.5% to 5.5%) per annum.

13.2 This includes deposits of Rs. 221.87 million (2021: Rs. 220.02 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

13.3 This represents foreign currency account having a balance of AED 0.014 million (2021: AED 0.014 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.

13.4 This includes foreign currency account having a balance of USD 0.22 million (2021: USD 0.10 million) placed in MCB Bank Limited - I.I. Chundrigar Branch.

13.5 These carry mark up / profit which range from 6.5% to 7% per annum (2021: 6.95% to 7% per annum) payable at maturity. The maturity dates of term deposits receipts (TDRs) amounting to Rs. 70 million and Rs. 30 million are due to mature within a year. These TDRs are held under lien against the guarantees issued by bank on behalf of the Group.

13.6 This includes deposits amounting to Rs. 225 million held under lien against the guarantees issued by bank on behalf of the Group.

13.7 This represents foreign currency account having a balance of USD 0.66 million (2021: USD 0.52 million) placed in Meezan Bank Limited - PNSC Branch.

14. SHARE CAPITAL

	2022	2021
	(Rupees '000)	
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2021: 200,000,000 ordinary shares of Rs. 10 each)	2,000,000	2,000,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each

2022	2021		2022	2021
(No. of shares)			(Rupees '000)	
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	1,035,465	1,035,465
137,426,961	137,426,961		1,374,270	1,374,270

14.1 As at June 30, 2022, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2021: 115,526,349) ordinary shares of Rs. 10 each.

15. LONG-TERM LOANS

	2022	2021
	(Rupees '000)	
Balance at the beginning of the year	2,710,113	270,000
Long - Term Finance - secured under Temporary Economic Refinance Scheme - note 15.2	2,684,629	691,200
- under Long - Term Finance Facility - note 15.3	3,602,076	708,592
- under Renewable Energy Financing Scheme - note 15.4	27,500	1,281,017
- under Payroll Refinance Scheme - note 15.5	-	280,000
	6,314,205	2,960,809
Interest expense including impact of unwinding	270,378	64,443
Less:		
- Deferred government grant - note 16	(944,567)	(483,636)
- Advisory and arrangement fee paid	-	(29,250)
- Repayment made during the year	(389,392)	(72,253)
	(1,333,959)	(585,139)
Less: Current portion of long term loan - note 22	(748,882)	(275,000)
	7,211,855	2,435,113

15.1 Facility	Loan Type	Repayment terms - Principal	Mark-up Payable basis	Mark-up Rate (per annum)	Effective Rate (%) 2022	Facility Amount (Rs. In 000)	Date of drawdown	Last Repayment date
Temporary Economic Refinance Scheme	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.5%	1.50%	4,700,000	April-21	March-31
Long Term Finance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.40%	2.40%	5,000,000	June-21	March-31
Renewable Energy Financing Scheme	Term-loan	20 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.25%	3.25%	1,700,000	February-21	February-28
Payroll Refinance Scheme	Term-loan	8 Semi-annual (6 month grace period)	Quarterly	SBP rate + 0.50% - 0.75%	0.62%	550,000	April-20	April-23

15.1.1 The above facilities are secured against joint pari passu hypothecation / mortgage charges on the Holding Company's present and future fixed assets excluding land and building to cover the facility amount along with a 20% margin.

15.1.2 In relation to the above borrowings, the Holding Company needs to observe certain financial and non financial covenants as specified in the agreement with respective lenders which are complied at the reporting date.

	2022	2021
	(Rupees '000)	
15.2 Temporary Economic Refinance Facility		
Balance at beginning of the year	477,870	-
Disbursements during the year	2,684,629	691,200
Deferred grant - note 16	(940,339)	(207,628)
Advisory and arrangement fee paid	-	(14,173)
Interest expense including impact of unwinding	120,322	10,216
Repayment during the year	(25,402)	(1,745)
	2,317,080	477,870
Current portion of long - term loan	(210,989)	-
Balance at end of the year	2,106,091	477,870

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

	2022	2021
	(Rupees '000)	
15.3 Long - Term Finance Facility		
Balance at beginning of the year	693,515	-
Disbursements during the year	3,602,076	708,592
Advisory and arrangement fee paid	-	(15,077)
Interest expense including impact of unwinding	47,435	1,589
Repayment during the year	(45,154)	(1,589)
	4,297,872	693,515
Current portion of long - term loan	(269,417)	-
Balance at end of the year	4,028,455	693,515

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

	2022	2021
	----------(Rupees '000)----------	

15.4 Renewable Energy Financing Scheme

	2022	2021
Balance at beginning of the year	1,075,461	-
Disbursements during the year	27,500	1,281,017
Deferred grant - note 16	(4,228)	(212,424)
Interest expense including impact of unwinding	85,738	12,682
Repayment during the year	(41,736)	(5,814)
	1,142,735	1,075,461
Current portion of long - term loan	(65,426)	-
Balance at end of the year	1,077,309	1,075,461

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

15.5 Payroll Refinance Scheme

	2022	2021
	----------(Rupees '000)----------	
Balance at beginning of the year	463,267	270,000
Disbursements during the year	-	280,000
Interest expense including impact of unwinding	16,883	39,956
Repayment during the year	(277,100)	(63,105)
Deferred grant - note 16	-	(63,584)
	203,050	463,267
Current portion of long - term loan	(203,050)	(275,000)
Balance at end of the year	-	188,267

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

16. DEFERRED INCOME - GOVERNMENT GRANT

	2022	2021
	----------(Rupees '000)----------	
Balance at beginning of the year	431,407	-
Deferred grant recorded:		
- under Temporary Economic Refinance Scheme	940,339	207,628
- under Renewable Energy Financing Scheme	4,228	212,424
- under Payroll Refinance Scheme	-	63,584
	944,567	483,636
Less:		
- Government grant deducted from borrowing cost - notes 3.2.1 & 3.2.2	(93,136)	(14,944)
- Government grant recognised in income - note 29	(37,295)	(37,285)
	(130,431)	(52,229)
Less: Current portion of deferred income government grant - note - 20	(248,304)	(96,148)
	997,239	335,259

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

	2022	2021
	(Rupees '000)	

17. LEASE LIABILITIES

	2022	2021
Balance at beginning of the year	**63,732**	60,571
Addition	**19,513**	16,558
Accretion of interest	**7,315**	7,502
Payments	**(29,846)**	(20,899)
Balance at end of the year	**60,714**	63,732
Current portion	**22,150**	25,453
Non-current portion	**38,564**	38,279
	60,714	63,732

17.1 Lease liabilities payable are as follows:

	2022			2021
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees '000)			
Less than one year	**27,314**	**5,164**	**22,150**	25,453
Between one and five years	**42,075**	**3,511**	**38,564**	38,279
	69,389	**8,675**	**60,714**	63,732

17.2 Finance charge ranges between 6.01% to 14.90% per annum has been used for discounting factor.

18. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use - assets	Provision for slow moving and obsolete stores and spares	Lease liabilities	Unabsorbed depreciation	Minimum tax	Alternate corporate tax	Total
	(Rupees '000)							
July 01, 2021	**1,722,834**	**11,491**	**(11,916)**	**(11,489)**	**-**	**(115,342)**	**(361,763)**	**1,233,815**
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	**625,111**	**3,324**	**(8,284)**	**(2,622)**	**-**	**-**	**(1,295)**	**616,234**
June 30, 2022	**2,347,945**	**14,815**	**(20,200)**	**(14,111)**	**-**	**(115,342)**	**(363,058)**	**1,850,049**
July 01, 2020	1,779,081	12,176	(10,329)	(11,472)	(90,296)	(236,265)	(361,763)	1,081,132
Impact on statement of financial position	-	-	-	-	-	120,923	-	120,923
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	(56,247)	(685)	(1,587)	(17)	90,296	-	-	31,760
June 30, 2021	1,722,834	11,491	(11,916)	(11,489)	-	(115,342)	(361,763)	1,233,815

18.1 Deferred tax liability is restricted to 70.43% (2021: 62.16%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

18.2 The deferred tax asset on unabsorbed depreciation, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

18.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including cement, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

19. EMPLOYEE BENEFIT OBLIGATIONS

19.1 Staff retirement benefits

19.1.1 As stated in note 2.7, the Holding Company operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2022.

19.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882 (which is now repealed, and Provincial Trust Act are promulgated in September 2020), Companies Act, 2017, Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Holding Company appoints the trustees and all trustees are employees of the Company.

19.1.3 Risks on account of defined benefit plan

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

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

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

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

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

19.1.4 The latest actuarial valuations of the Plans as at June 30, 2022 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2022		2021	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	(Rupees '000)			
19.1.5 Statement of financial position reconciliation as at June 30				
Present value of defined benefit obligation	637,681	617,168	630,131	551,249
Fair value of plan assets	(472,322)	(507,401)	(412,186)	(461,237)
Deficit	165,359	109,767	217,945	90,012
19.1.6 Movement in the defined benefit obligation				
Obligation as at July 01	630,131	551,249	621,233	511,669
Service cost	21,655	33,686	21,499	28,349
Interest expense	62,929	54,215	53,265	42,980
Remeasurement on obligation	(23,520)	22,228	(26,219)	7,240
Benefits paid	(53,514)	(44,210)	(39,647)	(38,989)
Obligation as at June 30	637,681	617,168	630,131	551,249
19.1.7 Movement in the fair value of plan assets				
Fair value as at July 01	412,186	461,237	354,898	418,361
Interest income	41,377	45,634	30,865	35,365
Remeasurement on plan assets	(826)	(6,499)	64	2,486
Employer contributions	73,099	51,239	66,006	44,014
Benefits paid	(53,514)	(44,210)	(39,647)	(38,989)
Fair value as at June 30	472,322	507,401	412,186	461,237
19.1.8 Expense recognised in consolidated statement of profit or loss				
Service cost	21,655	33,686	21,499	28,349
Interest expense - net	21,552	8,581	22,400	7,615
	43,207	42,267	43,899	35,964
19.1.9 Remeasurement recognised in other comprehensive income				
Experience (gains) / losses	(23,520)	22,228	(26,219)	7,240
Remeasurement of fair value of plan assets	826	6,499	(64)	(2,486)
Remeasurements	(22,694)	28,727	(26,283)	4,754
19.1.10 Net recognised liability				
Balance as at July 01	217,945	90,012	266,335	93,308
Expense for the year	43,207	42,267	43,899	35,964
Employer contributions	(73,099)	(51,239)	(66,006)	(44,014)
Remeasurement recognised in other comprehensive (income) / loss	(22,694)	28,727	(26,283)	4,754
Balance as at June 30	165,359	109,767	217,945	90,012

19.1.11 Composition of plan assets:

	2022		2021		2022		2021	
	Pension Funds				Gratuity Funds			
	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
Market Treasury Bills	89,592	18.97	57,728	14.01	76,882	15.15	38,345	8.31
Term Finance Certificates	38,568	8.17	46,554	11.29	28,699	5.66	36,435	7.90
Pakistan Investment bonds	-	-	72,258	17.53	-	-	71,742	15.55
Open Ended Mutual Funds	364,759	77.22	234,404	56.87	416,165	82.02	312,946	67.85
Others (including bank balance)	(20,597)	(4.36)	1,242	0.30	(14,345)	(2.83)	1,769	0.39
	472,322	100.00	412,186	100.00	507,401	100.00	461,237	100.00

19.1.12 Actuarial assumptions

	2022				2021			
	First	Second	Third	Fourth & onwards	First	Second	Third	Fourth & onwards
	(Year)							
Expected rate of increase in salaries								
- **Management staff**								
Senior management	9.00%	9.00%	11.50%	11.50%	9.00%	9.00%	8.50%	8.25%
Junior management	9.00%	9.00%	11.50%	11.50%	9.00%	9.00%	8.50%	8.25%
- **Non-management staff**	9.00%	9.00%	11.50%	11.50%	9.50%	9.00%	9.50%	8.25%

The discount factor used for pension and gratuity funds is 13.25% (2021: 10%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 10.58% (2021: 10.92%). This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

19.1.13 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

19.1.14 The Holding Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

19.1.15 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the consolidated statement of financial position date.

