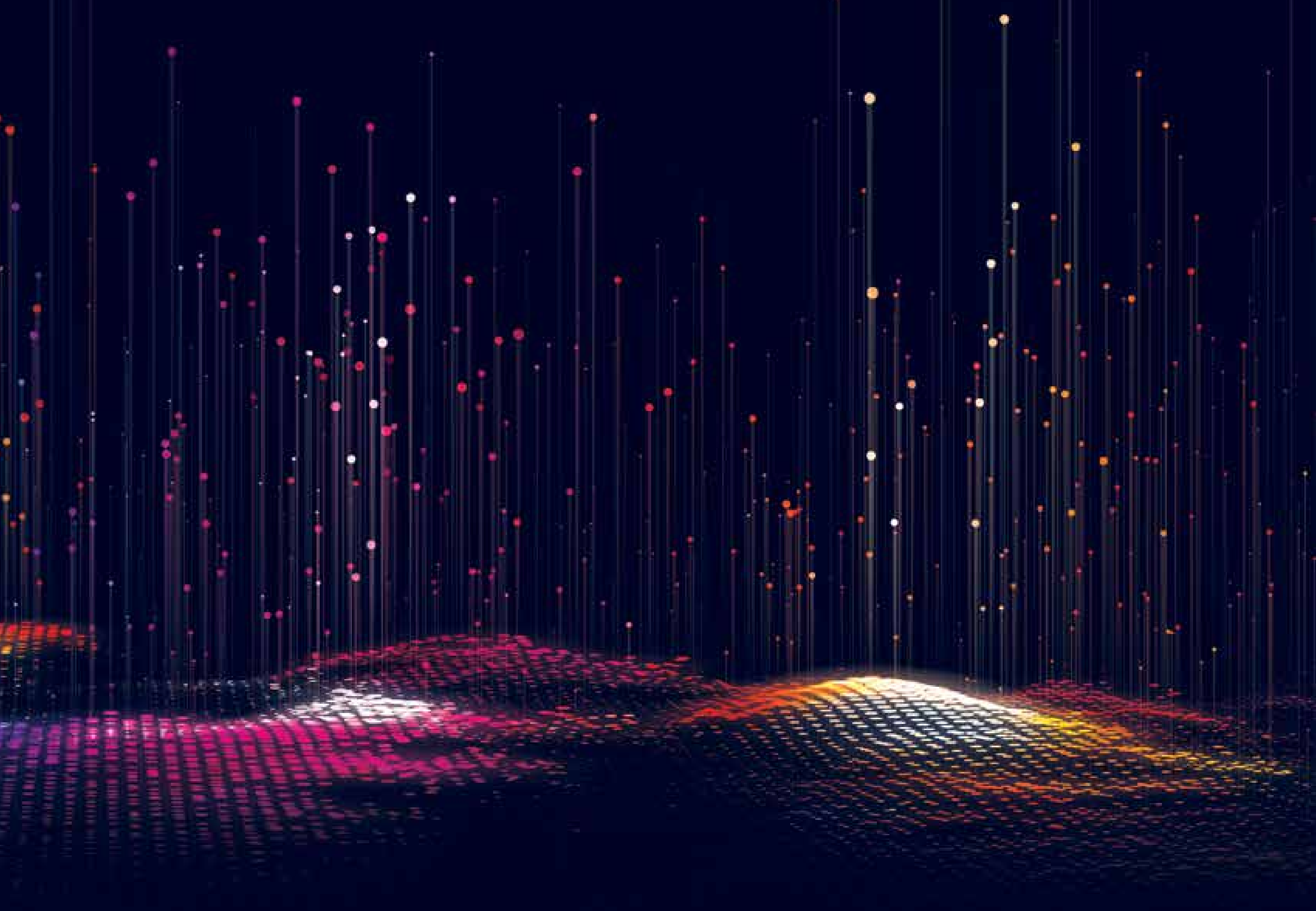
THE STRENGTH
KOHAT
CEMENT

Shaping the Future

2023
Annual Report



FINANCIAL HIGHLIGHTS 2023

Shareholders' Equity
32,610
Rs. in Million
2022: **27,246**

Sales Revenue
38,922
Rs. in Million
2022: **32,877**

Return on Equity
17.85
Percentage
2022: **18.44**

Current Ratio
2.31
Ratio
2022: **1.87**

Earnings per Share
28.98
Percentage
2022: **25.01**

EBIDTA to Sales
31.67
Percentage
2022: **32.18**

Price Earning Ratio
5.99
Ratio
2022: **5.20**

Interest Cover Ratio
15.14
Ratio
2022: **17.60**

CONTENTS

Management Information

Financial Statements

VISION, MISSION AND CORPORATE STRATEGY

Our Vision

Be the best in the eyes of all stakeholders

Our Mission is to Provide

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

Our Corporate Strategy

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

ABOUT THE COMPANY

Company Information

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2015 certified company, with an annual capacity of 4.78 Million tons of Grey Clinker and 135 thousand tons of White Clinker. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

Our Culture

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

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

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

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

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

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

HR&R Committee

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

Company Secretary

Mr. Muhammad Asadullah Khan

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

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

Registered Office and Works

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

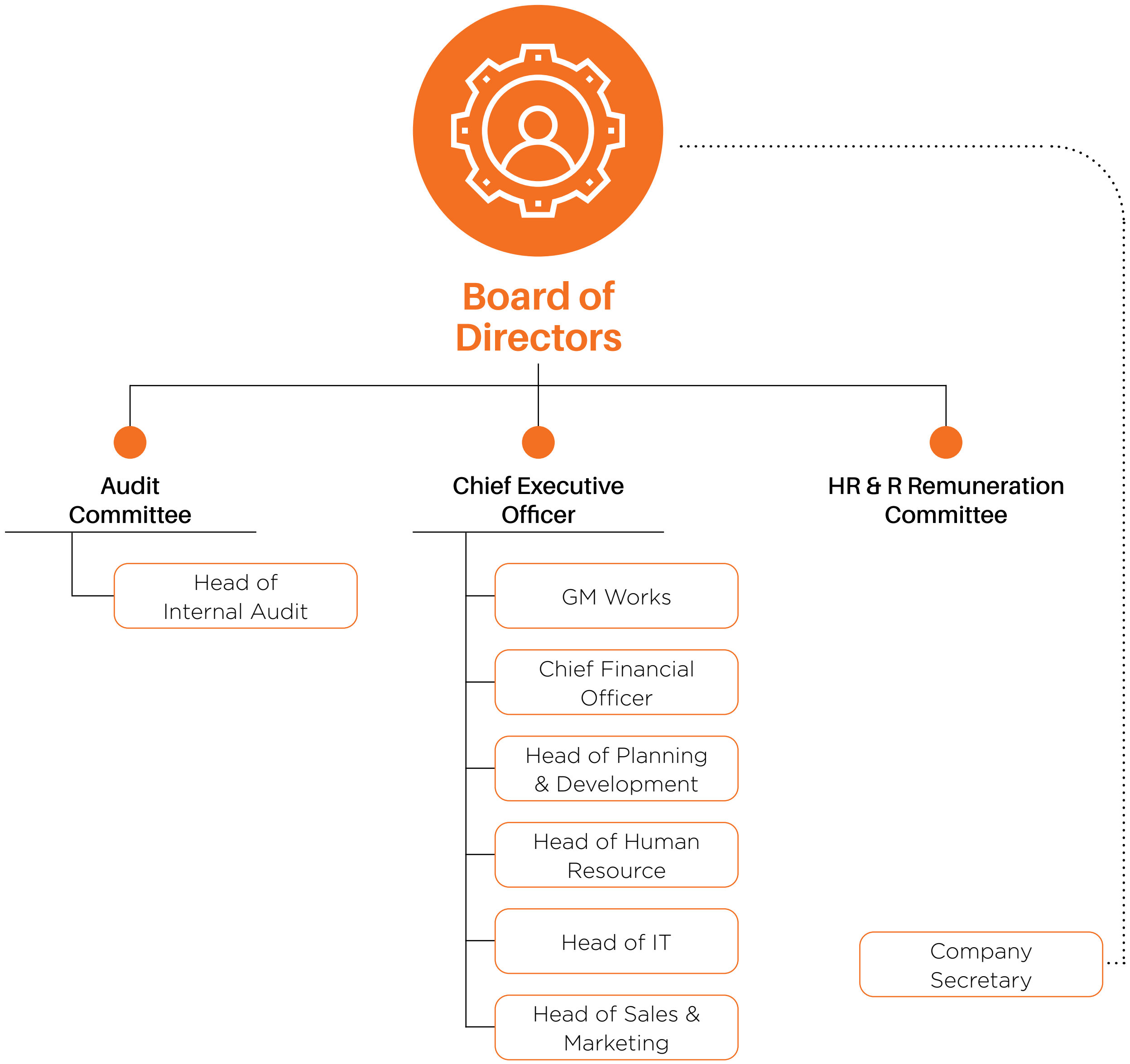
Head Office

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

Bankers of the Company

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

ORGANOGRAM


Board of Directors
Audit Committee
Chief Executive Officer
HR & R Remuneration Committee
Head of Internal Audit
GM Works
Chief Financial Officer
Head of Planning & Development
Head of Human Resource
Head of IT
Head of Sales & Marketing
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 44th Annual General Meeting (AGM) of the shareholders of Kohat Cement Company Limited (the "Company") will be held on Monday, October 16, 2023 at 10:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with Auditors' and Directors' Reports and Chairman's Review.
2. To appoint Auditors of the Company and to fix their remuneration.

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

Special Business

3. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2023, under the authority of the special resolution passed in the last annual general meeting held on October 27, 2022.
4. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2024 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required.
5. To consider and if deemed fit, approve renewal of investment in the form of short-term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated company, as per terms and conditions disclosed to the members.

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

By order of the Board:

Muhammad Asadullah Khan
Company Secretary
Lahore: September 25, 2023

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

This statement sets out the material facts concerning Special Business to be transacted at the Annual General Meeting of the Company to be held on October 16, 2023.

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

The Company carried out transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority of special resolution of the members passed by them in the last Annual General Meeting held on October 27, 2022. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution made to KCET (which runs school within the vicinity of KCCL factory)	n/a	5,900,000
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh			
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Atta Tanseer Sheikh	Brother of Mr. Ibrahim Tanseer Sheikh, (Trustee of KCET)			
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Purchase of poly propylene bags for packing of cement	Open Market Price	1,838,132,576
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL			
	Mrs. Hafsa Nadeem				
	Mr. Muhammad Atta Tanseer Sheikh				
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL	Purchase of paper bags for packing of cement	Open market price	17,449,250
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh				
	Mrs. Hafsa Nadeem	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL			
	Mr. Muhammad Atta Tanseer Sheikh				

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

"Resolved that following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2023 be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	5,900,000
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement	1,838,132,576
Ultra Kraft (Private) Limited (UKPL)	Purchase of paper bags for packing of cement	17,449,250

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

The Company will continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm's length basis during the financial year ending June 30, 2024 and till the date of next annual general meeting.

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

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

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

"Resolved that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2024 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

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

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

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

The Members of the Company, in their last AGM held on October 27, 2022, approved and renewed the Short Term Running Finance of upto Rs. 600 Million in the associated Company, Ultra Kraft (Pvt) Limited (UKPL), to meet its working capital requirements for a period of one year valid till October 28, 2023. The UKPL has requested the Company to further extend the facility for another term of one year on existing terms and conditions. The members of the Company are accordingly required to consider and if deemed fit, approve the renewal request in terms of Section 199 of the Companies Act, 2017 read with the provisions of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

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

Brief about Ultra Kraft (Private) Limited:

UKPL is a private limited company incorporated on September 03, 2020. KCCL and UKPL are associated Companies by way of common holding company, M/s ANS Capital (Private) Limited (ANS). ANS holds 56.4% and 76% equity shares of KCCL and UKPL respectively. UKPL has set up a Paper Sack manufacturing plant in M3 Industrial City Faisalabad with production capacity of 120 million bags per annum. The commercial production started in August 2023, which was originally planned in April 2022, due to short supply of Kraft Paper in International Market; therefore, till June 30, 2023, UKPL has utilized only PKR 160 million out of total sanctioned short-term running finance facility of PKR 600 million.

Due Diligence:

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

Audited Financial Statements of UKPL

The audited financial statements of UKPL for the year ended 30 June 2023 shall be made available to the members for inspection at the AGM.