19.1.16 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees '000)			
At June 30, 2022					
Discount rate	0.5%	(36,513)	39,651	(24,538)	26,363
Future salary increases	0.5%	(70,537)	(100,639)	22,612	(21,265)
At June 30, 2021					
Discount rate	0.5%	(39,008)	42,733	(22,503)	24,233
Future salary increases	0.5%	14,599	(13,812)	18,561	(17,447)

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

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

19.1.17 Historical information

	2022	2021	2020	2019	2018
	(Rupees '000)				
Pension Funds as at June 30					
Present value of defined benefit obligation	**637,681**	630,131	621,233	479,580	568,859
Fair value of plan assets	**(472,322)**	(412,186)	(354,898)	(317,858)	(293,571)
Deficit	**165,359**	217,945	266,335	161,722	275,288
Experience adjustments					
Gain / (loss) on obligation	**23,520**	26,219	(110,962)	107,274	95,671
Loss on plan assets	**(826)**	64	(4,526)	(8,852)	(17,488)
	22,694	26,283	(115,488)	98,422	78,183
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**617,168**	551,249	511,669	474,803	435,787
Fair value of plan assets	**(507,401)**	(461,237)	(418,361)	(369,647)	(323,982)
Deficit	**109,767**	90,012	93,308	105,156	111,805
Experience adjustments					
Gain / (loss) on obligation	**(22,228)**	(7,240)	14,400	(18,744)	11,111
Loss on plan assets	**(6,499)**	2,486	(3,498)	(9,875)	(18,025)
	(28,727)	(4,754)	10,902	(28,619)	(6,914)

19.1.18 As per actuarial advice, the Holding Company is expected to recognise a service cost of Rs. 56.903 million in 2023 (2022: Rs. 52.34 million).

19.1.19 The weighted average service duration of employees is as follows:

	Pension Fund	**Gratuity Fund**
	(No. of years)	
Management	**10.71**	**8.24**
Non-management	**15.57**	**8.22**

19.1.20 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	(Rupees '000)					
As at June 30, 2022						
Pension Funds	**15,164**	**18,425**	**105,415**	**370,662**	**642,705**	**1,152,371**
Gratuity Funds	**60,466**	**55,395**	**191,381**	**521,505**	**722,043**	**1,550,790**
As at June 30, 2021						
Pension Funds	12,467	16,260	95,450	313,201	516,618	953,996
Gratuity Funds	48,953	55,546	172,372	363,198	431,701	1,071,770

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

		2022	2021
		(Rupees '000)	
20.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 20.1	**572,026**	1,102,942
	Accrued liabilities - note 20.1	**3,009,298**	3,161,019
	PSI marking fee payable- note 20.2	**274,388**	246,473
	Royalty payable - note 20.3	**658,704**	570,398
	Electricity charges payable - note 20.4	**631,529**	371,046
	Excise duty payable on sales	**233,341**	239,056
	Safety duty payable - note 20.5	**-**	104,857
	Infrastructure Cess - note 20.6	**177,091**	74,252
	Excise duty payable on extraction - note 20.7	**30,934**	20,277
	Workers' Welfare Fund - note 20.8	**280,767**	260,461
	Workers' Profits Participation Fund - note 20.9	**104,129**	82,702
	Current portion of deferred income - government grant - note 16	**248,304**	96,148
	Advances from customers - note 20.10	**622,180**	451,972
	Security deposits - note 13.2	**221,865**	220,016
	Retention money	**62,550**	43,145
	Payable to provident fund - note 20.11	**-**	23
	Taxes deducted at source and payable to statutory authorities	**1,015**	845
	Others - note 20.1	**8,304**	7,994
		7,136,425	7,053,626

20.1 Creditors, accrued liabilities and other liabilities include Rs. Nil, Rs. 43.05 million and Rs. 5.76 million (2021: Rs. 22.08 million, Rs. 4.40 million and Rs. 5.76 million) in respect of amounts due to related parties.

20.2 This includes provision amounting to Rs. 274.39 million (2021: 246.47 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Holding Company is under an industry-wide dispute on the basis of calculation of marking fee.

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

The Holding Company has filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the court, the Holding Company has furnished a bank guarantee of Rs. 236.18 (2021: Rs 236.18 million) for the additional portion of royalty.

20.4 This includes Rs. 179.86 million (2021: Rs. 179.86 million) and Rs. 248 million (2021: Rs. 0.65 million) in respect of industry support package adjustment and fuel charge adjustment respectively.

20.5 This pertains to duty of safety / rescue / training enacted by Government of Balochistan vide Notification No. PAB/LegisII(01)/2020 dated July 15, 2020 enhancing the rate of safety duty from Rs.5 per ton to 25% of per ton royalty rate on minerals effective from July 01, 2020.

The Holding Company has filed a petition against the Government of Balochistan before the High Court of Balochistan terming this notification as unconstitutional. The matter has been decided in favor of the Holding Company on April 25, 2022.

Based on the decision of the High Court of Balochistan, the Group has reversed provision amounting to Rs. 104.86 million recorded at rate of 25% of per ton royalty in the prior years. However, no provision has been made during the current year.

The advocate of the Government of Balochistan intended to file an appeal against the decision of the High Court. However, the Holding Company has not received any notice.

20.6 This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Holding Company has challenged the levy before the Sindh High Court of which the litigation is pending adjudication. However, in similar matters the Sindh High Court has dismissed the constitutional petitions.

20.7 This includes provision in respect of enhanced excise duty @ 10% per ton of royalty rate on minerals extractions by the Government of Balochistan through Notification A-1/323-2020/1761 dated April 16, 2021 effective from July 01, 2021. The Holding Company is currently paying the excise duty at Rs.5 per ton of the minerals extracted.

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

20.8 This includes provision of Rs. 20.31 million, Rs. 31.43 million , Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 and Rs. 40.05 million pertaining to the year 2022, 2021, 2020, 2019, 2018, 2017 and 2016 respectively. The Holding Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

		2022	2021
		(Rupees '000)	
20.9	**Workers' Profits Participation Fund**		
	At beginning of the year	82,702	81,274
	Charge for the year - note 28	104,129	82,702
		186,831	163,976
	Interest on funds utilised in holding company's business - note 30	496	915
		187,327	164,891
	Less: Amount paid to the Fund	(83,198)	(82,189)
		104,129	82,702

20.10 Advance from Customers

Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note - 2.23 is satisfied.

	2022	2021
	(Rupees '000)	
Opening balance	451,972	263,452
Advance received during the year	13,838,049	9,111,861
Revenue recognised during the year	(13,667,841)	(8,923,341)
Closing balance	622,180	451,972

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

21. ACCRUED MARK-UP

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

		2022	2021
		(Rupees '000)	
22.	**SHORT-TERM BORROWINGS**		
	Conventional		
	Short term running finance - notes 22.1 & 22.2	1,395,709	223,854
	Export refinance facility - note 22.1 & 22.3	1,653,000	2,195,000
	Islamic		
	Short - term finance under running musharakah - notes 22.4	850,000	1,700,000
	Current maturity of long-term loan - note 15	748,882	275,000
		4,647,591	4,393,854

22.1 The facilities available from various banks amount to Rs. 12.66 billion (2021: Rs. 6.41 billion). The arrangements are secured by way of joint pari-passu charge against hypothecation of Holding Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2022 and 2023.

22.2 The rates of mark-up ranging between one-month KIBOR plus 0% to 1% (2021: one month KIBOR minus 0.2% to plus 0.5%) per annum.

22.3 The export refinance facilities available from different banks are secured by way of joint pari-passu charge against hypothecation of Holding Company's stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.5% to 1% (2021: 0.75% to 1%).

22.4 The facility is for short term finance under running musharakah available from Meezan Bank Limited is secured by way joint pari-passu charge against hypothecation of Holding Company's stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 1% (2021: 0.75% to 1%).

22.5 The facilities for opening letters of credit and guarantee as at June 30, 2022 amounted to Rs. 9.5 billion (2021: Rs. 6 billion) of which unutilised balance at year end amounted to Rs. 9.35 billion (2021: Rs. 4.3 billion).

22.6 The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Holding Company having aggregate charge amounting to Rs. 15.82 billion.

23. CONTINGENCIES AND COMMITMENTS

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

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

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

23.2 SALES TAX MATTERS

23.2.1 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Holding Company in relation to its filed sales tax returns for the months of July 2015 through August 2017 alleging that Holding Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland Revenue-Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Holding Company. The Holding Company has now filed an appeal at the Appellate Tribunal Inland Revenue against the judgement of the CIRA which is pending adjudication.

23.2.2 Further, in 2019, another order was passed by DCIR against the Holding Company in relation to its filed sales tax returns for the months of July 2013 through June 2018 in which the Holding Company has been alleged for incorrectly claiming input tax of blocked / non-active suppliers and building materials of Rs. 235 million along with a penalty of Rs. 12 million. The Holding Company filed an appeal to the CIRA against the order passed by the DCIR. Partial case was decided in favor of the Holding Company. The Holding Company has filed an appeal against the order of CIRA at ATIR, the case was discussed and remanded back to the learned assessing officer.

23.2.3 Based on the advice of Holding Company's tax counsels, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these consolidated financial statements.

23.3 Commitments for capital expenditure outstanding as at June 30, 2022 amounted to Rs. 6.83 billion (2021: Rs. 8.24 billion).

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
	(Rupees '000)	
Local sale of goods	30,176,338	25,028,264
Sales tax	(3,616,738)	(2,906,380)
Federal excise duty	(2,381,398)	(2,223,645)
	(5,998,136)	(5,130,025)
Rebates and discounts	(733,084)	(506,855)
Net local sale of goods	23,445,118	19,391,384
Export sales	5,632,400	10,135,627
Freight	(990,489)	(925,394)
	4,641,911	9,210,233
	28,087,029	28,601,617

24.1 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenue.

24.2 Export sales comprise of sales made in the following regions:

	2022	2021
	(Rupees '000)	
Africa and Middle East Asia	423,248	381,070
Sri Lanka	4,215,325	5,696,022
Bangladesh	676,750	3,040,614
Others	317,077	1,017,921
	5,632,400	10,135,627

25. COST OF SALES

	2022	2021
Raw materials consumed	6,992,135	6,531,145
Packing materials consumed	1,489,601	1,360,637
Cement packaging and loading charges	73,177	64,042
Salaries, wages and benefits - note 25.1	2,380,242	2,223,112
Fuel	7,642,143	6,381,855
Electricity and water	2,598,409	2,847,148
Stores and spares consumed	591,805	846,729
Repairs and maintenance	200,455	210,949
Insurance	64,552	52,817
Vehicle running and maintenance	195,941	160,997
Security expenses	207,894	184,325
Depreciation	1,042,130	974,138
Others - note 25.2	93,698	95,952
	23,572,182	21,933,846
Add: Opening semi - finished goods and work-in-process	667,289	913,751
Less: Closing semi - finished goods and work-in-process	(579,167)	(667,289)
Cost of goods manufactured	23,660,304	22,180,308
Add: Opening stock of finished goods	207,778	196,912
Less: Closing stock of finished goods	(262,556)	(207,778)
	23,605,526	22,169,442

25.1 Salaries, wages and benefits include Rs. 65.86 million and Rs. 49.72 million (2021: Rs. 61.94 million and Rs. 42.89 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

25.2 This includes provision / (reversal) for slow moving and obsolete items amounting to Rs. 20.81 million (2021: Rs. 11.56 million).