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

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

Sr. No.	Name	Shareholding in UKPL		Shareholding in KCCL		Position in KCCL
		No.	%age	No.	%age	
1	ANS Capital (Private) Limited, the holding Company /member/sponsor of UKPL	3,799,997	76%	110,482,320	56.4%	Holding Company / Sponsor
2	Mr. Ali Aizaz Sheikh, Chief Executive / Director of UKPL	1	0.00%	780	0.0004%	Member and full time employee
3	Mr. Faisal Atta Sheikh, Director of UKPL	1	0.00%	5,950	0.003%	
4	Mr. Ibrahim Tanseer Sheikh, Director of UKPL	1	0.00%	10,500	0.005%	

Disclosures regarding associated company and investment

(a) Regarding associated company: -

<table>
<tr><th>Sr.</th><th>Requirements</th><th>Information</th></tr>
<tr><td>i</td><td>Name of associated company</td><td>Ultra Kraft (Private) Limited (UKPL)</td></tr>
<tr><td>ii</td><td>Basis of relationship</td><td>UKPL is an associated company of KCCL as both UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited (ANS). ANS owns and controls 76% equity shares of UKPL and 56.4% equity shares of KCCL.</td></tr>
<tr><td>iii</td><td>Earnings per share for the last three years (PKR)</td><td>Company has commenced its commercial operations in August 2023; therefore, EPS for the year from business shall be available for financial year ending June 2024.</td></tr>
<tr><td>iv</td><td>Break-up value per share, based on the latest audited financial statements for financial year ended June 30, 2023</td><td>Rs. 116.97 – with Sponsors Loan
Rs. 5.61 – without Sponsors Loan</td></tr>
<tr><td>v</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest audited financial statements for the year ended June 30, 2023.</td><td>Balance Sheet
<table>
<tr><th>Rupees</th><th>June 30, 2023 (audited)</th><th>June 30, 2022 (audited)</th></tr>
<tr><td>Non-current Assets</td><td>1,498,195,778</td><td>1,377,216,630</td></tr>
<tr><td>Current Assets</td><td>250,301,593</td><td>420,471,943</td></tr>
<tr><td>Equity</td><td>584,843,810</td><td>524,474,472</td></tr>
<tr><td>Non-current Liabilities</td><td>818,750,000</td><td>990,000,000</td></tr>
<tr><td>Current Liabilities</td><td>344,903,561</td><td>283,214,101</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Sr.</th><th>Requirements</th><th>Information</th></tr>
<tr><td></td><td></td><td>**Profit and Loss Account**
<table>
<tr><th>Rupees</th><th>June 30, 2023 (audited)</th><th>June 30, 2022 (audited)</th></tr>
<tr><td>Admin & general expenses</td><td>2,661,140</td><td>3,769,472</td></tr>
<tr><td>Other Income</td><td>8 ,842,799</td><td>501,603</td></tr>
<tr><td>Finance costs</td><td>20,594,706</td><td>5,724,194</td></tr>
<tr><td>Loss before taxation</td><td>(14,412,547)</td><td>(8,992,063)</td></tr>
<tr><td>Loss after taxation</td><td>(14,630,662)</td><td>(9,166,846)</td></tr>
</table></td></tr>
<tr><td>vi</td><td>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:
(i) description of the project and its history since conceptualization;
(ii) starting date and expected date of completion of work;
(iii) time by which such project shall become commercially operational;
(iv) expected time by which the project shall start paying return on investment; and
(v) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.</td><td>N/A</td></tr>
</table>

(b) General disclosures: -

Sr.	Requirements	Information
i	Maximum amount of investment to be made	PKR 600 million
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To support the associated company in meeting its working capital requirements and to earn Mark-up on short term finance which shall increase the profitability of the Company and add to the shareholders' value. Period of investment is one year commencing from October 29, 2023.
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis;	The investment will be made from the Company's own funds.
iv	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Agreement will be executed after approval of shareholders. Maximum amount of short-term running finance shall be PKR 600 million. Tenure shall be one year from October 29, 2023. Mark up shall be charged @ 3M KIBOR + 1.50% or at average borrowing cost of the Company, whichever is higher. Mark up shall be recovered on quarterly basis within 15 days of the end of the quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

<table>
<tr><th>Sr.</th><th>Requirements</th><th colspan="4">Information</th></tr>
<tr><td rowspan="12">v</td><td rowspan="12">Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;</td><td colspan="4">UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited.
The directors, sponsors and majority shareholders of KCCL are also directors / members of ANS Capital (Private) Limited, holding company of UKPL as mentioned herein.
None of the directors, sponsors, majority shareholders and their relatives have any interest directly or indirectly in the UKPL or the proposed arrangement, except that the following directors and their relatives have their shareholding/directorship in ANS Capital (Pvt.) Limited, which is the holding company of UKPL.</td></tr>
<tr><td>Name of interested director, his relatives and position in KCCL</td><td>Shareholding in ANS Capital</td><td>%age of total share capital of ANS Capital</td><td>Position in ANS Capital</td></tr>
<tr><td>Aizaz Sheikh, Director</td><td>19,461,041</td><td>28.45%</td><td>Director</td></tr>
<tr><td>Nadeem Atta Sheikh, Director</td><td>28,647,044</td><td>41.87%</td><td>Director</td></tr>
<tr><td>Shahnaz Aizaz, spouse of Aizaz Sheikh</td><td>499,501</td><td>0.73%</td><td>Member</td></tr>
<tr><td>Hafsa Nadeem, Director</td><td>1,895,501</td><td>2.77%</td><td>Member</td></tr>
<tr><td>Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL</td><td>2,719,501</td><td>3.98%</td><td>Director</td></tr>
<tr><td>Muhammad Rehman Sheikh, Director</td><td>2,819,501</td><td>4.12%</td><td>Director</td></tr>
<tr><td>Faisal Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem and employee in KCCL</td><td>100,000</td><td>0.15%</td><td>Director</td></tr>
<tr><td>Asad Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem and employee in KCCL</td><td>100,000</td><td>0.15%</td><td>Director</td></tr>
<tr><td>Hamza Atta Sheikh, son of Nadeem Sheikh and Hafsa Nadeem</td><td>100,000</td><td>0.15%</td><td>Member</td></tr>
<tr><td>Muhammad Atta Tanseer Sheikh, Director</td><td>2,225,001</td><td>3.25%</td><td>Member</td></tr>
</table>

Sr.	Requirements	Information			
		Ibrahim Tanseer Sheikh, brother of M Atta Tanseer Sheikh and employee in KCCL	2,225,007	3.25%	Director
		Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL	2,819,501	4.12%	Member
		Aminah Aizaz Sheikh daughter of Aizaz Sheikh	2,375,501	3.47%	Member
		Azaan Mansoor Sheikh son of Omer Aizaz Sheikh	100,000	0.15%	Member
		Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh	50,000	0.07%	Member
		Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh	50,000	0.07%	Member
		Mujtaba Tanseer Sheikh brother of M Atta Tanseer Sheikh	2,225,001	3.25%	Member
vi	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	KCCL in its EOGM held on April 14, 2022 approved to issue a Corporate Guarantee for an amount of upto PKR 400 million for a period of seven (7) years in favour of National Bank of Pakistan (NBP) along with lien/charge/mortgage on immovable property of the Company, to secure long term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. In line with this approved facility, KCCL issued a Corporate Guarantee amounting to PKR 390 million in favour of NBP on behalf of UKPL and also mortgaged its commercial properties bearing Plot no. 36 & 37, Block P, Gulberg-II, Lahore; In accordance with approval of investment of upto PKR 600 million by way of Short Term Running Finance approved by the members in their AGM dated October 27, 2022, UKPL has utilized PKR160 million as on June 30, 2023 for the purchase of raw material i.e. Kraft paper, the most essential ingredient to run the business.			
vii	Any other important details necessary for the members to understand the transaction;	N/A			

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

Sr.	Requirements	Information
i	Category-wise amount of investment;	Short-term running finance of upto PKR 600 million.
ii	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost of KCCL on similar financing facilities available to the Company from different commercial banks during July 2022 to June 2023 is three months Kibor + 0.75% ~ 1.25%
iii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	KCCL shall charge mark-up at the rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.
iv	Particulars of collateral or security to be obtained in relation to the proposed investment	Cross Corporate Guarantee of UKPL
v	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	There are no conversion features in the subject facility.
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The short term running finance facility shall be available to UKPL for one year which may be utilised during the said period of one year at the convenience of UKPL. Mark up shall be paid by UKPL on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

Draft special resolutions:

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

"Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its working capital requirements for a term of one year from October 29, 2023 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

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

Notes:

1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Tuesday, October 10, 2023 to Monday, October 16, 2023 (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, up to the close of business on Monday, October 09, 2023 will be treated in time for the purpose of attending the AGM.

2. Right to appoint Proxy

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

3. Attendance through Video-Conference

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

4 Attendance through Electronic Medium

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

a. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 0300-4513435 or email ID; mis@kohatcement.com by October 13, 2023.

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

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

c. Members may send their comments / suggestions on the agenda item to Company Secretary on his email ID; mis@kohatcement.com or WhatsApp no.0300-4513435.

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

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

Procedure for E-Voting

i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company, not later than the close of business on October 9, 2023.

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

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

iv. E-voting lines will start from October 13, 2023, 09:00 a.m. and shall close on October 15, 2023 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through ballot paper

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

ii. The members must ensure that the duly filled and signed ballot paper, along with computerized national identity card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Kohat Cement Factory, Rawalpindi Road, Kohat or email at mis@kohatcement.com, by 5:00 pm, October 15, 2023. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

6. Transmission of Annual Report

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

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

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

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

7. Attendance at AGM

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

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

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

For attending the meeting

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

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

For appointing proxies

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

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

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

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

8. Deposit of Physical Shares in to CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Companies Act, 2017 (the Act), states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the promulgation of the Act.

9. Intimation of Change in Address

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

CHAIRMAN'S REVIEW

The Chairman of your Company profoundly reviewed the performance of the Board of Directors of your Company and found it be effective towards achieving the overall goals set at the start of the current financial year.

The Company continued to be compliant with all the requirements set forth in the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the rules and notifications issued thereunder in respect of composition, procedures and meetings of the Board and its Committees. The Company has effective governance framework and also vigilantly adhered to all other applicable statutes and there is no material law suit or claim of any person or department against the Company.

Performance Evaluation – The Board's performance for the year measured through already prescribed mechanism is found satisfactory. The annual evaluation of the performance of the Board as a whole and its committees has been carried out in accordance with the requirements of the Code Regulations to ensure that the Board's overall performance is in line with the developed comprehensive criteria, and found its performance satisfactory. During the year under review, the Board effectively designed and implemented strategies to improve performance of the Company amid unprecedented inflation and economic slowdown.

The Board – The Board members are experienced with diverse backgrounds which enables them to fully perform their fiduciary duties. The Board believes that well defined corporate governance processes guarantees continuous success and is therefore, vigilant in achieving high standards of corporate governance.

Organizational Control –The Board controls the organization by setting targets and framework to meet the targets. The Board and its Committees interact with the management, internal / external auditors and other independent consultants to provide appropriate directions. The management transforms Board's decision into actions.

Risk Management Strategies – The Board has developed and implemented a Risk Management Policy and prepared a risk register. The Board regularly reviews these policies and systems to incorporate any changes that may be required according to market conditions or other external environment including changes in legal framework of the country applicable to Company's activities.

Adequate Governance – In building an effective governance, risk management and control environment, the Board has put in place a transparent and robust system of compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Company, which has been reinforced in the Organization's culture and values through appropriate dissemination of the Code of Conduct. The Board has also constituted an independent Audit Committee, Human Resource and Remuneration Committee for further strengthening the governance structure of the Company.

Environment – The Company continued spending on environment preservation and has installed a 10MW Solar Power Plant thereby contributing not only to environmental protection but also enhance efficiency through cost reduction by minimizing dependence on National Grid.

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

Aizaz Mansoor Sheikh
Chairman

Lahore: August 31, 2023

چیئرمین جائزہ رپورٹ

آپ کی کمپنی کے چیئرمین نے کمپنی کے بورڈ آف ڈائیریکٹرز کی کارکردگی کا گہرائی سے جائزہ لیا اور اسے موجودہ مالی سال کے آغاز میں مقرر کردہ مجموعی اہداف کے حصول کے لئے موئثر پایا ہے۔

کمپنی نے بورڈ اور اسکی کمیٹیوں کی تشکیل اور اجلاس کے انعقاد میں کمپنیز ایکٹ 2017ء لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز، 2019ء اور ان کے تحت جاری کردہ دیگر تمام مروجہ قوانین کی پاسداری کو ملحوظ رکھا گیا ہے اور کمپنی کے خلاف کسی شخص یا محکمہ کا کوئی مادی قانونی مقدمہ یا دعوٰی نہیں ہے۔

کارکردگی کا جائزہ: بورڈ کی سالانہ کارکردگی کی جانچ طے شدہ طریقہ کار کے ذریعے کی گئی اور اسے تسلی بخش پایا۔ مجموعی طور پر بورڈ اور اسکی کمیٹیوں کی کارکردگی کا سالانہ جائزہ کوڈ ریگولیشنز کے تقاضوں کے مطابق کیا گیا ہے تاکہ یہ یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی تسلی بخش اور معیار کے مطابق ہے۔ زیرِ جائزہ سال کے دوران، بورڈ نے بڑھتے ہوئے افراطِ زر اور معاشی سست روی کے درمیان کمپنی کی کارکردگی کو بہتر بنانے کے لئے موئثر طریقے سے حکمت عملی وضع کی اور اس پر عمل درآمد کیا۔

بورڈ آف ڈائریکٹرز: بورڈ آف ڈائریکٹرز کا وسیع تجربہ انہیں اپنے فرائض کی بہتر انجام دہی کے قابل بناتا ہے۔ بورڈ کے مطابق واضح طور پر بیان کردہ کارپوریٹ گورنینس کے طریقہ کار مسلسل کامیابی کی ضمانت ہیں، اسی لئے بورڈ کارپوریٹ گورنینس کے اعلٰی معیار کے حصول کے لئے کوشاں ہے۔

تنظیمی کنٹرول: بورڈ ادارے کے اہداف مقرر کرنے کے ساتھ ان اہداف کے حصول کا فریم ورک بھی ترتیب دیتا ہے۔ بورڈ اور اس کی کمیٹیاں مناسب ہدایات فراہم کرنے کے لئے انتظامیہ، انٹرنل، ایکسٹرنل آڈیٹرز اور دیگر آزاد مشیروں سے رابطہ میں رہتے ہیں۔ انتظامیہ بورڈ کے فیصلوں کو عملی جامہ پہناتی ہے۔

رسک مینجمنٹ کی حکمت عملی: بورڈ نے رسک مینجمنٹ پالیسی تیار کر کے نافذ کی ہے اور ایک رسک رجسٹر تیار کیا ہے۔ بورڈ ان پالیسیوں اور نظام کا باقاعدگی سے جائزہ لیتا ہے تاکہ کسی بھی ایسی تبدیلی کو شامل کیا جاسکے جس کی مارکیٹ کے حالات یا دیگر بیرونی عوامل کے تحت ضرورت ہو بشمول رائج الوقت قوانین میں تبدیلی اگر یہ تبدیلی کمپنی پر اثر انداز ہوا چاہتی ہو۔

مناسب نظم ونسق: ایک موئثر نظم ونسق، رسک مینجمنٹ اور تنظیمی کنٹرول کے لئے بورڈ نے کارپوریٹ گورنینس کے بہترین طریقہ کار کی تعمیل کے شفاف اور مضبوط نظام کی تشکیل کے ساتھ کمپنی میں بااخلاق منصفانہ رویہ کا فروغ دیا گیا ہے، اس کو ضابطہ اخلاق کے مناسب پھیلاؤ کے ذریعے کمپنی کے ثقافت اور اقدار میں تقویت دی گئی ہے۔ بورڈ نے کمپنی کی ساخت کو مضبوط بنانے کے لئے ایک آزاد آڈٹ کمیٹی، ہومن ریسورس اینڈ مینجمنٹ کمیٹی بھی تشکیل دی ہے۔

ماحولیات: کمپنی ماحول کے تحفظ کے لئے منصوبہ جات جاری رکھے ہوئے ہے، اسی سلسلے میں 10 میگاواٹ کا سولر پاور پلانٹ منصوبے پر کام جاری ہے، جس سے نہ صرف ماحولیاتی تحفظ میں مدد ملے گی بلکہ نیشنل گرڈ پر انحصار میں کمی کے ساتھ ،لاگت میں کمی اور کارکردگی میں اضافہ بھی ہوگا۔

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

اعزاز منصور شیخ

چیئرمین

لاہور: 31 اگست، 2023ء

DIECTORS' REPORT
to the shareholders

The Directors of your Company gladly present the Annual Report consisting audited financial statements and Auditors' report thereon for the year ended June 30, 2023.

Industry Review

The cement Industry of Pakistan witnessed a decline of 15.7% for the year ended June 30, 2023 to 44.6 million ton in comparison with the prior year. A dip of 13.13 % in exports is mainly on account of decline in exports by sea which are attributable to high cost of production and increased sea freights. Unprecedented rainfalls and floods during the first quarter significantly halted the market resulting in devastating strain on economy causing a fall in local dispatches.

	FY 2023	FY 2022	Change (%)
	Metric Tons		
Local Dispatches	40,017,573	47,635,467	(15.99)
Export Dispatches	4,566,065	5,256,236	(13.13)
Total Dispatches	44,583,638	52,891,703	(15.71)

Operational Performance

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

	FY 2023	FY 2022	Change (%)
	Metric Tons		
Clinker Production	2,796,089	3,194,218	(12.46)
Cement Production	3,037,220	3,537,946	(14.15)
Domestic Sales	2,968,882	3,550,134	(16.37)
Export Sales	31,663	7,684	312
Total Sales	3,000,545	3,557,818	

Financial Performance

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

Rupees in Million

	FY 2023	FY 2022	Change (%)
Net Sales	38,922	32,877	18.39
Gross Profit	10,433	9,812	6.33
Gross Profit Ratio	26.80%	29.84%	
Operating Profit	11,210	9,463	18.46
Operating Profit Ratio	28.80%	28.78%	
EBITDA	12,326	10,581	16.49
Net Profit after tax	5,821	5,024	15.85
Net Profit after tax Ratio	14.96%	15.28%	
Earnings per share (Rs.)	28.98	25.01	

Devastating floods, import restrictions, decline in PSDP spending, inflationary input costs trends are key factors towards reduced dispatch volumes. Increase in cost of sales is mainly attributable to rise in price of coal, petroleum products, electricity and imported consumables on account of significant devaluation of PKR. Due to these factors, the company could not fully pass on the financial impact of increase in coal, electricity and packing material costs resulting in a decrease in GP margins. In order to cope with rising fuel costs, the Company has switched to cheaper local & afghan coal and has also setup 10MW solar power plant.

Super Tax provision @ 10% of income amounting to Rs. 1,033 Million has been charged to income which has reduced net profits of the Company accordingly.

The Company is current on its all debt obligations.

PACRA maintains long-term and short-term entity rating of Kohat Cement at A and A1 respectively with Positive outlook. These ratings denote a low expectation of credit risk and indicate a strong capacity for timely repayment of financial commitments.

Appropriations

The Company's ongoing projects i.e. Green Field cement production line in Khushab, Punjab, BMR of old production line and setting up of Solar Power plants need huge investments to be made in local and foreign currency. PKR devaluation has changed the investment estimates to a steep upward; further, the Company bought back its 5 million shares for Rs 870 million; therefore, the directors have not proposed any dividend for the year ended June 30, 2023. However, the Company shall pay dividend to its shareholders, once the aforesaid goals which shall enhance the profitability and dividend pay-out of the Company, are successfully achieved.

Future Prospects

High inflation because of increase in commodity rates, fuel prices and electricity cost coupled with aggressive taxation measures in general and against property business may adversely affect the cement demand. However, the Company is optimistically considering avenues to mitigate the prevailing challenges and to maximize business.

Greenfield Cement Production Plant in Khushab, Punjab

The Company is in the process of installing a new cement manufacturing plant at Khushab, Punjab. The land acquisition is in process, however, the import of plant and machinery is on halt due to imports restrictions, PKR devaluation and economic slowdown.

Solar Power initiative of the Company

To reduce its dependence on National Grid, the Company is continuously investing in renewable energy. During August 2023, the Company has successfully installed and commissioned 10 MW On-Grid Solar Power Plant at Company's plant site, Kohat, which shall improve the profitability of the Company.

Further, the Board has also approved setting up of an additional On-Grid Solar Power Plant with generation capacity of up to 15 MW at Company's plant site, Kohat. This will significantly contribute in cost saving.

Buy Back of Shares

The Board of Directors (the Board) of the Company recommended on January 24, 2023 to buy back 5 Million of its issued ordinary shares for cancellation, which was subsequently approved by the members by passing a Special Resolution in their EOGM on February 21, 2023. Accordingly, the Company bought back 5 Million of its issued ordinary shares at an average price of 174 per share during the Purchase Period commencing from March 01, 2023 and ended on August 3, 2023. These shares have been cancelled on August 11, 2023 in accordance with the provisions of applicable law and regulations.

Risk Management framework

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

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

1. Strategic Risk
2. Operational Risk
3. Regulatory and Compliance Risk

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

1. Strategic Risk

Strategic Risks include rapidly increasing cost of energy i.e. coal, fuel and electricity, negatively affecting the Company's profits and its competitive position compelling the Company to consider alternatives to reduce costs. The Company is currently carrying out the

BMR of its Line 3 by replacing its cooler and burner of latest technology which shall reduce the consumption of fuel and power and shall thus enhanced the profitability of the Company.

2. Operational Risk

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

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

2b) Increase in coal prices – Increased coal prices directly impacted cost of production. Coal cost had a steep rise in international market compelling the Company to use local and afghan coal. The Company continuously monitors the prices of coal in international market i.e. South Africa, Indonesia, Afghanistan, Mozambique etc. and switches to the cheaper source of coal to keep fuel cost at minimum.

2c) Electricity costs – Cement manufacturing process is energy intensive. Electricity prices are rising continuously driven by the global demand supply scenario and depreciation of PKR. The Company continues to explore alternative sources to reduce its dependence on National Grid. Accordingly, the Company has installed 10MW solar power plant in August 2023, which shall reduce the cost of electricity.

3. Regulatory and Compliance Risk

With the ever evolving regulatory framework in the country, the risk of non-compliance looms large and carries reputational risks. Your Company has taken steps to automate the compliance procedures and has deployed adequate measures for periodic review mechanisms of the regulatory framework to ensure complete compliance with all statutory requirements. The steps taken by the Company include outsourcing of legal and regulatory opinions to experts and their appointment in representing the Company as required.

Adequacy of Internal Financial Controls

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

The Company and the Environment

Environmental protection is an integral element of the Company's business strategy, which is defined by the management in consultation with the environment professionals.

The Company is successfully operating Waste Heat Recovery Systems (WHRS), which not only reduce the carbon footprints on environment to minimum but also harness the excess heat to produce electricity thus reducing the burden on national grid.

The Company is also using state of the art technologies including Bag Filter System and Water Recycling Plants etc. to keep the environment pollution free.

In order to preserve water, the Company has set up a water recycling plant at factory site whereby 20% of present annual water requirement of Plant is being fulfilled with the recycled water.

The Company has set up 10MW solar power plant and is further in process of installing upto 15MW Solar Power plant to minimize load on National Grid which shall also play a vital role towards clean and green Pakistan.

KCCL is promoting a variety of environmental conservation activities in collaboration with local communities and KCCL employees. The company is promoting a 'GO GREEN Plantation Drive' to renew awareness and importance of environmental conservation. KCCL invested in planting thousands of trees at the factory site in effort to improve the air quality in Local areas & Colonies.

Employee Safety

The employees of the Company are vaccinated as per law and practices and different blood examination were made by a well reputed laboratory at the cost of Company to ensure employees health and safety.