		2022	2021
		-----------(Rupees '000)-----------	
26.	**DISTRIBUTION COSTS**		
	Salaries, wages and benefits - note 26.1	**131,066**	125,543
	Handling and other export related expenses	**623,564**	1,495,257
	Commission on export sales	**34,197**	151,483
	Carriage outward on local sales	**480,956**	361,166
	PSI marking fee	**28,111**	67,104
	Advertisement and sales promotion	**3,231**	8,927
	Travelling and entertainment	**27,269**	21,166
	Others	**5,433**	4,922
		1,333,827	2,235,568

26.1 Salaries, wages and benefits include Rs. 4.93 million and Rs. 3.3 million (2021: Rs. 4.48 million and Rs. 2.75 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2022	2021
		-----------(Rupees '000)-----------	
27.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and benefits - note 27.1	**467,250**	391,012
	Depreciation	**40,684**	33,711
	Rent, rates and taxes	**22,614**	27,433
	Utilities	**9,208**	7,424
	Insurance	**3,049**	2,563
	Repairs and maintenance	**41,149**	34,676
	Communication and printing	**21,909**	55,133
	Travelling and entertainment	**35,496**	23,048
	Legal and professional charges	**34,882**	48,789
	Auditors' remuneration - note 27.2	**5,381**	6,037
	Donations - note 27.3	**11,153**	11,461
	Others	**43,888**	49,645
		736,663	690,932

27.1 Salaries, wages and benefits include Rs. 14.68 million and Rs. 8.84 million (2021: Rs. 13.44 million and Rs. 7.04 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2022	2021
		-----------(Rupees '000)-----------	
27.2	**Auditors' remuneration**		
	Audit fee (including consolidation)	**3,000**	2,800
	Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	**1,150**	1,150
	Taxation services	**572**	1,269
	Other certifications, attestations and other services	**345**	235
	Out-of-pocket expenses	**314**	583
		5,381	6,037

27.3 This represents donation given to The Citizens Foundation. None of the directors or their spouses had any interest in the donee.

	2022	2021
	(Rupees '000)	
28. OTHER EXPENSES		
Workers' Welfare Fund	20,306	31,427
Workers' Profits Participation Fund - note 20.9	104,129	82,702
	124,435	114,129
29. OTHER INCOME		
Income from financial assets		
Income on savings accounts under interest / markup arrangements	26,926	16,934
Dividend Income on mutual funds	15,049	3,359
Unrealised gain on investments classified as fair value through profit or loss	-	14,887
Gain on sale of open ended mutual fund units	6,459	10,397
Income on term deposit receipts	4,165	-
Exchange gain - net	394,473	-
Income from non-financial assets		
Gain on disposal of operating assets	2,565	1,564
Others		
Export rebate	988	2,220
Scrap sales	29,611	49,759
Grant income	37,295	37,285
Others	757	466
	518,288	136,871
30. FINANCE COST		
Conventional		
Mark-up on:		
Long - term loans	60,348	39,956
Short - term borrowings	108,585	73,499
	168,933	113,455
Islamic		
Short - term finance under running musharakah	46,490	49,899
Bank charges and commission	43,576	114,331
Interest on Workers' Profits Participation Fund - note 20.9	496	915
Finance charges on finance lease	7,315	7,502
Exchange loss	-	436,809
	266,810	722,911
31. INCOME TAX EXPENSE		
Current	427,236	400,802
Super tax - note 31.1	146,876	-
Deferred	616,234	31,760
	1,190,346	432,562

31.1 As per Finance Act, 2022, companies operating in certain sectors, including cement, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years.

		2022	2021
		(Rupees '000)	
31.2	**Relationship between tax expense and accounting profit**		
	Profit before income tax	**2,544,865**	2,811,160
	Tax at the applicable rate of 29% (2021: 29%)	**738,011**	815,236
	Effect of final tax regime	**77,473**	76,532
	Effect of exempt income	**(166,684)**	(368,912)
	Effect of super tax	**146,876**	-
	Others	**394,670**	(90,294)
		1,190,346	432,562
	Effective tax rate	**46.77%**	15.39%

32. BASIC AND DILUTED EARNINGS PER SHARE

	2022	2021
Profit attributable to owners of the Holding Company	**1,119,828**	1,870,329
	(Numbers)	
Weighted average number of outstanding shares at the end of year (in thousands)	**137,427**	137,427
	(Rupees)	
Basic and diluted earnings per share	**Rs. 8.15**	Rs. 13.61

32.1 Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.

33. CASH GENERATED FROM OPERATIONS

	2022	2021
	(Rupees '000)	
Profit before income tax	**2,544,865**	2,811,160
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation of fixed assets	**1,058,998**	990,744
Depreciation of right-of-use asset	**23,816**	17,105
Dividend Income	**(15,049)**	(3,359)
Unrealised gain on investments classified as fair value through profit or loss	**-**	(14,887)
Gain on disposal of property, plant and equipment	**(2,565)**	(1,564)
Gain on sale of open ended mutual fund units	**(6,459)**	(10,397)
Provision for stores, spares and loose tools	**20,812**	11,563
Interest income	**(31,091)**	(16,934)
Finance cost	**215,423**	715,409
Interest on lease liability	**7,315**	7,502
Employee benefit obligations	**85,474**	79,863
Government grant recognised in income	**(37,295)**	(37,285)
Share of net income of associate accounted for using the equity method	**(6,809)**	(5,654)
Profit before working capital changes	**3,857,435**	4,543,266
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	**(3,199,447)**	(18,613)
Trade receivables	**658,911**	(1,163,645)
Loans and advances	**(360,369)**	(125,704)
Short term deposits and prepayments	**4,767**	10,245
Tax refunds due from Government - Sales tax	**(87,255)**	37,090
Other receivables	**(6,636)**	(5,742)
	(2,990,029)	(1,266,369)
(Decrease) / increase in current liabilities		
Trade and other payables	**(272,421)**	2,615,863
	(3,262,450)	1,349,494
Cash generated from operations	**594,985**	5,892,760

	2022	2021
	(Rupees '000)	

34. CASH AND CASH EQUIVALENTS

	2022	2021
Cash and bank balances - note 13 (excluding TDRs having term of more than 3 months)	**1,490,090**	2,677,118
Short term running finance - note 22	**(1,395,709)**	(223,854)
Export refinance facility - note 22	**(1,653,000)**	(2,195,000)
Short - term finance under running musharakah - note 22	**(850,000)**	(1,700,000)
	(2,408,619)	(1,441,736)

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Executive Director		Executives	
	2022	2021	**2022**	2021	**2022**	2021
	(Rupees '000)					
Managerial remuneration	**44,304**	37,608	**23,310**	19,366	**264,703**	200,240
Housing allowance	**12,083**	10,257	**6,768**	5,622	**77,090**	61,692
Utility allowance	**5,370**	4,559	**1,504**	1,249	**17,131**	13,709
Bonus	**22,376**	18,994	**12,532**	10,412	**125,668**	114,244
Retirement benefits	**-**	-	**5,764**	4,789	**48,532**	36,874
Others	**10,427**	8,138	**6,332**	4,622	**5,427**	28,549
	94,560	79,556	**56,210**	46,060	**538,551**	455,308
	1	1	**1**	1	**84**	74

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

35.2 In addition to the above, fee paid to 4 (2021: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 5.6 million (2021: Rs. 5.1 million).

36. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

	2022	2021
	(Rupees '000)	
Holding company		
Dividend paid	**693,158**	404,342
Recovery of expenses	**877**	1,750
Group companies		
Purchase of goods	**493,457**	497,681
Reimbursement of expenses	**3,222**	2,107
Recovery of expenses from related parties	**4,372**	5,578
Sale of Goods	**667**	280
Other related parties		
Payments made to retirement benefit funds	**180,625**	127,661
Key management personnel *		
Loans and advances recovered during the year	**5,760**	1,440
Loans and advances disbursed during the year	**-**	11,519
Sale of Company's vehicle	**-**	195
Salaries and other short-term employee benefits	**145,006**	120,827
Post-employment benefits	**5,764**	4,789
Sale of Goods	**62**	3,241

The related party status of outstanding balances as at June 30, 2022 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

** Key management personnel includes CEO and Executive Director.*

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

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Ultimate Holding Company	Lebanon	84.06%
2.	Attock Petroleum Limited	Group Company / Common directorship	N/A	N/A
3.	Attock Refinery Limited	Group Company / Common directorship	N/A	N/A
4.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A	N/A
5.	National Refinery Limited	Group Company / Common directorship	N/A	N/A
6.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A	N/A
7.	The Attock Oil Company Limited	Group Company / Common directorship	N/A	N/A
8.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A

37. NUMBER OF EMPLOYEES

	2022	2021
	(Number)	
Number of employees at June 30		
- Regular	**978**	974
- Contractual	**140**	130
	1118	1104
Average number of employees during the year		
- Regular	**975**	950
- Contractual	**83**	71
	1058	1021

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 Financial risk factors

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

38.2 Financial assets and liabilities by category and their respective maturities

	2022			2021		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	108,192	164,747	272,939	102,754	167,904	270,658
Trade receivables	1,028,524	-	1,028,524	1,707,826	-	1,707,826
Other receivables	49,452	-	49,452	42,816	-	42,816
Bank balances	1,573,709	-	1,573,709	2,750,862	-	2,750,862
Cash in hand	16,381	-	16,381	16,256	-	16,256
At fair value through profit or loss						
Short term investment	-	-	-	1,914,887	-	1,914,887
	2,776,258	164,747	2,941,005	6,535,401	167,904	6,703,305
Financial liabilities						
Long term finance	748,882	7,211,855	7,960,737	275,000	2,382,121	2,657,121
Trade and other liabilities	5,205,355	-	5,205,355	5,427,915	-	5,427,915
Unclaimed dividend	11,422	-	11,422	10,674	-	10,674
Short term borrowings	3,048,709	-	3,048,709	4,118,854	-	4,118,854
Lease Liabilities	60,714	-	60,714	63,732	-	63,732
Accrued markup	78,375	-	78,375	71,865	-	71,865
	9,153,457	7,211,855	16,365,312	9,968,040	2,382,121	12,350,161
On statement of financial position date gap	(6,377,199)	(7,047,108)	(13,424,307)	(3,432,639)	(2,214,217)	(5,646,856)
Net financial liabilities						
Interest bearing	(3,459,282)	(7,211,855)	(10,671,137)	(4,104,371)	(2,382,121)	(6,486,492)
Non-interest bearing	(2,917,917)	164,747	(2,753,170)	671,732	167,904	839,636
	(6,377,199)	(7,047,108)	(13,424,307)	(3,432,639)	(2,214,217)	(5,646,856)

a) Market Risk

i) Interest rate risk

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

At June 30, 2022, the Group has variable interest bearing financial liabilities of Rs. 11.46 billion (2021: Rs. 6.42 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been higher / lower by approximately Rs. 229.19 million (2021: Rs. 128.44 million) mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2022, trade and other payables of Rs. 552.87 million (2021: Rs. 2,709.36 million), trade debts of Rs. 658.51 million (2021: Rs. 1,574.61 million) and bank balance of Rs. 785.53 million (2021: Rs. 2,256.19 million) are exposed to foreign currency risk.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 17.84 million (2021: Rs. 22.93 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 0.48 million (2021: Rs. 0.48 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables, and trade debts.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 0.02 million (2021: Rs. 0.01 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

As at June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 2% against CNY with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. Nil (2021: Rs. 0.03 million), mainly as a result of foreign exchange losses / gains on translation of CNY denominated trade and other payables.