Composition of Board of Directors

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

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

Independent Non-Executive Directors

Mr. Ahmad Sajjad Khan

Mr. Talha Saeed Ahmed

Other Non-Executive Directors - Female

Mrs. Hafsa Nadeem

Mrs. Hijab Tariq

Other Non-Executive Directors - Male

Mr. Aizaz Mansoor Sheikh (Chairman)

Mr. Muhammad Atta Tanseer Sheikh

Mr. Muhammad Rehman Sheikh

Executive Director

Mr. Nadeem Atta Sheikh (Chief Executive)

Composition of Committees of the Board

Following are the committees of the Board:

a) **Audit Committee**

Mr. Talha Saeed Ahmed - Chairman

Mr. Aizaz Mansoor Sheikh - Member

Mr. Muhammad Atta Tanseer Sheikh - Member

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

Mr. Ahmad Sajjad Khan - Chairman

Mr. Nadeem Atta Sheikh - Member

Mr. Muhammad Atta Tanseer Sheikh - Member

Board and its Committee Meetings

Board of Directors

The Board of Directors met Seven (7) times during the financial year ended June 30, 2023; detail of attendances by directors is as under:

Name of Director	No. of meetings attended
Mr. Aizaz Mansoor Sheikh	7/7
Mr. Nadeem Atta Sheikh	7/7
Mrs. Hafsa Nadeem	5/7
Mrs. Hijab Tariq	6/7
Mr. Muhammad Rehman Sheikh	7/7
Mr. Muhammad Atta Tanseer Sheikh	7/7
Mr. Ahmad Sajjad Khan	7/7
Mr. Talha Saeed Ahmed	7/7

Board Audit Committee

The Board Audit Committee met Four (4) times during the financial year ended June 30, 2023; detail of attendances by members is as under:

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

Human Resource & Remuneration (HR&R) Committee

The Board HR&R Committee held One (1) meeting during the financial year ended June 30, 2023, detail of attendances by members is as under:

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

Directors’ Training Program

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

Executive

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

Directors’ remuneration and its policy

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

Remuneration package of Directors including the Chief Executive

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

	Chief Executive	Chairman - Non-Executive Director	Independent Directors	Other Non-Executive Directors
No. of persons	1	1	2	4
Chairman Remuneration	--	59,591,110	--	--
Managerial Remuneration	59,591,110	--	--	--
Bonus	16,249,904	--	--	--
Other Benefits	39,351,464	30,236,292	--	--
Contribution to PF	2,903,208	--	--	--
Medical Expenses reimbursed	670,061	11,968,266	--	--
Meeting fee	--	--	1,425,000	900,000
Reimbursement of travelling expenses	--	--	240,000	--

Chief Executive and certain directors are also entitled for Company’s maintained cars and other benefits as per policy. Moreover, the applicable income tax on the remuneration of the Chief Executive is also borne by the Company.

Corporate Social Responsibility

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

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

Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls its 110,482,320 ordinary shares constituting 56.4% (2022:55%) of its total paid up share capital.

Financial highlights

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

Outstanding statutory dues

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

Statement on value of staff retirement funds

The value of investments of provident fund based on its unaudited accounts as at June 30, 2023 is Rs. 322.903 million (2022: Rs. 307.577 million).

Pattern of shareholding

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

External auditors

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

Subsequent Events

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

Acknowledgments

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

For and on behalf of the Board

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: August 31, 2023

ڈائریکٹرز بشمول چیف ایگزیکٹو کے معاوضہ کی تفصیل:

ڈائریکٹرز کے معاوضے کی تفصیلات درج ذیل ہیں۔

	چیف ایگزیکٹو	چیئرمین	انڈیپنڈنٹ ڈائریکٹرز	دیگرنان ایگزیکٹو ڈائریکٹرز
کل تعداد	1	1	2	4
چیئرمین کا معاوضہ	-	59,591,110	-	-
مینجیریل معاوضہ	59,591,110	-	-	-
بونس	16,249,904	-	-	-
طبی اخراجات کی ادائیگی	670,061	11,968,266	-	-
دیگرفوائد	39,351,464	30,236,292	-	-
پروویڈنٹ فنڈ میں شراکت	2,903,208	-	-	-
اجلاس میں شرکت کی فیس	-	-	1,425,000	900,000
سفری اخراجات کی ادائیگی	-	-	240,000	-

چیف ایگزیکٹواور کچھ ڈائریکٹرز کو کمپنی کی پالیسی کے مطابق استعمال کے لئے کمپنی کی ملکیتی گاڑیاں اوردیگرسہولیات دی گئی ہیں۔ مزید یہ کہ چیف ایگزیکٹوکوادا کئے جانے والے معاوضے پرلاگوانکم ٹیکس کمپنی ادا کرتی ہے۔

کاروباری سماجی ذمہ داری:

کمپنی معاشرے سے متعلق اپنی معاشی اورسماجی ذمہ داریوں سے مکمل واقف ہے اورمقامی لوگوں کی معاشی وسماجی فلاح کے لئے مالی امدادفراہم کرکے اپنافرض ادا کرتی ہے۔

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

ہولڈنگ کمپنی:

اے این ایس (ANS) کیپٹل پرائیویٹ لمیٹڈ جس کا رجسٹرڈ آفس لاہور میں قائم ہے پاکستانی قوانین کے تحت قائم کی گئی کمپنی ہے، یہ ادارہ کوہاٹ سیمنٹ کمپنی کی ہولڈنگ کمپنی ہے اور کمپنی کے 110,482,320 عام حصص کی مالک ہے جو کہ کمپنی کے کل عام حصص کا (2022:55%) 56.4% ہے۔

اہم مالیاتی جھلکیاں:

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

واجب الادا قانونی محاصل:

قانونی طور پرواجب الادا ٹیکسیز اورڈیوٹیز کی تفصیل مالی کھاتہ جات کے نوٹ نمبر 9 میں بیان کردی گئی ہے۔ کسی قسم کے ٹیکسیز یاڈیوٹیز کی ادائیگی زائدالمیعادنہیں ہے۔

سٹاف ریٹائرمنٹ فنڈز کی مالیت:

30 جون، 2023ء تک پراویڈنٹ فنڈز کے غیرآڈٹ شدہ کھاتہ جات کے مطابق پراویڈنٹ فنڈز کی سرمایہ کاری کی مالیت 322.903 ملین روپے ہے جو کہ گزشتہ مالی سال 30 جون، 2022ء میں 307.577 ملین روپے تھی۔

شیئرہولڈنگ کی تفصیل:

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

آڈیٹرز کی تقرری:

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

مالی سال کے بعد کے معاملات:

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

اظہارِ تشکّر:

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

برائے ومنجانب بورڈ آف ڈائریکٹرز

ندیم عطاء شیخ

چیف ایگزیکٹو

طلحہ سعید احمد

ڈائریکٹر

لاہور: 31 اگست، 2023ء

ملازمین کا تحفظ:

کمپنی کے ملازمین موجودہ قوانین اور طریقوں کے مطابق ویکسینیشن کروا رہے ہیں اور کمپنی کی جانب سے ملازمین کی صحت اور تحفظ کو یقینی بنانے کے لئے نامور لیبارٹری سے خون کے مختلف ٹیسٹ کروائے گئے۔

بورڈ آف ڈائریکٹرز کی تفصیل:

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

مرد ڈائریکٹرز	6
خاتون ڈائریکٹرز	2
کل ڈائریکٹرز	8

انڈیپنڈنٹ نان۔ایگزیکٹو ڈائریکٹر:

جناب احمد سجاد خان

جناب طلحہ سعید احمد

دیگر نان۔ایگزیکٹو ڈائریکٹرز (خواتین):

محترمہ حفصہ ندیم

محترمہ حجاب طارق

دیگر نان۔ایگزیکٹو ڈائریکٹرز (مرد):

جناب اعزاز منصور شیخ

جناب محمد عطاء تنصیر شیخ

جناب محمد رحمان شیخ

ایگزیکٹو ڈائریکٹر:

جناب ندیم عطاء شیخ (چیف ایگزیکٹو)

بورڈ کمیٹیز کی تفصیل:

بورڈ کی کمیٹیز کی تفصیل درج ذیل ہے۔

ا۔ آڈٹ کمیٹی

جناب طلحہ سعید احمد (چیئرمین)

جناب اعزاز منصور شیخ (رکن)

جناب محمد عطاء تنصیر شیخ (رکن)

۲۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی

جناب احمد سجاد خان (چیئرمین)

جناب ندیم عطاء شیخ (رکن)

جناب محمد عطاء تنصیر شیخ (رکن)

بورڈ اور اسکی کمیٹیوں کے اجلاس:

بورڈ آف ڈائریکٹرز کے اجلاس:

30 جون، 2023ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 7 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت
جناب اعزاز منصور شیخ	7/7
جناب ندیم عطاء شیخ	7/7
محترمہ حفصہ ندیم	5/7
محترمہ حجاب طارق	6/7
جناب محمد رحمان شیخ	7/7
جناب محمد عطاء تنصیر شیخ	7/7
جناب احمد سجاد خان	7/7
جناب طلحہ سعید احمد	7/7

بورڈ آڈٹ کمیٹی کے اجلاس:

30 جون، 2023ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آڈٹ کمیٹی کے 4 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

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

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس:

30 جون، 2023ء کو اختتام ہونے والے مالی سال کے دوران ہیومن ریسورس اینڈر ریمونریشن کمیٹی کا ایک اجلاس ہوا، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

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

تربیتی پروگرام برائے ڈائریکٹرز:

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

ایگزیکٹو:

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

ڈائریکٹرز کے معاوضہ کے تعین کا نظام:

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

(EOGM) میں ایک خصوصی قرارداد کے ذریعے منظور کیا۔ اس کے مطابق 01 مارچ 2023ء سے 03 اگست 2023ء کے دوران 5 ملین شیئرز کو 174 روپے فی حصص کی اوسط قیمت پر خریدا اور مزید یہ کہ مذکورہ حصص 11 اگست 2023ء کو قابل اطلاق قوانین وضوابط کی دفعات کے مطابق منسوخ کر دیئے گئے ہیں۔

کاروباری خطرات سے بچاؤ کی حکمت عملی:

کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء کے ضوابط کی تکمیل میں کمپنی نے کاروباری خطرات سے بچاؤ کی پالیسی اور ایک رسک رجسٹر تشکیل دیا ہے۔ کمپنی کی انتظامیہ کمپنی کو لاحق ممکنہ خطرات اور کمپنی پر ان کے اثرات کی نشاندہی کرتی ہے اور باقاعدگی سے بورڈ آف ڈائریکٹرز کے سامنے پیش کرتی ہے۔ بورڈ ان خطرات سے نمٹنے کے لئے حکمت عملی تیار کرتا ہے۔ یہ حکمت عملی، آڈٹ کمیٹی کے زیرنگرانی کمپنی کے پورے تنظیمی ڈھانچے میں لاگو کی جاتی ہیں تاکہ کاروباری حالات ودیگر بیرونی عوامل بشمول کمپنی سے متعلقہ ملکی قانونی ڈھانچے میں تبدیلی سے مطابقت اختیار کی جا سکے۔

کمپنی کو ممکنہ لاحق کلیدی خطرات کی اقسام:

ا۔ اسٹریٹجک رسک (حکمت عملی سے متعلق خطرات)

۲۔ آپریشنل رسک (کاروباری افعال سے متعلق خطرات)

۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات

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

ا۔ اسٹریٹجک رسک:

اسٹریٹجک رسک میں توانائی یعنی کوئلہ، ایندھن اور بجلی کی قیمتوں میں تیزی سے اضافہ شامل ہے جو کہ کمپنی کے منافع اور مسابقتی صلاحیت پر بری طرح اثر انداز ہو رہا ہے اور کمپنی کو اپنے اخراجات کم کرنے کے لئے متبادل ذرائع کے استعمال پر غور کرنے پر مجبور کر رہا ہے۔ کمپنی اپنی پروڈکشن لائن (3) کی BMR جس میں اسکے کولر اور برنر کی ٹیکنالوجی کو تبدیل کر کے ایندھن اور بجلی کی کھپت کو کم کیا جائے گا، تاکہ کمپنی کے منافع کو بڑھایا جا سکے۔

۲۔ آپریشنل رسک:

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

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

(a)۲۔ مالیاتی خطرات:

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

(b)۲۔ کوئلے کی قیمتوں میں اضافہ:

بڑھتی ہوئی کوئلے کی قیمتیں براہِ راست پیداواری لاگت پر اثر انداز ہوئی ہیں۔ بین الاقوامی منڈی میں کوئلے کی تیزی سے بڑھتی ہوئی قیمت نے کمپنی کو مقامی وافغان کوئلہ استعمال کرنے پر مجبور کیا۔ کمپنی بین الاقوامی منڈی یعنی جنوبی افریقہ، انڈونیشیا، افغانستان، موزمبیق وغیرہ میں کوئلے کی قیمتوں کی مسلسل نگرانی کرتی ہے اور ایندھن کی لاگت کو کم سے کم رکھنے کے لئے کوئلے کے سستے ذرائع کا استعمال کر رہی ہے۔