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

iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument company, its issuer, or factors affecting all similar financial instrument traded in the market. The Group has no investment at June 30, 2022 which is subject to change in market price.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 2,941 million (2021: Rs. 6,703 million) the financial assets exposed to the credit risk amounts to Rs. 2,924 million (2021: Rs. 4,772 million). The carrying values of financial assets are as under:

	2022	2021
	(Rupees '000)	
Trade receivables	1,028,524	1,707,826
Deposits, loans, advances and other receivables	322,391	313,474
Bank balances	1,573,709	2,750,862
	2,924,624	4,772,162

Trade receivables of the Group are not exposed to significant credit risk as the Group trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2022, secured and unsecured trade receivables amounted to Rs. 855.98 million and Rs. 172.54 million (2021: Rs. 1,608.92 million and Rs. 98.91 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade receivables relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2021: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 162.43 million (2021: Rs. 156.59 million) are secured against their retirement benefits.

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

c) Liquidity risk

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

The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees '000)					
Financial liabilities						
Long term financing	7,960,737	(10,039,329)	(303,925)	(650,511)	(5,598,820)	(3,486,073)
Short-term borrowings	3,898,709	(3,898,709)	(3,898,709)	-	-	-
Accrued mark-up	78,375	(78,375)	(78,375)	-	-	-
Trade and other payables	7,136,425	(7,136,425)	(7,136,425)	-	-	-
Lease liabilities	60,714	(69,389)	(11,601)	(15,713)	(42,075)	-
Unclaimed dividend	11,422	(11,422)	(11,422)	-	-	-
	19,146,382	(21,233,649)	(11,440,457)	(666,224)	(5,640,895)	(3,486,073)

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees '000)					
Financial liabilities						
Long term financing	2,710,113	(3,112,590)	(168,941)	(168,511)	(1,688,389)	(1,086,749)
Short-term borrowings	4,118,854	(4,118,854)	(4,118,854)	-	-	-
Accrued mark-up	18,873	(18,873)	(18,873)	-	-	-
Trade and other payables	7,053,626	(7,053,626)	(7,053,626)	-	-	-
Lease liabilities	63,732	(99,235)	(14,758)	(15,089)	(69,388)	-
Unclaimed dividend	10,674	(10,674)	(10,674)	-	-	-
	13,975,872	(14,413,852)	(11,385,726)	(183,600)	(1,757,777)	(1,086,749)

d) Fair values of the financial instruments

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

As at June 30, 2022, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 1 of fair value hierarchy.

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

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

- changes in market and trading activity (eg. significant increases / decreases in activity)

- changes in inputs used in valuation techniques (eg inputs becoming / ceasing to be observable in the market)

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

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

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

During the year, the Company has disposed off all of its financial asset measured at fair value through profit or loss, those assets were classified as level 1 financial assets.

38.3 Capital Risk Management

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

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

The debt to capital ratio at June 30, 2022 was as follows:

	2022	2021
	(Rupees '000)	
Total borrowings	11,859,446	6,828,967
Cash and bank - note 13	(1,590,090)	(2,767,118)
Net debt	10,269,356	4,061,849
Equity	21,235,687	19,543,420
Total capital	31,505,043	23,605,269
Debt to capital ratio	33%	17%

39. CAPACITY AND PRODUCTION

	2022	2021
	(Metric tons)	
Production capacity		
- Clinker	2,883,000	2,883,000
- Cement	3,027,150	3,027,150
Actual production		
- Clinker	2,180,178	3,191,164
- Cement	1,797,723	2,758,297

39.1 The production capacity is based on standard 300 days. Actual production is based on actual production days.

	2022	2021
	(Metric tons)	
39.2 Saqr Al Keetan for Cement Production Company Limited		
Production capacity		
- Cement	**540,000**	540,000
Actual production		
- Cement	**687,889**	752,028

40. DETAILS OF SUBSIDIARY COMPANY

Name of Subsidiary	Financial year end
Saqr Al-Keetan for Cement Production Company Limited	**June 30**

Set out below is summarised financial information of subsidiary that has NCI:

	2022	2021
Percentage Holding	**40.00%**	40.00%
	(Rupees '000)	
Total Assets	**10,155,653**	7,836,404
Total Liabilities	**877,071**	673,816
Total Comprehensive Income	**586,728**	1,270,672
Allocated to NCI	**234,691**	508,269
Accumulated NCI	**3,711,433**	2,996,826
Cash and Cash Equivalent	**665,292**	2,175,704
Cash (utilised in) / generated from		
- operating activities	**(1,013,133)**	1,642,562
- investing activities	**(902,104)**	(95,049)

41. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 16, 2022 has proposed cash dividend of Rs. 1.50 per share (2021: Rs. 4 per share) amounting to Rs. 206 million (2021: Rs. 550 million) subject to the approval of the Holding Company in the forthcoming annual general meeting.

42. DATE OF AUTHORISATION FOR ISSUE

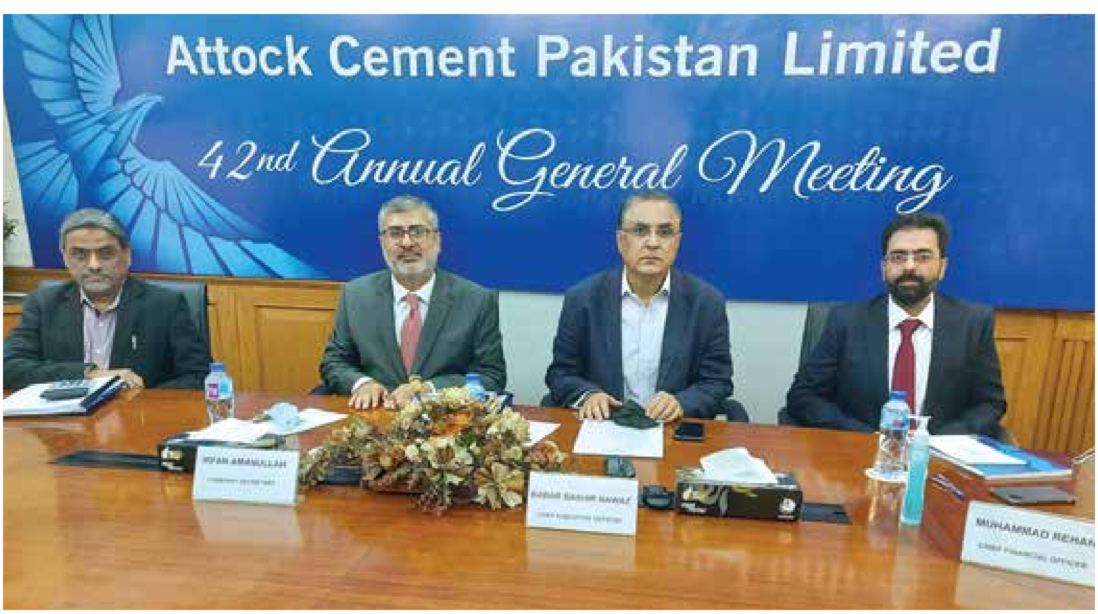
These consolidated financial statements were approved and authorised for issue by the Board of Directors on August 16, 2022.

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

EVENTS

42ND ANNUAL GENERAL MEETING

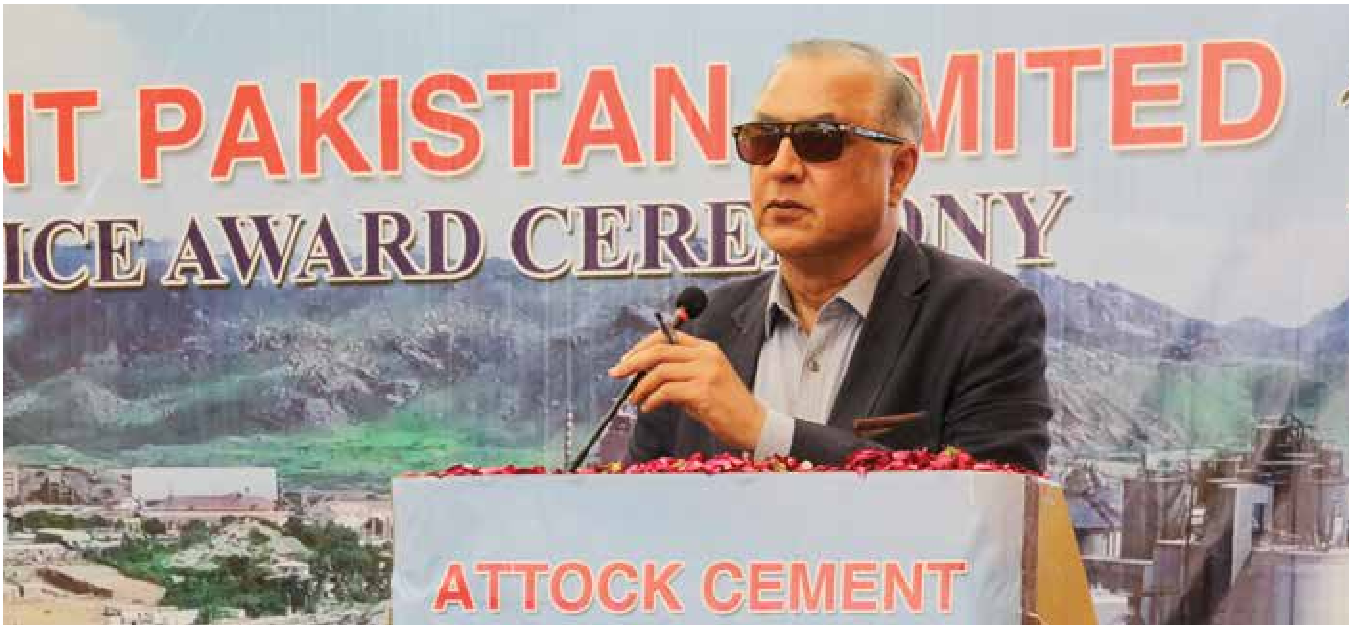
Held on October 21, 2021 via video link



MEETING WITH TRADE ATTACHE PAKISTAN HIGH COMMISSION COLOMBO, SRILANKA

MEETING WITH CUSTOMERS IN SRILANKA

LONG SERVICE AWARD














مستقبل کی توقعات

ملک اس وقت انتہائی مشکل دور سے گزر رہا ہے۔ بڑھتا ہوا افراط زر، زرمبادلہ کی شرح میں اتار چڑھاؤ، ایندھن کی بڑھتی ہوئی قیمتیں، پاور ٹیرف میں اضافے اور سیاسی اختلافات کی وجہ سے بڑھتی ہوئی غیر یقینی صورتحال نے سرمایہ کاروں کے اعتماد کو بری طرح متزلزل کیا ہے۔ بار بار کے سیاسی اور معاشی بحرانوں نے ملک کے لئے مالی خطرات کو بڑھادیا ہے اور پالیسی سازوں کی جانب سے ان بحرانوں کے حل کے لئے بروقت اور مناسب اقدامات نہ اٹھائے جانے سے ملک کے مجموعی معاشی منظرنامہ میں نمایاں تبدیلی آئی ہے۔

اس غیر یقینی کی صورتحال کے باعث بڑے پیمانے کی Capital intensive صنعتیں اور سیمنٹ کی صنعت بھی بری طرح متاثر ہورہی ہے۔

بیرونی دباؤ نے پبلک فنانس کو بری طرح نقصان پہنچایا ہے اور یہ توقع کی جارہی ہے کہ اگلے 12 سے 18 ماہ میں حکومت کی PSDP کے ذریعے مزید پیسہ خرچ کرنے کی استعداد بری طرح متاثر ہوگی جس کا نتیجہ سیمنٹ کی کم طلب کی صورت میں برآمد ہوگا۔ غیر معمولی حد تک بلند افراط زر کی شرح بھی ہاؤسنگ کے شعبے میں نجی سرمایہ کاری پر اثر انداز ہوگی اور سال 2022-23 کے دوران سیمنٹ کی مقامی سطح پر طلب میں 8 سے 10 فیصد تک کمی واقع ہونے کی توقع ہے۔

پاکستان میں سیمنٹ اور کلنکر کی اہم مارکیٹس کو بھی غیر ملکی زرمبادلہ کی غیر یقینی صورتحال اور سیاسی غیر یقینی صورتحال جیسے چیلنجز کا سامنا ہے اور ان مارکیٹس میں بھی اضافی استعداد کی کھپت مشکل نظر آتی ہے۔

ان حالات کے تناظر میں انتظامیہ نے کم قیمت کوئلے کو محفوظ رکھنے کی کوشش کی ہے اور معاملات کے ہموار تسلسل کو یقینی بنانے کے لئے اخراجات میں کمی کے متعدد اقدامات وضع کئے ہیں۔ کیش فلوز کو سہارا دینے کے لئے اخراجات میں کمی کے جامع اقدامات کئے گئے ہیں تاکہ بیرونی قرضہ جات پر انحصار کم کیا جا سکے۔ مہنگے کوئلے کی جگہ ہرممکن حد تک متبادل ایندھن اور گرڈ سے مہنگی بجلی کی جگہ سولر پاور پلانٹ سے پیدا شدہ بجلی پر انحصار کیا جارہا ہے۔

انتظامیہ کو اس صورتحال کا مکمل ادراک ہے اور کمپنی کو ان مشکل حالات سے نکالنے کی بھرپور کوشش کررہی ہے۔

اظہارِ تشکر

کمپنی وفاقی اور صوبائی حکومت، ریگیولیٹری اداروں، اپنے معزز صارفین، بینکرز اور سپلائرز کے تعاون کا تہہ دل سے اعتراف کرتے ہوئے ان کا بھرپور شکریہ ادا کرتی ہے۔

بحکم بورڈ

بابر بشیر نواز
چیف ایگزیکٹو آفیسر

16 اگست 2022
کراچی

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے جس کے ارکان درج ذیل ہیں:

نمبر شمار	ارکان کے نام	عہدہ
1	جناب شمیم احمد خان	چیئرمین/ نان ایگزیکٹو انڈیپینڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر
3	جناب محمد ہارون	نان ایگزیکٹو انڈیپینڈنٹ ڈائریکٹر

اغراض ومقاصد (Terms of Reference)

بورڈ کی اس کمیٹی کے اغراض ومقاصد درج ذیل ہیں:

- ڈائریکٹرز (ایگزیکٹیو اور نان ایگزیکٹو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران) کے مشاہرے کے تعین کے لئے ایک پالیسی فریم ورک بورڈ کے غور و خوض اور منظوری کے لئے تجویز کرنا۔ سینئر مینجمنٹ لیول کی وضاحت بورڈ کی جانب سے متعین کی جائے گی جو عمومی طور پر چیف ایگزیکٹو آفیسر کی سطح کے بعد مینجمنٹ کی پہلی پرت پر مشتمل ہوتی ہے۔
- بحیثیت مجموعی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے سالانہ جائزے کی کارروائی منعقد کرنا چاہے براہِ راست ہو یا بیرونی آزاد کنسلٹنٹ کی تقرری کے ذریعے، اور اگر ایسی تقرری کی جائے تو اس مقصد کے لئے ڈائریکٹرز رپورٹ میں ایک بیان شامل کیا جائے جس میں کنسلٹنٹ کا کام، اہلیت اور تقرری کی اہم شرائط بیان کی گئی ہوں،
- بورڈ کو ہیومن ریسورس مینجمنٹ کی پالیسیوں کی تجاویز دینا،
- بورڈ کو کمپنی کے چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، جانچ، ترقی، معاوضوں (بشمول ریٹائرمنٹ کے فوائد) کی تجاویز دینا،
- اہم انتظامی عہدوں پر تقرریوں کے لئے جو براہ راست چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو جوابدہ ہوں چیف ایگزیکٹو آفیسر کی تجاویز پر غور و خوض اور ان کی منظوری دینا، اور
- اگر ہیومن ریسورس اور ریمونریشن کنسلٹنٹس کا تقرر کیا گیا ہو تو ان کے کوائف کا کمیٹی کو علم ہونا اور ان کی جانب سے ایک بیان دیا جانا کہ آیا ان کا کمپنی کے ساتھ کوئی اور تعلق بھی ہے۔

5- ایکسٹرنل آڈیٹرز کی جانب سے جاری کردہ مینجمنٹ لیٹر کا جائزہ اور اس پر انتظامیہ کے ردِعمل کا جائزہ لینا۔

6- انٹرنل اور ایکسٹرنل آڈیٹرز کے درمیان، ہم آہنگی اور روابط کو یقینی بنانا۔

7- انٹرنل آڈٹ کے دائرہ کار اور حدود کا جائزہ لینا اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ کو مناسب وسائل دستیاب ہیں اور اسے درست انداز میں مقرر کیا گیا ہے۔

8- اندرونی تفتیش کے بعد دھوکہ دہی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے کیسز کو زیرِ غور لانا اور ان پر انتظامیہ کے ردِعمل کا جائزہ لینا۔

9- اس بات کو یقینی بنانا کہ داخلی ضبط کا نظام (Internal Control System) مالیاتی اور کارگزاری شعبوں میں قائم ہے، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے ریکارڈ مرتب کرنے کے لئے اکاؤنٹنگ کا نظام فعال ہے اور رپورٹنگ کا ڈھانچہ بھی موزوں اور مؤثر ہے۔

10- داخلی ضبط کے نظام پر بیان کا بورڈ آف ڈائریکٹرز کی تصدیق سے قبل جائزہ لینا۔

11- چیف ایگزیکٹو سے مشاورت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے واضح کردہ خصوصی منصوبے، روپے کی قدر کے مطالعے اور دیگر امور کا آغاز اور ان پر اقدامات کرنا اور ایسے کسی معاملے کو ایکسٹرنل آڈیٹرز یا کسی دوسرے بیرونی ادارے کو منتقل کرنے پر غور کرنا۔

12- ضروری قانونی تقاضوں سے مطابقت کو یقینی بنانا۔

13- ان قوانین پر عمل درآمد کا جائزہ لینا اور اس کی نمایاں خلاف ورزیوں کی نشاندہی کرنا۔

14- اسٹاف اور انتظامیہ کے لئے ایسے انتظامات کا جائزہ لینا کہ جن میں مالیاتی اور دیگر معاملات میں کسی خرابی کی صورت میں آڈٹ کمیٹی کو مکمل رازداری کے ساتھ رپورٹ کرسکیں اور اس کے انسداد اور تخفیف کے لئے اقدامات بروئے کار لانا۔

15- بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ کسی بھی مسئلے یا معاملے کو زیرِ غور لانا۔

16- ایکسٹرنل آڈیٹرز

- ایکسٹرنل آڈیٹرز کے تقرر کے لئے تجاویز دینا۔
- ایکسٹرنل آڈیٹرز کے استعفوں اور سبکدوشی کے امور کا جائزہ لینا۔
- آڈٹ فیس کا تعین۔
- ایکسٹرنل آڈیٹرز کی جانب سے کمپنی کو ہر قسم کی خدمات، بشمول مالیاتی حساب کے آڈٹ کی فراہمی کو یقینی بنانا اور
- ایکسٹرنل آڈیٹرز کو ہر قسم کا تعاون فراہم کرنا اور عبوری اور حتمی محاسبے کے بعد سامنے آنے والے اہم مشاہدات یا دیگر امور جن کی آڈیٹرز نشاندہی کرنا چاہیں، ان پر گفت و شنید کرنا۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹر نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ایک آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان درج ذیل ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ
1	جناب شمیم احمد	چیئر مین / نان ایگزیکٹو انڈیپینڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	رکن / نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	رکن / نان ایگزیکٹو ڈائریکٹر

اغراض ومقاصد (Terms of Reference)

بورڈ کی اس کمیٹی کے اغراض ومقاصد درج ذیل ہیں:

1- کمپنی کے اثاثوں کی حفاظت کے لئے مناسب اقدامات کا تعین کرنا۔

2- نتائج کے ابتدائی اعلانات کا بیرونی ابلاغ اور اشاعت سے قبل جائزہ لینا۔

3- بورڈ آف ڈائریکٹرز کی منظوری سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی رپورٹس کا جائزہ لینا، جس میں درج ذیل نکات پر خصوصی توجہ مرکوز کرنا:

- فیصلہ کاری سے متعلقہ امور؛
- آڈٹ کے نتیجے میں اہم توافق (Adjustments)؛
- معمول کی کارگزاری کی تفہیم؛
- اکاؤنٹنگ پالیسیوں اور معمولات میں کسی قسم کی تبدیلی؛
- قابلِ اطلاق اکاؤنٹنگ معیارات کی پیروی؛
- درج شدہ قوانین اور دیگر قانونی ضوابط کی ضروریات کی تعمیل؛ اور
- متعلقہ پارٹی سے لین دین۔

4- ایکسٹرنل آڈٹ کی معاونت کرنا اور عبوری اور حتمی آڈٹس کے نتیجے میں سامنے آنے والے اہم مشاہدات پر آڈیٹرز سے تبادلہ خیال کرنا یا کوئی بھی دیگر معاملات جن کی آڈیٹرز نشاندہی کرنا چاہتے ہوں جہاں ضروری ہو، انتظامیہ کی عدم موجودگی میں بھی ایسا کیا جاسکتا ہے۔

j) زیر جائزہ سال میں آڈٹ کمیٹی کی 04 میٹنگز منعقد ہوئیں، ڈائریکٹرز کی حاضری کی تفصیلات درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	حاضریوں کی تعداد
1	جناب شمیم احمد خان	چیئرمین/ نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	4
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	4
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	4

k) ڈائریکٹرز، ایگزیکٹیوز، ان کی ازواج اور نابالغ بچوں کی جانب سے سال 22-2021 کے دوران کی جانے والی حصص کی لین دین کی تفصیلات صفحہ 48 پر دی گئی ہیں؛ اور

l) گزشتہ 06 سال کے بنیادی آپریٹنگ اور مالیاتی اعداد و شمار کی تفصیلات صفحہ 57 پر موجود ہیں۔

ڈائریکٹرز کے مشاہرہ کی پالیسی

کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ میٹنگز میں شرکت کے لئے ڈائریکٹرز کے اعزازیہ/ مشاہرہ کی پالیسی کی منظوری دی ہے۔ بورڈ میٹنگز میں شرکت کے لئے میٹنگ فیس مقرر کی گئی ہے جبکہ بورڈ میٹنگز میں شرکت کے لئے ہونے والے اخراجات کی ادائیگی (Reimbursement) کے لئے بھی پالیسی وضع کی گئی ہے۔ ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لئے مشاہرہ کی پالیسی یکساں ہے۔

ہولڈنگ کمپنی

میسرز فراؤن انویسٹمنٹ گروپ لمیٹڈ ہولڈنگ S.A.L، لبنان (PIGL)، لبنان میں قائم شدہ ایک کمپنی ہے جس کا رجسٹرڈ دفتر بیروت میں واقع ہے۔ PIGL اٹک سیمنٹ پاکستان لمیٹڈ کے 84.06 فیصد حصص کی مالک ہے۔