(c)۲۔ بجلی کی لاگت:

سیمنٹ کی پیداوار کے لئے بہت زیادہ توانائی درکار ہوتی ہے۔ بین الاقوامی سطح پر بڑھتی ہوئی ایندھن کی طلب اور روپے کی قدر میں کمی کی وجہ سے اس کی قیمتوں میں مسلسل اضافہ ہو رہا ہے۔ اس مسئلے کے پیشِ نظر آپکی کمپنی متبادل زرائع کی مسلسل تلاش میں ہے تاکہ نیشنل گرڈ پر انحصار کم کیا جا سکے۔ اسم مقصد کے لئے کمپنی نے اگست 2023 میں 10 میگاواٹ کا سولر پاور پلانٹ لگایا ہے جس سے بجلی کی لاگت میں کمی واقع ہوگی۔

۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات:

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

موثر داخلی مالیاتی کنٹرولز کا نظام:

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

کمپنی اور ماحولیات:

ماحولیاتی تحفظ کمپنی کی کاروباری حکمت عملی کا کلیدی حصہ ہے، جس کا نظام کمپنی کی انتظامیہ نے ماحولیاتی ماہرین کے اشتراک سے تشکیل دیا ہے۔ کمپنی ویسٹ ہیٹ ریکوری سسٹم کو کامیابی کے ساتھ چلا رہی ہے، جو کہ نہ صرف ماحول پر کاربن کے اثرات کو کم کرتا ہے بلکہ پلانٹ کی فاضل حرارت کو استعمال کر کے بجلی پیدا کرتا ہے جس سے نیشنل گرڈ پر بوجھ کم ہو جاتا ہے۔

ماحول کو محفوظ رکھنے کے لئے کمپنی جدید ترین ٹیکنالوجیز بشمول بیگ فلٹر سسٹم اور واٹر ریسائکلنگ پلانٹ وغیرہ استعمال کر رہی ہے تاکہ ماحول کو آلودگی سے پاک رکھا جا سکے۔

پانی کے تحفظ کے لئے کمپنی کی انتظامیہ نے فیکٹری میں ریسائکلنگ پلانٹ کی تنصیب کی ہے، جس سے فیکٹری میں پانی کی ضرورت کا 20% پورا کیا جا رہا ہے۔

کمپنی نے 10 میگاواٹ سولر پاور پلانٹ تنصیب کی ہے اور نیشنل گرڈ پر انحصار میں کمی کے لئے مزید 15 میگاواٹ سولر پاور پلانٹ کی تنصیب کے منصوبے پر کام جاری ہے، یہ منصوبہ صاف اور سرسبز پاکستان کے لئے اہم کردار ادا کرے گا۔

کوہاٹ سیمنٹ کمپنی مقامی افراد اور اپنے ملازمین کے اشتراک سے ماحولیاتی تحفظ کی بہت سی سرگرمیوں کو فروغ دے رہی ہے۔ کمپنی ماحولیاتی تحفظ کی آگاہی اور اہمیت کی تجدید کے لئے شجرکاری مہم کو فروغ دے رہی ہے۔ کمپنی نے فیکٹری کے اطراف میں ہزاروں پودے اگائے اور مقامی علاقوں اور کالونیوں کے اطراف کی فضاء کو بہتر بنانے کی کوشش کی ہے۔

ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2023ء کو ختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس اور آڈیٹرز رپورٹ بصد مسرت پیش کرتے ہیں۔

انڈسٹری کا جائزہ:

پاکستان کی سیمنٹ انڈسٹری کی ترسیلات میں 30 جون، 2023ء کو ختم ہونے والے مالی سال کے دوران 15.7 فیصد کی کمی ہوئی، جو پچھلے سال کے مقابلے میں 44.6 ملین ٹن رہ گئی ہے۔ برآمدات میں 13.13 فیصد کی کمی کی اہم وجہ سمندری ترسیل میں کمی، پیداواری لاگت اور بحری ترسیل کے کرائے میں اضافہ ہے۔ پہلی سہ ماہی کے دوران غیر معمولی بارشوں اور سیلاب سے مقامی ترسیلات میں کمی نے معیشت پر برے اثرات ڈالے ہیں۔

	2023	2022	شرح تبدیلی (%)
	میٹرک ٹن		
مقامی ترسیلات	40,017,573	47,635,467	(15.99)
برآمدات	4,566,065	5,256,236	(13.13)
کل ترسیلات	44,583,638	52,891,703	(15.71)

پیداواری کارکردگی:

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

	2023	2022	شرح تبدیلی (%)
	میٹرک ٹن		
کلنکر کی پیداوار	2,796,089	3,194,218	(12.46)
سیمنٹ کی پیداوار	3,037,220	3,537,946	(14.15)
اندرون ملک فروخت	2,968,882	3,550,134	(16.37)
برآمدات	31,663	7,684	312
کل فروخت	3,000,545	3,557,818	

مالیاتی کارکردگی:

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

	2023	2022	شرح تبدیلی (%)
	روپے (ملین)		
کل فروخت	38,922	32,877	18.39
خام منافع	10,433	9,812	6.33
شرح خام منافع	26.80%	29.84%	
آپریٹنگ منافع	11,210	9,463	18.46
شرح آپریٹنگ منافع	28.80%	28.78%	
منافع قبل از مالی اخراجات، ٹیکس, ڈیپریسیشن اور امورٹائزیشن	12,326	10,581	16.49
خالص منافع بعداز ٹیکس	5,821	5,024	15.85
شرح خالص منافع بعداز ٹیکس	14.96%	15.28%	
فی شیئر آمدنی (روپے)	28.98	25.01	

تباہ کن سیلاب، درآمدی پابندیاں، پی ایس ڈی پی کے منصوبہ جات میں کمی اور کاروباری لاگت میں اضافے کا رجحان ترسیلات میں کمی کی اہم وجوہات ہیں۔ روپے کی قدر میں نمایاں کمی کی بدولت درآمدی مصنوعات کی قیمت میں اضافہ اور کوئلے، پیٹرولیم مصنوعات اور بجلی کی قیمتوں میں اضافہ پیداوری لاگت میں اضافے کی اہم وجوہات ہیں۔ ان عوامل کی وجہ سے کوئلے، بجلی اور پیکنگ میٹیریل کی لاگت میں اضافہ کے مالی اثرات کو منتقل نہ کئے جانے کی وجہ سے خام منافع میں کمی واقع ہوئی ہے۔ ایندھن کی بڑھتی لاگت سے نمٹنے کے لئے کمپنی سستے، مقامی اور افغانی کوئلے کا استعمال کر رہی ہے اور سولر پاور پلانٹ کی تنصیب بھی جاری ہے۔

مالی سال 2023 کی آمدنی پر 10 فیصد سپر ٹیکس لگایا گیا ہے، جو کہ 1,033 ملین روپے بنتا ہے، جس کی وجہ سے کمپنی کے منافع میں کمی آئی ہے۔

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

PACRA نے کوہاٹ سیمنٹ کی طویل وقلیل المدتی انفرادی کریڈٹ ریٹنگ کو بلترتیب "A" اور "A1" درجہ میں رکھا ہے۔ یہ درجہ بندیاں کمپنی کی جانب سے متوقع کم کریڈٹ رسک اور مالیاتی ذمہ داریوں کو بروقت ادا کرنے کی قوی صلاحیت کو ظاہر کرتی ہیں۔

منافع کی تقسیم:

کمپنی کے جاری منصوبوں جیسا کہ خوشاب، پنجاب میں گرین فیلڈ سیمنٹ پلانٹ، پرانے پلانٹ کی BMR اور سولر پاور پلانٹ کے لئے مقامی اور غیر ملکی کرنسی میں بھاری سرمایہ کاری کی ضرورت ہوگی۔

روپے کی قدر میں کمی نے سرمایہ کاری کے تخمینے میں نمایاں اضافہ کیا ہے، مزید یہ کہ کمپنی نے 870 ملین مالیت کے 5 ملین شیئر خریدے ہیں جس کی وجہ سے ڈائیریکٹرز نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔ کمپنی منافع کو بڑھانے کے لئے اپنے مقرر کردہ اہداف اور ڈیویڈنڈ پے آوٹ کے حصول پر اپنے حصص داران کو ڈیویڈنڈ ادا کرے گی۔

مستقبل کے امکانات:

اجناس، ایندھن اور بجلی کی قیمتوں میں اضافے کے ساتھ ساتھ پراپرٹی کے کاروبار کے خلاف جارحانہ ٹیکس اقدامات کی وجہ سے سیمنٹ کی طلب پر بری طرح اثر انداز ہوسکتے ہیں۔ تاہم کمپنی موجودہ دشوار صورتحال سے نمٹنے اور کاروبار کی بہتری کے تمام ممکنہ طریقے اختیار کرنے کے لئے پر امید ہے۔

خوشاب میں نئے سیمنٹ پلانٹ کی تنصیب کا منصوبہ:

کمپنی خوشاب پنجاب میں ایک نیا سیمنٹ مینوفیکچرنگ پلانٹ لگانے کے منصوبے کے لیے زمین کے حصول کا کام جاری ہے تاہم درآمدی پابندیاں، روپے کی قدر میں کمی اور معاشی سست روی پلانٹ اور مشینری کی درآمد میں رکاوٹ بنی ہوئی ہیں۔

سولر پاور پلانٹ کی تنصیب کا منصوبہ:

نیشنل گرڈ پر انحصار کم کرنے کے لئے کمپنی قابل تجدید توانائی کے منصوبوں میں مسلسل سرمایہ کاری کر رہی ہے۔ اگست 2023ء کے دوران کمپنی نے کوہاٹ میں موجودہ فیکٹری میں 10 میگاواٹ آن گرڈ سولر پاور پلانٹ کی کامیابی سے تنصیب اور بجلی کی پیداوار کا آغاز کردیا ہے، جس سے کمپنی کے منافع میں بہتری آئے گی۔

مزید یہ کہ بورڈ نے کمپنی کی کوہاٹ میں موجودہ فیکٹری میں 15 میگاواٹ پیداوری صلاحیت کے حامل ایک اضافی سولر پاور پلانٹ کی بھی منظوری دی ہے۔

ان اقدامات سے لاگت میں نمایاں کمی واقع ہوگی۔

شیئرز کی خریداری:

کمپنی کے بورڈ آف ڈائریکٹرز نے 24 جنوری 2023ء کو اپنے جاری کردہ 5 ملین عام حصص کو منسوخ کرنے کی غرض سے واپس خریدنے کی سفارش کی، جسے بعدازاں بورڈ اراکین نے 21 فروری 2023ء کو غیر معمولی جنرل باڈی اجلاس

CORPORATE SOCIAL RESPONSIBILITY

Kohat Cement Company Limited (KCCL or the Company) believes the betterment of society and the Company is synonymous by all means. It endeavors its best to explore avenues to work and to spend to bring the society, environment and the country at the best possible optimum level. With this aim, the areas near to KCCL's Factory premises are its priority to be taken for welfare activities.