حصص یافتگی کا خاکہ

30 جون، 2022 تک کمپنی کی حصص یافتگی کا خاکہ صفحہ 48 پر دیا گیا ہے۔

آڈیٹرز

43ویں سالانہ اجلاس عام کے اختتام پر کمپنی کے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی تجویز دی ہے۔

d) مالیاتی حسابات بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) ، جو کہ پاکستان میں قابل اطلاق ہیں، کے مطابق مرتب کئے گئے ہیں؛

e) داخلی ضبط (Internal control) کا نظام مستحکم ہے اور اس کی مؤثر انداز سے نگرانی اور اطلاق یقینی بنایا جاتا ہے؛

f) کمپنی کی معمول کے انداز سے کارگزار رہنے کی صلاحیت پر کوئی شکوک وشبہات نہیں ہیں؛

g) کاروباری انتظام کی بجا آوری کے حوالے سے درج شدہ ضوابط کے مطابق کوئی خصوصی اخراج نہیں ہے؛

h) میعادی بینیفٹ اسکیموں میں سرمایہ کاریوں کی قدر ران کے متعلقہ حالیہ کھاتوں کے مطابق درج ذیل ہے:

	روپے ملین میں	اختتامی سال
پروویڈنٹ فنڈ (غیر آڈٹ شدہ)	904	30 جون، 2022
گریجویٹی فنڈز (غیر آڈٹ شدہ)	522	30 جون، 2022
پنشن فنڈز (غیر آڈٹ شدہ)	493	30 جون، 2022

i) زیر جائزہ سال میں کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگز منعقد ہوئیں۔ ڈائریکٹرز اور چیف ایگزیکٹو کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر/ چیف ایگزیکٹو کا نام	عہدہ	حاضریوں کی تعداد
1	جناب لیث غیث فراؤن	چیئرمین/ نان ایگزیکٹو ڈائریکٹر	5
2	جناب وائل غیث فراؤن	نان ایگزیکٹو ڈائریکٹر	5
3	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	5
4	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
5	جناب شمیم احمد خان	نان ایگزیکٹو انڈیپینڈنٹ ڈائریکٹر	5
6	جناب محمد ہارون	نان ایگزیکٹو انڈیپینڈنٹ ڈائریکٹر	5
7	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر اور چیف ایگزیکٹو	5

صحت، تحفظ اور ماحول (ہیلتھ، سیفٹی اور انوائرمنٹ)

کمپنی کے 20 میگاواٹ کے سولر پاور پلانٹ نے کام کا آغاز کر دیا ہے جس نے فوسل فیول کے ذریعے پیدا شدہ بجلی پر اٹک سیمنٹ پاکستان لمیٹڈ کے انحصار کو کم کر دیا ہے، جس سے سیمنٹ کی پیداوار کے لئے ممکنہ حد تک سب سے زیادہ ماحول دوست طریقے استعمال کرنے کے ہمارے عزم کو مزید تقویت ملے گی۔

کمپنی نے ISO 9001، ISO 14001 اور OHSAS 18001 کے تقاضوں پر عمل کرتے ہوئے معیاری ماحول، صحت اور تحفظ کا ایک مکمل مینجمنٹ سسٹم نافذ کیا ہے۔

اٹک سیمنٹ پاکستان لمیٹڈ اپنی فیکٹری کی حدود میں شجر کاری کی مختلف مہمات میں سرگرم رہتی ہے تاکہ فیکٹری کے اندر اور اردگرد کے علاقے کو مزید سرسبز بنا سکے۔ اس سلسلے میں کمپنی نے اس سال فیکٹری کی حدود میں 4,000 پودے لگائے ہیں اور آئندہ بھی یہ سلسلہ جاری رکھے گی۔

ذیلی کمپنی صقر الکیطان میں سرمایہ کاری

بصرہ، عراق میں قائم کی گئی ذیلی کمپنی صقر الکیطان ((SAKCPCL میں کمپنی کی سرمایہ کاری 60 فیصد ہے۔ کمپنی نے یکم ستمبر، 2019 میں کمرشل پیداوار کا آغاز کیا تھا۔ دوران سال سیمنٹ کی فروخت 690,436 ٹن ریکارڈ کی گئی (2020-21: 749,004 ٹن)۔ 30 جون، 2022 کو ختم ہونے والے سال کے لئے فروخت کی خالص آمدنی 41.8 ملین امریکی ڈالر رہی (2020-21: 45.1 ملین امریکی ڈالر) اور بعد از ٹیکس منافع 3.2 ملین امریکی ڈالرز (2020-21: 7.8 ملین امریکی ڈالرز) ریکارڈ کیا گیا۔ جہاں تک فروخت کا تعلق ہے، مجموعی طور پر مارکیٹ کی صورتحال حوصلہ افزا ہے، تاہم اشیائے ضروریہ کی قیمتوں میں اضافہ اور امریکی ڈالر کے مقابلہ میں عراقی دینار کی قدر میں نمایاں کمی کے باعث منافع میں کسی حد تک کمی واقع ہوئی ہے۔

منصوبوں پر پیش رفت

لائن IV پروجیکٹ

پلانٹ کی سائٹ پر لائن IV کی پلانٹ اور مشینری کی تقریباً 90 فیصد شپمنٹ مکمل ہو چکی ہے۔ تمام سول، میکینکل اور الیکٹریکل کنٹریکٹرز متحرک کئے جا چکے ہیں اور پروجیکٹ پر کام زور و شور سے جاری ہے۔ توقع ہے کہ پلانٹ کی تعمیر جون 2023 تک مکمل ہو جائے گی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

ڈائریکٹرز بذریعہ ہٰذا تصدیق کرتے ہیں کہ:

a) مسلکہ مالی حسابات کمپنی کے حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کا راست جائزہ پیش کرتے ہیں؛

b) کمپنی نے کھاتوں کی کتابیں باقاعدہ مرتب کی ہیں؛

c) مالیاتی حسابات مرتب کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا باقاعدہ اطلاق کیا گیا ہے اور کھاتوں کے تخمینہ جات کی معقول اور محتاط جانچ کی گئی ہے؛

بین الادارہ جاتی روابط کے فروغ کے لئے ٹیم بلڈنگ سرگرمیوں اور دیگر ترقیاتی پروگراموں کا تسلسل سے انعقاد کیا جاتا ہے جو ملازمین کی استعداد میں اضافہ کا باعث بنتی ہیں۔ اس کے علاوہ ملازمین سے متعلق پالیسیوں، کمپنی کے مجموعی ماحول کو چیک کرنے اور ملازمین کو مزید سہولتوں کی فراہمی کے لئے مزید فیصلے کرنے کے حوالے سے ملازمین کے سروے اور فیڈ بیک سیشنز کا تسلسل کے ساتھ انعقاد کیا جاتا ہے۔ عمومی تحفظ، صحت اور پیشہ ورانہ صلاحیتوں کے نکھار اور ملازمین کی استعداد کار کو مزید وسعت دینے کے لئے تسلسل سے آگاہی نشستوں کا اہتمام کیا جاتا ہے۔

ملازمین کی صلاحیتوں کی مزید نشونما کے لئے کمپنی کے اندر سے تربیت دینے کی صلاحیت رکھنے والے افراد کی نشاندہی کی جاتی ہے، تاکہ عمومی تربیت کو فروغ دیا جاسکے اور اسی کے مطابق پروگرام ترتیب دیئے جاسکیں۔

کارپوریٹ سماجی ذمہ داری

ہمیشہ کی طرح کمپنی مقامی کمیونٹی کی ایک فعال رکن ہے اور زیر جائزہ سال کے دوران کمپنی نے اپنے کارپوریٹ سماجی ذمہ داری کے پروگرام کے تحت تعلیم، صحت، سماجی بہبود اور کمیونٹی ڈویلپمنٹ کے شعبوں میں متعدد اقدامات کئے ہیں۔

تعلیم کے شعبہ میں اٹک سیمنٹ پاکستان لمیٹڈ نے ایک پروگرام کا آغاز کیا ہے جس کے ذریعے ساکران کے علاقے میں واقع سرکاری اسکولوں کے انفرا اسٹرکچر کی سہولیات کو بہتر بنایا گیا ہے۔

پانی کی فراہمی ہمارے کارپوریٹ سماجی ذمہ داری کے اقدامات کا سب سے اہم حصہ ہے۔ حال ہی میں شمسی توانائی سے چلنے والے دو واٹر فلٹریشن پلانٹس ایک نبی بخش گوٹھ میں اور دوسرا رخشانی گوٹھ، ساکران میں لگائے گئے ہیں جن کی بدولت تقریباً 8,000 لوگوں کو پینے کا صاف پانی حاصل ہورہا ہے۔

مزید برآں، کمپنی اپنے پلانٹ کے اطراف میں واقع گوٹھوں میں رہائش پذیر نادار خاندانوں کو اعانت کی فراہمی کے ذریعے کمیونٹی ڈویلپمنٹ کے پروگرامز میں بھی سرگرم ہے۔

صحت کے شعبے میں زیر جائزہ سال کے دوران کمپنی نے ڈسٹرکٹ ہیلتھ آفیسر لسبیلہ کو اینٹی ریبیز ویکسین اور انسولین فراہم کی۔ سینٹرل جیل گڈانی کے قیدیوں کے لئے مختلف ادویات بھی پہنچائیں۔ زیر جائزہ سال کے دوران کمپنی نے پلانٹ ایریا کے اطراف میں ڈاکٹرز کی ٹیم کے ذریعے مفت کنسلٹیشن اور ادویات کی فراہمی کا پروگرام بھی جاری رکھا۔

مزید برآں، قریبی کمیونٹیز کے لئے پورا سال میڈیکل کیمپس کا انعقاد کیا جاتا ہے تاکہ مقامی آبادی کے لئے ممکنہ حد تک بہترین طبی سہولیات کی فراہمی کو ممکن بنایا جاسکے۔

اٹک سیمنٹ پاکستان لمیٹڈ انفرااسٹرکچر ڈویلپمنٹ کے پہلو سے بھی سرگرم رہی جب 2022 میں گڈانی کے ساحل پر ایک Gazebo اور مرکزی پاس وے تعمیر کیا گیا۔ علاوہ ازیں، اٹک سیمنٹ پاکستان لمیٹڈ نے سیرت چوک سے ساکران پولیس اسٹیشن جانے والی سڑک کی دیکھ بھال کے اخراجات کے ساتھ ساتھ ساکران پولیس اسٹیشن سے فیکٹری آنے والی سڑک کی دیکھ بھال کے اخراجات اٹھانے کا سلسلہ بھی جاری رکھا ہے۔

سے سستی ہاؤس فنانسنگ کی دستیابی کی وجہ سے مالی سال2022 کے پہلے نصف حصہ میں سیمنٹ کی طلب میں تسلسل برقرار رہا۔ تاہم مالی سال2022 کے دوسرے نصف حصہ میں عالمی مسائل کے ساتھ ساتھ ملکی سطح پر سیاسی غیر یقینی نے مقامی مارکیٹ پر بھی منفی اثرات مرتب کئے جس کے نتیجے میں تعمیراتی شعبہ میں نئی سرمایہ کاریوں میں نمایاں کمی آئی اور نتیجتاً طلب میں بھی کمی واقع ہوئی۔

بین الاقوامی سطح پر اٹک سیمنٹ پاکستان لمیٹڈ کو اپنی دونوں اہم مارکیٹس سری لنکا اور بنگلہ دیش میں اندرونی و بیرونی متعدد وجوہات کی بنا پر نقصان کا سامنا رہا۔ سری لنکا کی مارکیٹ اس کی کرنسی کی قدر میں ایک سال کے عرصے میں تقریباً85 فیصد کی کمی کی وجہ سے نقصان کا شکار ہوئی اور کرنسی کی قدر میں کمی کے اس منظر نامے میں سیاسی بدعنوانی بھی سامنے آئی جس کے باعث ملک اپنے بین الاقوامی مالیاتی معاہدوں کے حوالے سے نادہندہ ہوگیا۔ دوسری جانب بنگلہ دیش کی مارکیٹ پاکستان سے نقل وحمل کے اخراجات نسبتاً زیادہ ہونے کی وجہ سے متاثر ہوئی۔