During the current financial year, the Company has privileged to continue welfare programs under its Corporate Social Responsibilities (CSR) and contributed Rs. 39.67 million (2022:34.28 million) in aggregate on the following CSR activities:

a) Community Welfare
b) Health and Safety
c) Educational Assistance
d) Sports Initiatives
e) Ethics, Transparency and compliance of statutory framework
f) Sustaining Environment to ensure long-term growth

a) Community Welfare

i. Mark-up Free Micro Finance to individuals (Economic Development/employment generation)

In accordance with partnership with Akhuwat, a well-known non-profit organization, the Company paid Rs. 15 million in 2014, as a revolving fund for micro financing of unemployed residents of Kohat District. During the current year the Company paid an amount of Rs. 2.2 million towards the operational cost of a Branch of Akhuwat located in Kohat. It is a matter of great pleasure for KCCL that the core purpose of aforesaid partnership has been fully met and numerous families got self-employed to finance their families and livelihood.

ii. RO Plants

Company has planned to make maximum supply of clean water to people residing in nearby villages. Installation of RO water filtration plant in three villages located near factory is in process, wherein the Company has spent Rs. 4.8 Million during the current year.

iii. Maintenance of Solar Panels/Systems and Street Lights

The Company spent an aggregate amount of Rs. 1.6 million in maintenance of Solar Systems and Street Lights in the nearby Villages and Masajids.

iv. Financial Assistance of widows and welfare of local community

KCCL continued to support widows of its former employees as well as deserving widows of the community and helped them in their daily lives by paying an aggregate amount of Rs. 2.6 million. KCCL also spent an aggregate amount of Rs. 4.44 million for construction of Janzagah and Masjid in its nearby village.

v. Ramzan Ration Packages

KCCL distributed ramzan package in the month of holy Ramzan to deserving people and spent an amount of Rs. 5.15 million towards this noble cause.

vi. Social Media Management

KCCL spent an amount of Rs. 1.38 million on social media platforms by sharing awareness videos on CSR to educate people. Various posters were put in place at all locations which provided awareness to employees.

vii. Donation to Families of Police Shuhada

KCCL recognizes the sacrifices of the martyrs from Police department in maintaining a peaceful environment in the area, thus paid Rs. 0.43 Million to families of martyrs.

viii. Long Service Awards

Every year, as a token of appreciation for the continued association with it, KCCL give cash awards to its employees who achieve a significant milestone of service years.

ix. Hajj Sponsorship

KCCL has the privilege to pay entire Hajj expense of its one employee selected through ballot in a year. During the year, the Company contributed Rs. 1.18 million towards this cause.

b) Health & Safety

Health and safety measures undertaken by the Company include the following:

i. Basic Health Unit

Dispensary and ambulance operate 24/7 basis and provides free services to its employees and their families.

ii. Liaqat Memorial Hospital

Rs. 1.6 million has been spent by the Company on provision of Anesthesia Machine and lights for operation theaters to Liaqat memorial hospital.

iii. Medicare Health Foundation

The Company paid an amount of Rs. 0.4 million to Medicare Health Foundation, a health care provider.

iv. Other Health Activities

Medical reimbursement of Rs. 0.80 million was made to a kidney disease patient.

c) Educational Assistance

The Company continued promoting education as part of its CSR plans as summarized below:

i) Kohat Cement Educational Trust (KCET)

KCET is mainly sponsored by the Company in providing educational services to students belonging to Kohat in general and children of employees of the Company in particular. As part of Company's CSR program, an amount of Rs. 5.9 million has been paid to KCET to help paying expenses of the School.

ii) Educational Scholarships

In 2018, KCCL started "Kohat Cement Scholarship Program" (KCSP)", whereby KCCL has provided educational assistance to deserving students with the aim to encourage talented students. In this regard Company paid Rs. 2.8 million in aggregate during the current financial year.

iii) Parho Likho Pakistan

KCCL paid an amount of Rs. 0.9 million to 'Parho Likho Pakistan' on account of tuition fee of deserving children.

d) Sports Initiatives

KCCL believes that sports help maintaining discipline, commitment and teamwork ethic in people and all the skills that are crucial in professional as well as personal aspects of our lives.

To promote sports, KCCL spent Rs. 3.19 million during the year towards various sports activities.

e) Ethics, Transparency and compliance of statutory framework

The Company is enthusiastic in developing ethical values in its employees, promoting a culture of team work, adoption of best ethical practices, performance encouragement, transparency and compliance of all applicable statutory framework.

KCCL's HR activities including employee induction, development, compensation, evaluation and promotion are carried out on the basis of merit, suitability and transparency. Moreover, the Company continues to promote diversity and equal employment opportunity along with providing a safe workplace free from discrimination, hostility and harassment. Any discrimination or harassment of an employee based on age, gender, race, religion, marital status, etc., is regarded as violation and results in disciplinary action as per the Company rules.

Company pays major attention towards achieving aforesaid CSR targets by educating employees by arranging various indoor and outdoor activities. Employees are encouraged to participate in different workshops held by well-known professionals for better learning and understanding of various principles and team building attitude.

All applicable laws including labour and revenue laws are being complied with letter and spirit by the Company, believing that law compliance is the basic key to prosperous, not only the Company but also the State.

f) Sustaining Environment to ensure long-term growth

KCCL is arranging regular Tree Plantation to enhance environmental standards and continuously promoting a "GO GREEN Plantation Drive" for better and green environment within the factory as well in the nearby areas. Company has planted numerous trees during the year and spent an amount of Rs. 0.8 million towards this initiative. Moreover, the Company spent Rs. 0.32 million towards maintenance of plant nursery situated at Kohat and Environmental Health assessment.

Contribution to National Exchequer

The Company contributed Rs. 19,811 million (2022: Rs. 17,937 million) to the National Exchequer in the form of duties and taxes and further deposited Rs. 539.40 million (2022: 456.9 million) into National Treasury being income tax deducted on payments made to various persons in terms of income tax laws. Company also earned Foreign Exchange of USD 1.60 million (2022: USD 0.3 million) equivalent to Rs. 446.91 million (2022: 57.4 million) for the country by exporting cement during the year.

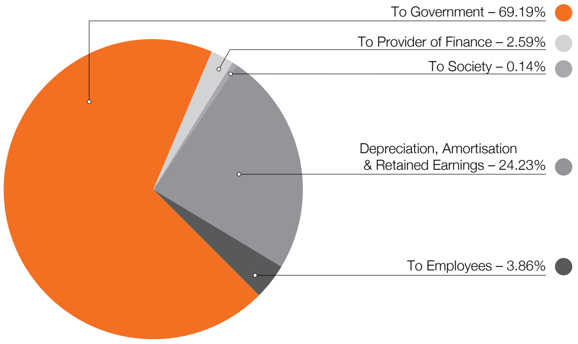
Nadeem Atta Sheikh	**Talha Saeed Ahmed**
Chief Executive	Director

Lahore: August 31, 2023

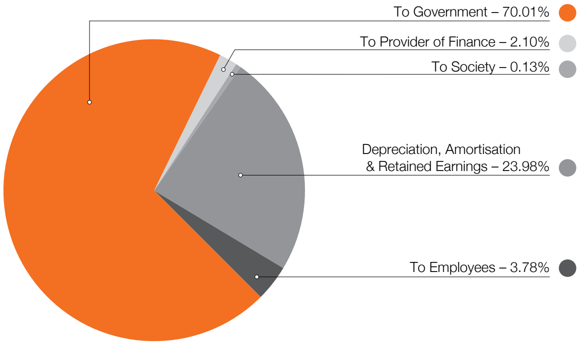
STATEMENT OF VALUE ADDED

	2023		2022	
	Rs.	%	Rs.	%
VALUE ADDED				
Gross Revenue Generated	55,334,073,834		46,730,207,248	
Materials & Services	(26,702,314,799)		(21,110,457,591)	
	28,631,759,035		25,619,749,657	
To Employees as Remuneration	1,104,075,678	3.86%	968,798,158	3.78%
To Government as Taxes (Income tax, Sales tax, Excise Duty and Others)	19,810,941,483	69.19%	17,936,563,527	70.01%
Income Tax	4,648,576,683	16.24%	3,901,208,867	15.23%
Sales Tax	8,949,407,921	31.26%	7,551,631,787	29.48%
Federal excise duty	4,924,360,715	17.20%	5,325,199,650	20.79%
Royalty and excise duty	560,779,787	1.96%	603,244,437	2.35%
Workers welfare fund	167,959,171	0.59%	81,240,390	0.32%
Workers profit participation fund	559,857,210	1.96%	474,038,396	1.85%
To Provider of Finance as Finance Cost	740,307,772	2.59%	537,710,815	2.10%
To Society under CSR Programme	39,669,566	0.14%	34,287,081	0.13%
Depreciation, Amortisation & Retained Earnings	6,936,764,536	24.23%	6,142,390,076	23.98%
	28,631,759,035	100.00%	25,619,749,656	100.00%

Value Added - 2023 (Percentage)



Value Added - 2022 (Percentage)



KEY FINANCIAL DATA

for the Last Six Years

	2023	2022	2021	2020	2019	2018
Balance sheet (Rs. 000)						
Shareholders equity	32,610,045	27,246,220	22,223,539	18,726,673	19,672,639	17,976,738
Non-current liabilities	7,007,559	6,616,457	6,291,138	6,750,446	6,118,326	1,660,565
Current liabilities	9,912,471	9,487,991	7,572,244	6,279,548	5,523,905	3,679,030
Non-current assets	26,616,699	25,574,836	26,238,123	26,519,044	25,708,607	12,909,271
Current assets	22,913,377	17,775,831	9,848,799	5,237,624	5,606,262	10,407,062
Profit & loss account (Rs. 000):						
Sales - net	38,921,635	32,876,949	24,057,376	11,300,241	15,645,649	13,438,843
Gross profit / (loss)	10,432,694	9,811,769	5,965,349	(24,320)	4,173,146	4,325,361
EBITDA	12,325,649	10,581,310	6,633,703	651,468	4,311,505	4,603,050
EBIT	11,209,636	9,463,200	5,403,010	(147,613)	3,722,137	4,076,883
Profit/(loss) before tax	10,469,328	8,925,489	4,885,955	(557,315)	3,676,071	3,970,352
Profit/(loss) after tax	5,820,751	5,024,280	3,497,507	(443,736)	2,468,656	2,979,995
Cash flows (Rs. 000):						
Cash flows from:						
Operations	9,061,900	9,429,253	6,012,031	246,219	6,012,465	4,628,024
Operating activities	5,651,388	8,181,358	5,089,316	(502,396)	4,745,271	3,026,005
Investing activities	(3,669,822)	(7,092,989)	(3,950,178)	(18,793)	(13,089,733)	(3,271,934)
Financing activities	(1,528,794)	(1,805,333)	(943,014)	838,909	4,453,920	(790,815)
Cash and cash equivalents at the beginning of the year	480,766	1,197,729	1,001,606	683,886	4,574,428	5,611,172
Cash and cash equivalents at the end of the year	933,537	480,766	1,197,729	1,001,606	683,886	4,574,428
RATIO ANALYSIS						
Profitability Ratios						
Gross profit ratio	26.80%	29.84%	24.80%	-0.22%	26.67%	32.19%
Net profit to sales ratio	14.96%	15.28%	14.54%	-3.93%	15.78%	22.17%
EBITDA to sales ratio	31.67%	32.18%	27.57%	5.77%	27.56%	34.25%
Return on equity	17.85%	18.44%	15.74%	-2.37%	12.55%	16.58%
Return on capital employeed	34.39%	33.17%	21.27%	-0.61%	17.64%	24.09%
Liquidity Ratios						
Current ratio	2.31	1.87	1.30	0.83	1.01	2.83
Quick ratio	1.54	1.28	0.75	0.31	0.63	2.07
Cash flow from operations to sales ratio	23.28%	28.68%	24.99%	2.18%	38.43%	34.44%
Cash to Current Liabilities	0.09	0.05	0.16	0.16	0.12	1.24
Investment/market ratios						
Earnings per share	28.98	25.01	17.41	(2.21)	12.29	14.84
Price Earning Ratio	5.99	5.20	11.86	(62.22)	4.27	8.30
Price to Book ratio	0.70	0.60	1.15	0.87	0.34	1.06
Dividend Yield Ratio	-	-	-	-	4.76%	4.06%
Dividend Payout Ratio	-	-	-	-	20.34%	33.70%
Dividend Cover Ratio	-	-	-	-	4.92	2.97
Cash Dividend per share	-	-	-	-	2.50	5.00
Cash Dividend	-	-	-	-	25%	50%
Stock Dividend	-	-	-	-	-	30%
Market Value per Share						
- Closing	173.47	130.13	206.49	137.45	52.53	123.07
- High	178.80	234.44	262.00	152.00	134.43	225.01
- Low	113.03	126.22	136.50	40.12	47.55	112.50
Breakup value per share of Rs. 10 each	162.35	135.65	110.64	93.23	97.94	89.50
Capital Structure Ratios						
Weighted average cost of debt	18%	10%	8%	6%	1%	8%
Debt to equity ratio	9:91	13:87	21:79	27:73	22:78	2:98
Interest coverage ratio	15.14	17.60	10.45	(0.36)	80.80	38.27
Debt Service Coverage Ratio	7.25	5.81	7.08	0.37	3.85	13.19
Loan Life Coverage Ratio	10.24	6.41	4.00	3.29	3.64	42.17
Activity/Turnover Ratios						
Inventory turnover ratio	5.08	5.80	5.75	3.46	7.38	4.84
No. of days in inventory	71.80	62.96	63.47	105.50	49.46	75.46
Debtor turnover ratio	32.29	35.89	24.46	22.86	21.91	20.82
No. of days in receivables	11.31	10.17	14.92	15.97	16.66	17.53
Creditors turnover ratio	39.94	17.41	10.82	8.86	18.25	7.46
No. of Days in Payables	9.14	20.97	33.74	41.21	20.00	48.95
Cash Operating cycle /Cash Conversion Cycle	73.96	52.16	44.66	80.26	46.12	44.04
Total assets turnover ratio	0.79	0.76	0.67	0.36	0.50	0.58
Fixed assets turnover ratio	1.92	1.55	1.11	0.50	1.95	1.69

GLOSSARAY OF TERMS

Gross profit ratio

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

Net profit margin

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

Return on equity

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

Return on capital employed

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

Current ratio

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

Cash flow from operations to sales ratio

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

Earnings per share

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

Price Earning Ratio

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

Price to Book ratio

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

Debt to equity ratio

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

Interest coverage ratio

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

Debt Service Coverage Ratio

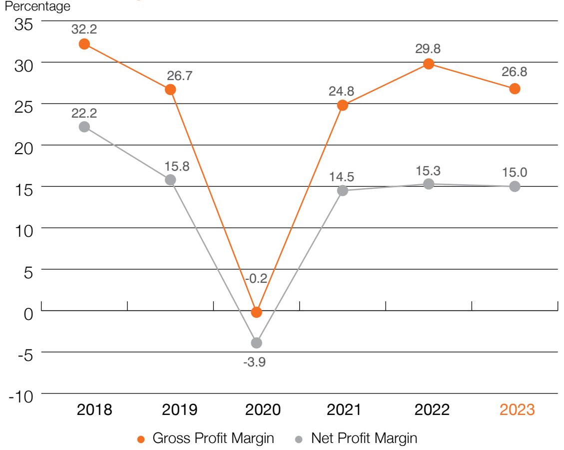
Debt Service Coverage Ratio is the ratio of operating income available to debt servicing for interest, principal and lease payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. It is calculated by dividing EBITDA with repayment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

Return on assets

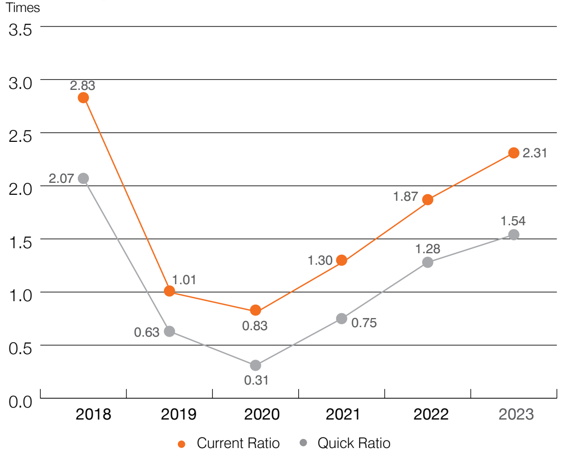
Return on assets is the amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive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

GRAPHICAL ANALYSIS

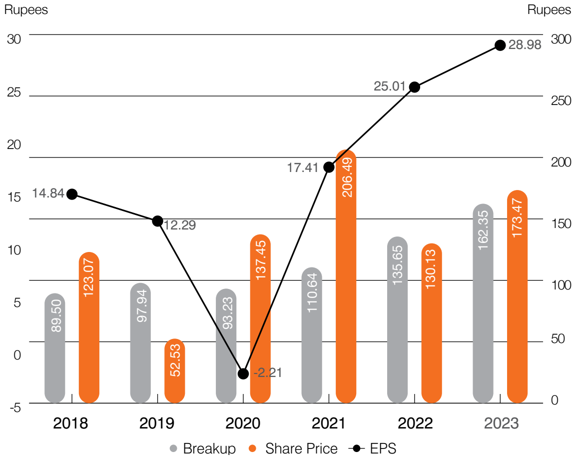
Profitability Ratios



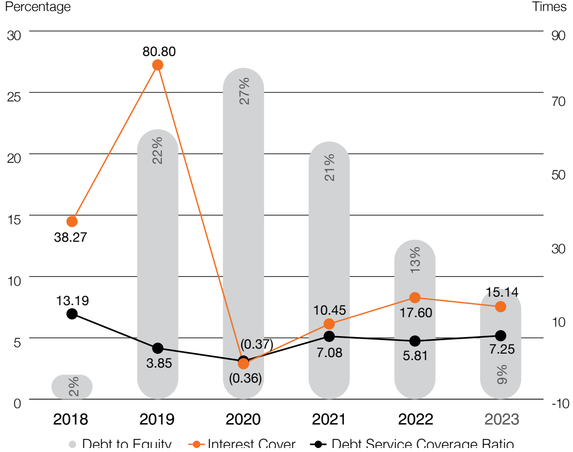
Liquidity Ratios



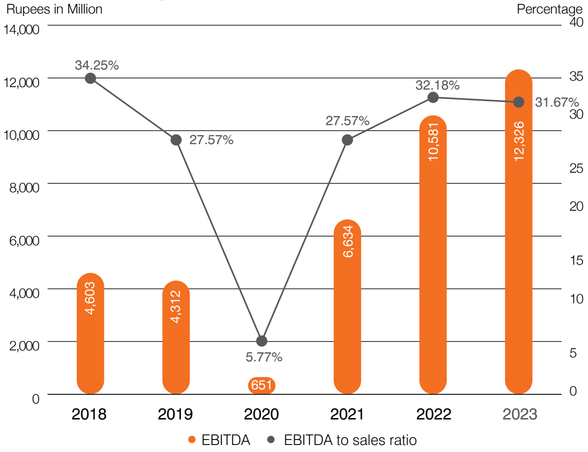
Market Ratio



Capital Structure Ratios



EBITDA Margin



HORIZONTAL & VERTICAL ANALYSIS

Of Balance Sheet

	2023		2022		2021		2020		2019		2018	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Equity & Liabilities												
Shareholders equity	32,610,045	19.69	27,246,220	22.60	22,223,539	18.67	18,726,673	(4.81)	19,672,639	9.43	17,976,738	17.45
Non-current liabilities	7,007,559	5.91	6,616,457	5.17	6,291,138	(6.80)	6,750,446	10.33	6,118,326	268.45	1,660,565	(21.01)
Current liabilities	9,912,471	4.47	9,487,991	25.30	7,572,244	20.59	6,279,548	13.68	5,523,905	50.15	3,679,030	32.16
	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30	23,316,333	15.47
Assets												
Non-current assets	26,616,699	4.07	25,574,836	(2.53)	26,238,123	(1.06)	26,519,044	3.15	25,708,607	99.15	12,909,271	14.61
Current assets	22,913,377	28.90	17,775,831	80.49	9,848,799	88.04	5,237,624	(6.58)	5,606,263	(46.13)	10,407,062	16.56
	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41	31,314,870	34.30	23,316,333	15.47
Vertical Analysis												
Equity & Liabilities												
Shareholders equity	32,610,045	65.84	27,246,220	62.85	22,223,539	61.58	18,726,673	58.97	19,672,639	62.82	17,976,738	77.10
Non-current liabilities	7,007,559	14.15	6,616,457	15.26	6,291,138	17.43	6,750,446	21.26	6,118,326	19.54	1,660,565	7.12
Current liabilities	9,912,471	20.01	9,487,991	21.89	7,572,244	20.98	6,279,548	19.77	5,523,905	17.64	3,679,030	15.78
	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00	23,316,333	100.00
Assets												
Non-current assets	26,616,699	53.74	25,574,836	59.00	26,238,123	72.71	26,519,044	83.51	25,708,607	82.10	12,909,271	55.37
Current assets	22,913,377	46.26	17,775,831	41.00	9,848,799	27.29	5,237,624	16.49	5,606,263	17.90	10,407,062	44.63
	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00	31,314,870	100.00	23,316,333	100.00

of Profit and Loss Account

	2023		2022		2021		2020		2019		2018	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Sales - Net	38,921,635	18.39	32,876,949	36.66	24,057,376	112.89	11,300,241	(27.77)	15,645,649	16.42	13,438,843	(0.75)
Cost of Sales	(28,488,941)	23.51	(23,065,181)	27.49	(18,092,027)	59.76	(11,324,561)	(1.29)	(11,472,502)	25.88	(9,113,482)	18.16
Gross profit	10,432,694	6.33	9,811,769	64.48	5,965,349	(24,628.26)	(24,320)	(100.58)	4,173,146	(3.52)	4,325,361	(25.78)
Selling and distribution expenses	(176,123)	44.20	(122,137)	29.70	(94,166)	46.54	(64,260)	(24.70)	(85,342)	(11.91)	(96,879)	(25.29)
Administrative and general expenses	(396,230)	12.08	(353,523)	12.76	(313,525)	31.33	(238,728)	(6.07)	(254,164)	25.11	(203,150)	24.62
Other income	2,085,808	202.23	690,143	304.36	170,675	(12.99)	196,152	(43.73)	348,620	(3.62)	361,697	(7.99)
Other expenses	(736,513)	30.81	(563,052)	73.07	(325,323)	1,876.86	(16,457)	(96.42)	(460,125)	48.36	(310,146)	(23.97)
Operating profit	11,209,636	18.46	9,463,200	75.15	5,403,010	(3,760.26)	(147,613)	(103.97)	3,722,137	(8.70)	4,076,883	(26.14)
Finance cost	(740,308)	37.68	(537,711)	3.99	(517,055)	26.20	(409,702)	789.40	(46,065)	(56.76)	(106,531)	25.39
Profit before tax	10,469,328	17.30	8,925,489	82.68	4,885,955	(976.70)	(557,315)	(115.16)	3,676,071	(7.41)	3,970,352	(26.95)
Taxation	(4,648,577)	19.16	(3,901,209)	180.98	(1,388,447)	(1,322.45)	113,579	(109.41)	(1,207,416)	21.92	(990,357)	(47.60)
Profit after tax	5,820,751	15.85	5,024,280	43.65	3,497,507	(888.20)	(443,736)	(117.97)	2,468,656	(17.16)	2,979,995	(15.93)
Vertical Analysis												
Sales - Net	38,921,635	100.00	32,876,949	100.00	24,057,376	100.00	11,300,241	100.00	15,645,649	100.00	13,438,843	100.00
Cost of Sales	(28,488,941)	(73.20)	(23,065,181)	(70.16)	(18,092,027)	(75.20)	(11,324,561)	(100.22)	(11,472,502)	(73.33)	(9,113,482)	(67.81)
Gross profit	10,432,694	26.80	9,811,769	29.84	5,965,349	24.80	(24,320)	(0.22)	4,173,146	26.67	4,325,361	32.19
Selling and distribution expenses	(176,123)	(0.45)	(122,137)	(0.37)	(94,166)	(0.39)	(64,260)	(0.57)	(85,342)	(0.55)	(96,879)	(0.72)
Administrative and general expenses	(396,230)	(1.02)	(353,523)	(1.08)	(313,525)	(1.30)	(238,728)	(2.11)	(254,164)	(1.62)	(203,150)	(1.51)
Other income	2,085,808	5.36	690,143	2.10	170,675	0.71	196,152	1.74	348,620	2.23	361,697	2.69
Other expenses	(736,513)	(1.89)	(563,052)	(1.71)	(325,323)	(1.35)	(16,457)	(0.15)	(460,125)	(2.94)	(310,146)	(2.31)
Operating profit	11,209,636	28.80	9,463,200	28.78	5,403,010	22.46	(147,613)	(1.31)	3,722,137	23.79	4,076,883	30.34
Finance cost	(740,308)	(1.90)	(537,711)	(1.64)	(517,055)	(2.15)	(409,702)	(3.63)	(46,065)	(0.29)	(106,531)	(0.79)
Profit before tax	10,469,328	26.90	8,925,489	27.15	4,885,955	20.31	(557,315)	(4.93)	3,676,071	23.50	3,970,352	29.54
Taxation	(4,648,577)	(11.94)	(3,901,209)	(11.87)	(1,388,447)	(5.77)	113,579	1.01	(1,207,416)	(7.72)	(990,357)	(7.37)
Profit after tax	5,820,751	14.96	5,024,280	15.28	3,497,507	14.54	(443,736)	(3.93)	2,468,656	15.78	2,979,995	22.17