ان عوامل کے نتیجے میں مالی سال2021-22 میں سیمنٹ کی برآمدات گزشتہ سال کے520,281 میٹرک ٹن کے مقابلہ میں کم ہوکر217,289 میٹرک ٹن ہوگئیں۔ سری لنکا میں سیمنٹ کی برآمدات تقریباً94 فیصد رہیں۔

تاہم کمپنی نے زیر جائزہ سال کے دوران بنگلہ دیش، سری لنکا، قطر اور چین میں نئی قائم شدہ مارکیٹ میں اپنے اعلیٰ معیار کے کلنکر کی فروخت کا سلسلہ جاری رکھا لیکن مذکورہ بالا وجوہات کے باعث کمپنی496,003 میٹرک ٹن کلنکر برآمدی فروخت کر سکی (2020-21: 1,355,276 میٹرک ٹن)، جو گزشتہ سال کے مقابلہ میں63 فیصد کمی کو ظاہر کرتا ہے۔

افرادی قوت

ہم اس بات پر پختہ یقین رکھتے ہیں کہ ہمارے ملازمین ہمارا سب سے قیمتی اثاثہ ہیں، کمپنی اپنے ملازمین کی تربیت پر فراخ دلی سے سرمایہ خرچ کرتی ہے تاکہ ان کی پیشہ وارانہ صلاحیتوں میں اضافہ ہو۔

زیر جائزہ سال کے دوران ملازمین کی سافٹ اسکلز میں بہتری پر خصوصی توجہ دی گئی اور ساتھ ساتھ اچھی ساکھ کے حامل ماہر ٹریزز کی زیر نگرانی منعقدہ ورکشاپس اور سیمینارز کے ذریعے کام کے لئے محفوظ ماحول کو فروغ دینے کی اہمیت اجاگر کرنے پر بھی خصوصی توجہ دی گئی۔

اٹک سیمنٹ پاکستان لمیٹڈ اپنی افرادی قوت میں ترقی کی اہمیت کا ادراک رکھتی ہے لہٰذا انہیں کام کے لئے ایک سازگار ماحول کی فراہمی یقینی بناتی ہے جو مجموعی ادارہ جاتی کارکردگی میں اضافہ کا باعث بنتا ہے۔

ٹیلنٹ ایکویزیشن اور کارکردگی کی جانچ کے لئے ہمارے پروگرام اس انداز سے مرتب کئے جاتے ہیں کہ ہر ملازم کو وسیع مواقع کی فراہمی کے ذریعے مستقبل میں قائدانہ کردار کے لئے تیار کیا جاسکے۔ کمپنی میں ملازمین کی تنخواہیں اور دیگر مراعات مارکیٹ کے مسابقتی معیار کے مطابق ہیں اور ان کی انفرادی کارکردگی کے درست جائزے کے مطابق ہوتی ہیں۔ اس سلسلے میں معیار کی پیمائش اور اہم عہدوں کی ترقی کے لئے تسلسل کے ساتھ مارکیٹ سروے کئے جاتے ہیں۔ لہٰذا کمپنی کو فخر ہے کہ وہ اپنے ملازمین کو معاوضے کی ادائیگی اور کیریئر کی ترقی دونوں اعتبار سے بہترین مواقع فراہم کرتی ہے۔

کمپنی اپنے ملازمین کے ساتھ آزادانہ روابط پر یقین رکھتی ہے اور انہیں اپنی رائے اور خیالات کے اظہار کے آزادانہ مواقع فراہم کرتی ہے تاکہ ان کی صلاحیتوں کو بہتر انداز میں سامنے لایا جاسکے۔

اختصاص:21-2020 کے لئے ادا کردہ حتمی نقد ڈیویڈنڈ		
4.0 روپے فی حصص نقد ڈیویڈنڈ (20-2019 : 3.5 روپے فی حصص)	(549,708)	(480,995)
22-2021 کے لئے ادا کردہ عبوری نقد ڈیویڈنڈ 2.0 روپے فی حصص نقد ڈیویڈنڈ (21-2020:0 روپے فی حصص)	(274,854)	--
غیر تخصیص شدہ منافع C/f	16,117,268	15,826,272

16 اگست، 2022 کو منعقدہ اجلاس میں بورڈ نے 30 جون، 2022 کو ختم ہونے والے سال کے لئے 1.5 روپے فی حصص (15 فیصد) کے اعتبار سے 206 ملین روپے حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔

قومی خزانے میں ادائیگی

زیرِ جائزہ سال کے دوران کمپنی نے سیلز ٹیکس، انکم ٹیکس، ایکسائز ڈیوٹی اور دیگر قانونی لیویز کی مد میں 6,782 ملین روپے قومی خزانے میں جمع کروائے ہیں۔ اس کے علاوہ کمپنی نے اپنے حصص یافتگان، ملازمین، ڈسٹری بیوٹرز، سپلائرز اور کنٹریکٹرز سے ودہولڈنگ انکم ٹیکس کی مد میں کٹوتی کر کے تقریباً 610 ملین روپے بھی قومی خزانے میں جمع کروائے ہیں۔ مزید برآں زیرِ جائزہ سال کے دوران آپ کی کمپنی نے برآمدات کے ذریعے تقریباً 37 ملین ڈالرز کا قیمتی زرِ مبادلہ بھی کمایا ہے۔

مارکیٹنگ

سالہا سال سے کمپنی نے اعلیٰ معیار کے سیمنٹ/کلنکر کی تسلسل کے ساتھ فراہمی، صارفین تک فوری ترسیل اور اپنی خصوصی سیلز اور مارکیٹنگ ٹیم کے ذریعے صارفین کے ساتھ روابط برقرار رکھنے اور ان کا اعتماد حاصل کرنے کے لئے تگ و دو کی ہے۔ کمپنی ایسی مارکیٹس میں نئے مارکیٹنگ ریسورسز کا بھی تقرر کرتی ہے جہاں طلب و رسد کی صورتحال نسبتاً سازگار رہتی ہے خاص طور پر کراچی کی منافع بخش مارکیٹ جہاں کمپنی نے نئے مسابقت کاروں کی آمد کے باوجود گزشتہ 3 سال سے اپنی اولین حیثیت برقرار رکھی ہے۔

مقامی مارکیٹ کی سطح پر حکومت پاکستان کی جانب سے اٹھائے جانے والے اقدامات، جیسے کہ میرا پاکستان میرا گھر اسکیم (MPMG) اور بینکوں کی جانب

- **پیپر بیگ کی قیمت**

COVID-19 کے دوران کرافٹ پیپرز کے زیادہ تر سپلائرز نے یا تو اپنی پیداوار بند کردی تھی یا دوسرے کاروباری شعبوں میں طلب کے باعث دیگر پیکجنگ مٹیریلز کی پیداوار شروع کردی تھی جس کے باعث زیر جائزہ سال میں پیپر بیگ کی قیمتوں میں تقریباً 40 فیصد کا اضافہ دیکھنے میں آیا۔

مندرجہ بالا عوامل کی وجہ سے کمپنی کا خام منافع گزشتہ سال کے 22 فیصد کے مقابلہ میں کم ہوکر 18 فیصد رہ گیا۔

ذیلی کمپنی صقر الکیطان سے حاصل ہونے والے ڈیویڈنڈ اور تجارتی وصولیوں پر زرمبادلہ کے فرق کی وجہ سے دیگر آمدنی میں 786 ملین روپے کا اضافہ ہوا جس کی وجہ سے آپریٹنگ منافع گزشتہ سال کے 9 فیصد کے مقابلہ میں بہتر ہوکر 13 فیصد ہوگیا۔

لہٰذا کمپنی نے 2,312 ملین روپے کا قبل از ٹیکس منافع (سال 2020-21: 1,540 ملین روپے) حاصل کیا جو گزشتہ سال کے مقابلہ میں 772 ملین روپے (50 فیصد) زیادہ ہے۔

فنانس ایکٹ، 2022 میں حکومت نے کمپنیوں کے منافع پر 10 فیصد کے حساب سے موجودہ سال سے سپر ٹیکس عائد کیا ہے جو بعد ازاں سال 2023 سے منافع پر 4 فیصد ہوگا۔ مذکورہ ترمیم کی وجہ سے کمپنی کے ٹیکس واجبات میں نمایاں اضافہ ہوا اور سپر ٹیکس کی لاگت اور موٴخر ٹیکس کی مد میں واجبات کی ری ایڈجسٹمنٹ کی وجہ سے موٴثر ٹیکس کی شرح گزشتہ سال کے 28 فیصد کے مقابلہ میں بڑھ کر 51 فیصد ہوگئی۔

(iii) اختصاص

زیر جائزہ سال کے حتمی مالیاتی نتائج درج ذیل ہیں:

	2021-22	2020-21
	......................روپے 000 میں......................	
بعد از ٹیکس منافع	1,121,591	1,107,352
جمع: دیگر مجموعی آمدنی	(6,033)	21,529
سال کی کل مجموعی آمدنی	1,115,558	1,128,881
غیر تخصیص شدہ منافع b/f	15,826,272	15,178,386
دستیاب منافع برائے اختصاص	16,941,83	16,307,267

دباؤ کا شکار رہیں اور ان میں اس تناسب سے اضافہ نہیں ہوا جتنا اضافہ دیگر اشیائے ضروریہ کی قیمتوں میں ہوا، لہٰذا انتظامیہ نے احتیاط کے ساتھ سیمنٹ اور کلنکر، دونوں کی برآمدات کو برآمدی مارکیٹ کے ان صارفین تک محدود رکھا جو کمپنی کی جانب سے قیمتوں میں کیے جانے والے اضافے کو برداشت کر سکتے تھے تا کہ کمپنی کم از کم اپنی متغیر پیداواری لاگت کو پورا کر سکے۔

(ii) فائدہ مندی

کمپنی نے مالی سال 2021-22 میں 1,122 ملین روپے بعد از ٹیکس منافع حاصل کیا (سال 2020-21: 1,107 ملین روپے) جو گزشتہ سال کے مقابلہ میں 15 ملین روپے (1 فیصد) زیادہ ہے۔

زیر جائزہ سال میں لاگت کے بنیادی پیمانوں میں اہم تغیرات، جن کے نتیجے میں منافعے کی شرح میں کمی واقع ہوئی، درج ذیل ہیں:

- **ایندھن کی لاگت**

اس سال مئی 2021 کے بعد سے بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں نمایاں اضافہ ہوا کیونکہ عالمی سطح پر سپلائی میں رکاوٹ نے توانائی کی قیمتوں کا منظر نامہ یکسر تبدیل کر دیا۔ مزید برآں، روس اور یوکرین کے درمیان جنگ کی وجہ سے کوئلے کی طلب میں نمایاں اضافہ ہوا جس کی وجہ سے کوئلے کی قیمتوں میں مزید تیزی آئی۔ کوئلے کی CFR کراچی قیمتیں مئی 2021 میں تقریباً 90 امریکی ڈالر فی ٹن تھیں جو کہ جون 2022 تک تقریباً 200 فیصد سے زائد کے اضافے کے بعد 300 امریکی ڈالر فی ٹن ہو گئیں۔

کوئلے کی قیمتوں میں اضافہ کی وجہ سے کلنکر کی فی ٹن پیداواری لاگت میں گزشتہ سال کے مقابلہ میں 1,505 روپے فی ٹن کا اضافہ دیکھنے میں آیا۔

- **بجلی کے نرخ**

دوران سال اوسطاً کے۔ الیکٹرک کے نرخوں میں گزشتہ سال کے مقابلہ میں 2.6 روپے فی یونٹ کا اضافہ ہوا۔ نرخ میں اضافہ کے ساتھ ساتھ کے۔ الیکٹرک نے ماہانہ بنیاد پر فیول چارج ایڈجسٹمنٹ (FCA) بھی وصول کیا جس کی باضابطہ منظوری نیپرا نے دی تھی۔ عالمی مارکیٹ میں ایندھن کی بڑھتی ہوئی قیمتوں کی وجہ سے اوزانی اوسط خالص فیول چارج ایڈجسٹمنٹ کا اثر 5.2 روپے فی یونٹ یا بنیادی شرح کے تقریباً 26 فیصد کے مساوی رہا۔ اس غیر معمولی اضافہ کی وجہ سے نہ صرف کمپنی کے کیش فلو پر بہت زیادہ دباؤ پڑا بلکہ مجموعی پیداواری لاگت میں بھی زبردست اضافہ ہوا۔

جیسا کہ پہلے بیان کیا گیا، یکم جنوری 2022 کو کمپنی کی اپنی پلانٹ سائٹ پر 20 میگا واٹ کے سولر پاور پلانٹ نے کام کا آغاز کیا جس سے زیر جائزہ سال کے دوران تقریباً 26.3 ملین پیداواری یونٹس حاصل ہوئے جس سے کمپنی کو کسی حد تک اپنے بڑھتے ہوئے بجلی کے بل کو قابو رکھنے میں مدد ملی۔

بجلی کی قیمتوں میں اضافہ کی وجہ سے فی ٹن سیمنٹ کی پیداوار پر گزشتہ سال کے مقابلہ میں 282 روپے فی ٹن کا اضافہ ہوا۔

- **ڈیزل کی قیمت**

زیر جائزہ سال کی آخری سہ ماہی میں ڈیزل کی قیمت 144 روپے فی لیٹر سے بڑھ کر 263 روپے فی لیٹر ہو گئی جس سے نہ صرف نقل و حمل کے اخراجات میں اضافہ ہوا بلکہ تمام اخراجات کی مد میں زبردست گرانی دیکھنے میں آئی۔

مارکیٹ میں فروخت کیا، جوگزشتہ سال کے مقابلہ میں 6 فیصد اضافے کوظاہر کرتا ہے۔ اگر چہ مالی سال کی تیسری سہ ماہی تک مارکیٹ میں بدستور تیزی کا رجحان رہا تاہم سیاسی غیر یقینی اور روپے کی قدر میں نمایاں کمی اور زیادہ شرح سود کی وجہ سے مارکیٹ میں گراوٹ کے آثار نظر آنا شروع ہوگئے۔

جہاں تک بین الاقوامی مارکیٹس کا تعلق ہے، علاقائی مارکیٹس میں کم قیمتوں کی وجہ سے کمپنی نے زیادہ برآمدات پر زور نہیں دیا۔ لہٰذا انتظامیہ نے ایک محتاط فیصلہ کیا اوران مارکیٹس کی جانب اپنی توجہ کم کردی۔ نتیجتاً سیمنٹ اور کلنکر دونوں کی برآمدات بالترتیب 58 فیصد اور 63 فیصد کم رہیں۔

مالیاتی کارکردگی

آپ کی کمپنی کے 30 جون، 2022 کوختم ہونے والے مالی سال کے اہم مالیاتی نتائج، گزشتہ سال کی اسی مدت کے نتائج کے تقابل کے ساتھ درج ذیل ہیں:

	2021-22	2020-21	اضافہ/(کمی)	اضافہ/(کمی)
	..................روپے ملین میں..................			% میں
خالص فروخت	**20,479**	21,245	(766)	(4)
خام منافع	**3,702**	4,643	(941)	(20)
آپریٹنگ منافع	**2,563**	1,892	671	35
منافع قبل از ٹیکس	**2,312**	1,540	772	50
منافع بعد از ٹیکس	**1,122**	1,107	15	1
آمدنی فی حصص (روپے میں)	**8.16**	8.06	0.10	1

(i) فروخت کی کارکردگی

کمپنی کے فروخت کے حجم میں 1,060,927 میٹرک ٹن (32 فیصد) کی نمایاں کمی کے بعد فروخت سے حاصل ہونے والی مجموعی آمدنی میں گزشتہ سال کے مقابلے میں 766 ملین روپے (4 فیصد) کی کمی واقع ہوئی۔ مجموعی طور پر اوسط خالص منافع (سیمنٹ اور کلنکر) میں 2,573 روپے فی ٹن (41 فیصد) اضافہ ہوا جس کی بنیادی وجہ مقامی سطح پر فروخت میں اضافہ تھی کیونکہ مقامی فروخت گزشتہ سال کے 44 فیصد کے مقابلہ میں کل ترسیل کا تقریباً 69 فیصد حصہ رہی۔ پیداواری لاگت میں بے تحاشہ اضافہ کو جزوی طور پر مقامی مارکیٹ کے صارفین تک منتقل کیا گیا جس کے نتیجے میں مقامی مارکیٹ میں سیمنٹ کی فروخت کے اوسط خالص منافع میں گزشتہ سال کے مقابلہ میں 23 فیصد اضافہ ہوا۔ تاہم بین الاقوامی مارکیٹ میں قیمتیں مستقل

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مسرت کے ساتھ 30 جون، 2022 کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں:

پیداوار اور فروخت

30 جون، 2022 کو ختم ہونے والے مالی سال کے لئے پیداوار اور فروخت کے اعداد و شمار کی تفصیلات درج ذیل ہیں:

	2021-22	2020-21
	................مقدار میٹرک ٹن میں................	
کلنکر کی پیداوار	**2,180,178**	**3,191,164**
سیمنٹ کی پیداوار	**1,797,723**	**2,006,269**
سیمنٹ کی فروخت:		
مقامی	1,581,592	1,490,250
برآمدات	217,289	520,281
کُل	**1,798,881**	**2,010,531**
کلنکر کی فروخت۔ برآمدات	**505,999**	**1,355,276**
کُل فروخت	**2,304,880**	**3,365,807**

بین الاقوامی مارکیٹ میں کوئلے کی بڑھتی ہوئی قیمتوں علاقائی مارکیٹوں میں اس اضافہ کے مطابق سیمنٹ اور کلنکر کی قیمتیں نہ بڑھنے کی وجہ سے کمپنی نے اپنی پیداوار اور فروخت کی حکمت عملی کا از سرنو جائزہ لیا اور 25 اگست، 2021 سے اپنی لائن 1 کو عارضی طور پر بند کرنے کا فیصلہ کیا۔ یہ فیصلہ سستے کوئلے اور کلنکر کی انوینٹری کو محفوظ رکھنے کے لئے کیا گیا۔ نتیجتاً مجموعی پیداواری استعداد کا استعمال کم ہو کر 76 فیصد رہ گیا، جو گزشتہ سال کی اسی مدت کے مقابلہ میں کافی کم ہے۔

زیر جائزہ سال کے دوران کمپنی نے مقامی اور برآمدی مارکیٹ میں 1,798,881 میٹرک ٹن سیمنٹ فروخت کیا جو گزشتہ سال کے مقابلے میں 11 فیصد کمی کو ظاہر کرتا ہے۔ فروخت شدہ کل مقدار میں سے 1,581,592 میٹرک ٹن سیمنٹ (سال 2020-21: 1,490,250 میٹرک ٹن) مقامی

Form of Proxy

43rd Annual General Meeting of Attock Cement Pakistan Limited

I/We ____
of____
being a member(s) of Attock Cement Pakistan Limited holding ______________________________
ordinary shares as per share register folio No. ____________________ or CDC participant ID No. and sub-account No. ___________________________ hereby appoint _________________________ of ______________________________________ or failing him / her ________________________of ____________________________________ as my / our Proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 43rd Annual General Meeting of the Company to be held on October 19, 2022 and at any adjournment thereof.

Signed this ____________________________ day of __________________ 2022.

____
Signature
(Signature must agree with the specimen signature registered with the Company)

Witness:

1. Name: ______________________________
Address: ____________________________
CNIC / Passport No. ____________________

2. Name: ______________________________
Address: ____________________________
CNIC / Passport No. ____________________

Important Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, D-70 Block-4, Kehkashan-5, Clifton, Karachi-75600, not less than 48 hours before the time of holding the meeting and must be duly witnessed.

2. A Proxy need not be a member of the Company.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

3. The proxy shall produce his / her original CNIC / Passport at the time of the meeting.

4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

نمائندگی فارم

اٹک سیمنٹ پاکستان لمیٹڈ کا 43 واں سالانہ اجلاسِ عام

میں/ہم ______________ ______________ بحیثیت ممبر (ممبران) اٹک سیمنٹ پاکستان لمیٹڈ اور

شیئر رجسٹر فولیو نمبر ______________ یا سی ڈی سی انویسٹر اکاؤنٹ نمبر/سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر ______________ اور ذیلی

اکاؤنٹ نمبر ______________ کے مطابق ______________ عمومی حصص کا/کے مالک، بذریعہ ہٰذا ______________

______________ کو اور ان کی عدم موجودگی میں ______________ ______________ کو

اپنا/ہمارا نمائندہ مقرر کرتا ہوں/کرتے ہیں اور اٹک سیمنٹ پاکستان لمیٹڈ کے ۱۹ اکتوبر، ۲۰۲۲ کو منعقد ہونے والے اجلاسِ عام یا اس کے ملتوی شدہ اجلاس میں شرکت کرنے اور اپنی جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتے ہیں۔

دستخط شدہ ______________ بروز

______________ ۲۰۲۲

دستخط

(دستخط کمپنی میں رجسٹرڈ شدہ دستخط کے مطابق ہونے چاہئیں)

گواہ:

1- نام ______________

پتہ ______________

کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ______________

2- نام ______________

پتہ ______________

کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ______________

اہم نکات:

1- یہ نمائندگی فارم، مکمل طور پر پُر اور باقاعدہ دستخط شدہ، اجلاس کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر D-70، بلاک-4، کہکشاں-5، کلفٹن کراچی-75600 پر موصول ہو جانا چاہئے اور فارم تصدیق شدہ ہونا چاہئے۔

2- نامزد نمائندے کے لئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔

3- اگر کوئی ممبر ایک سے زائد افراد کو اپنا نمائندہ مقرر کرتا ہے اور اس کی جانب سے نمائندگی کے ایک سے زائد انسٹرومنٹ کمپنی کو جمع کروائے جاتے ہیں تو ایسی صورت میں تمام انسٹرومنٹس غیر مؤثر سمجھے جائیں گے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے:

1- نمائندگی فارم دو گواہان سے تصدیق شدہ ہونا چاہئے اور فارم پر ان افراد کا نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج ہونا چاہئے۔

2- نمائندگی فارم کے ہمراہ مستفید مالکان اور نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی نقول منسلک ہونی چاہئیں۔

3- نمائندے کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ پیش کرنا ہوگا۔

4- حکومتِ پاکستان، اسٹیٹ بینک آف پاکستان، کارپوریٹ ادارہ ہونے کی صورت میں نمائندگی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ دستخط کے نمونے اور پراکسی فارم کے ہمراہ کمپنی کو جمع کروانے ہوں گے۔

FALCON CEMENT

ATTOCK CEMENT PAKISTAN LIMITED

CORPORATE OFFICE:
D-70, Block-4, Kehkashan-5, Clifton, Karachi-75600, Pakistan.
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