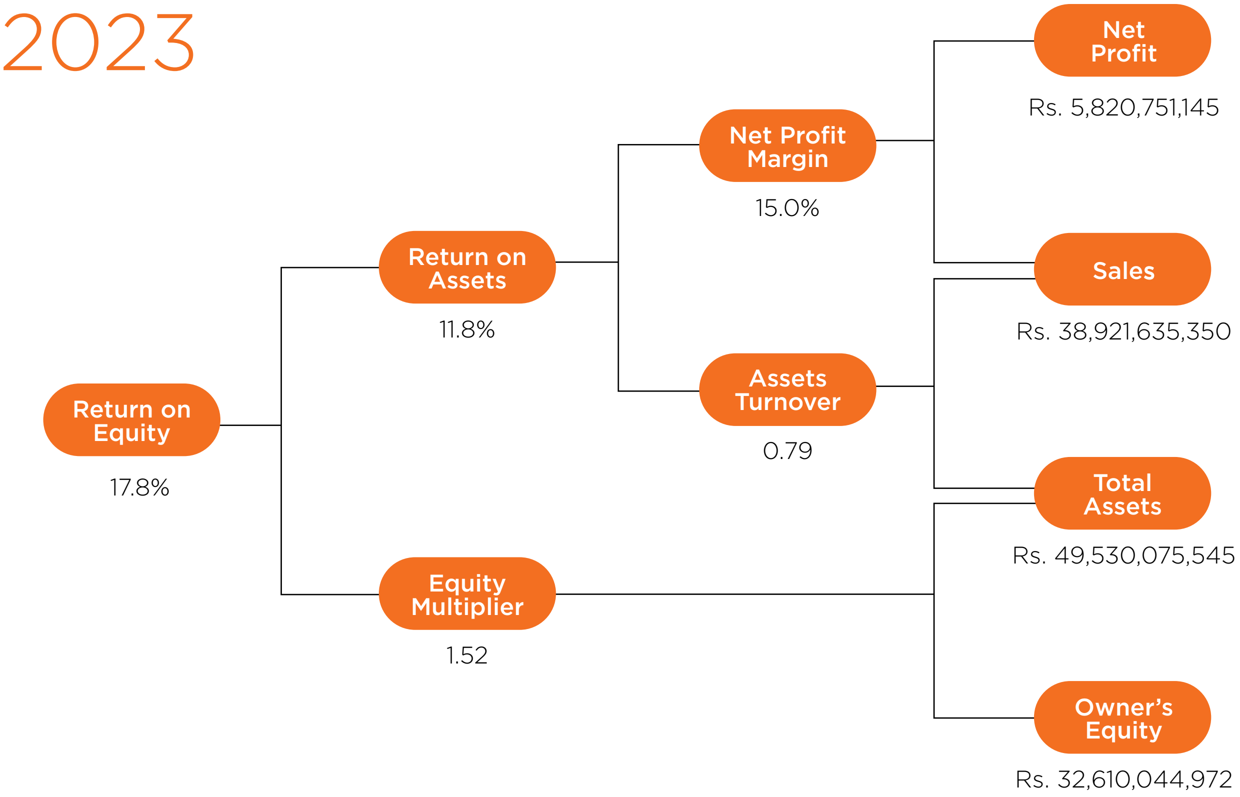
ANALYSIS OF QUARTERLY RESULTS

Particulars	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2022-23	FY 2021-22
metric tonnes						
Dispatches - Tons	688,955	855,377	771,178	685,035	3,000,545	3,557,818
- Local	688,437	854,776	761,743	663,926	2,968,882	3,550,134
- Export	518	601	9,435	21,109	31,663	7,684
PKR' 000						
Sales Revenue - Net	8,852,817	10,961,535	10,010,223	9,097,060	38,921,635	32,876,949
Cost of Sales	6,082,022	8,004,925	7,769,120	6,632,875	28,488,941	23,065,181
Gross Profit	2,770,795	2,956,610	2,241,103	2,464,185	10,432,694	9,811,769
Gross Profit Margin	31%	27%	22%	27%	27%	30%
- Selling and Distribution Cost	32,602	41,533	41,722	60,266	176,123	122,137
- Administration and General Expenses	92,874	101,798	95,956	105,602	396,230	353,523
- Other Operating Income	(366,969)	(433,339)	(541,338)	(744,162)	(2,085,808)	(690,143)
- Other Operating Expenses	189,178	211,924	164,766	170,645	736,513	563,052
	(52,314)	(78,084)	(238,893)	(407,650)	(776,942)	348,569
Operating Profit	2,823,110	3,034,694	2,479,997	2,871,834	11,209,636	9,463,200
Operating Profit Margin	32%	28%	25%	32%	29%	29%
Finance Cost	172,638	169,784	168,783	229,102	740,308	537,711
Profit Before Tax (PBT)	2,650,472	2,864,910	2,311,214	2,642,732	10,469,328	8,925,489
PBT Margin	30%	26%	23%	29%	27%	27%
Taxation	865,409	910,861	687,449	2,184,857	4,648,577	3,901,209
Effective Tax Rate	33%	32%	30%	83%	44%	44%
Profit After Tax (PAT)	1,785,062	1,954,049	1,623,765	457,875	5,820,751	5,024,280
PAT Margin	20%	18%	16%	5%	15%	15%
Earning per Share -Rs.	8.89	9.73	8.08	2.28	28.98	25.01
EBITDA	3,101,575	3,313,829	2,758,872	3,151,373	12,325,649	10,581,310
EBITDA Margin	35%	30%	28%	35%	32%	32%
Average net Sales Rate Rs/Mt	12,850	12,815	12,980	13,280	12,972	9,241
Average of COS Rate Rs/Mt	8,828	9,358	10,074	9,683	9,495	6,483

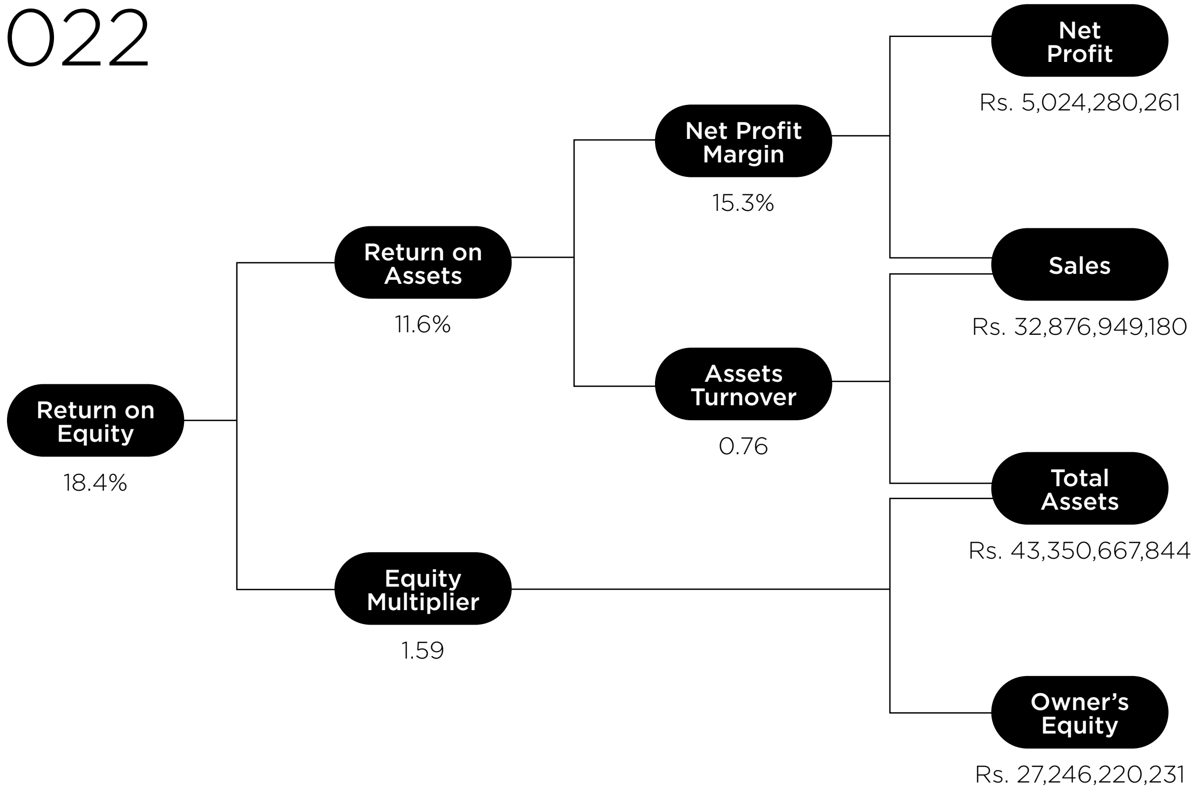
Company's dispatches in current year decreased by 16% as compared to last year, mainly due to decrease in local dispatches. Currency devaluation, increase in electricity tariffs, surge in international coal prices and high fuel cost increased the cost of production, although healthy cement prices and increased operational efficiencies nullified these adverse factors upto some extent, however profitability slightly decreased compared to last year.

DUPONT ANALYSIS

2023



2022



STATEMENT OF COMPLIANCE

with listed companies (Code of Corporate Governance) Regulations, 2019 Kohat Cement Company Limited For the year ended June 30, 2023

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

1. The total number of directors as at June 30, 2023 is eight (8), as per the following:

a) Male	6
b) Female	2

2. The composition of the Board is as follows:

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

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

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

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

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

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

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

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

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

Directors exempt from DTC

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

Directors who have completed their DTC

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

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

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

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

a) Audit Committee

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

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

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

c) Nomination Committee

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

d) Risk Management Committee

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

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

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

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

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

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

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

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

Nadeem Atta Sheikh
Chief Executive

Talha Saeed Ahmed
Director

Lahore: August 31, 2023

FINANCIAL STATEMENTS

For the year ended June 30, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohat Cement Company Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Kohat Cement Company Limited ("the Company") for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

KPMG Taseer Hadi & Co.

Lahore
Date: 31 August 2023
UDIN: CR202310114V5nmj6XuF

KPMG Taseer Hadi & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Kohat Cement Company Limited

Report on the audit of the Financial Statements

We have audited the annexed financial statements of Kohat Cement Company Limited ("the Company"), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

Following is the Key audit matter.

Sr. No	Key audit matter	How the matter was addressed in our audit
1.	**Revenue** Refer to notes 3.9 and 26 to the financial statements The Company generates revenue from sale of cement to domestic as well as foreign customers. Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, volume rebates and trade discounts (if any). Control is transferred when goods are handed over to customer's appointed carrier or when the goods are delivered at the customer's premises as per the terms of the sale contract. We identified recognition of revenue as a key audit matter because non-compliance with the revenue recognition policy may lead to misstatement of operating results of the Company.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • assessing the appropriateness of the Company's accounting policy for revenue recognition and compliance of the policy with applicable accounting standards; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.; • comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • testing journal entries relating to sales during the year which met specific risk based criteria for inspecting underlying documentation.

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2023 , but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

INDEPETNDENT AUDITOR'S REPORT

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

KPMG Taseer Hadi & Co.

Lahore
Date: 31 August 2023
UDIN: AR202310114ImQOx3dlr

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Authorized share capital	4	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital	4	2,008,612,970	2,008,612,970
Reserves	5	117,280,665	117,505,665
Accumulated profits		30,484,151,337	25,120,101,596
		32,610,044,972	27,246,220,231
Non-current liabilities			
Long term financing - secured	6	2,149,017,375	3,179,400,118
Long term deposits	7	3,536,100	2,036,100
Deferred liabilities			
- deferred taxation	8.1	4,823,158,446	3,407,373,618
- compensated absences	8.2	31,847,241	27,647,098
		7,007,559,162	6,616,456,934
Current liabilities			
Current portion of long term financing	6	1,034,355,873	1,071,912,356
Trade and other payables	9	5,171,144,705	5,525,221,208
Contract liability	10	253,135,945	264,984,408
Unclaimed dividend		8,535,358	8,535,357
Dividend payable	11	36,939,862	37,112,692
Provision for taxation - net		3,215,684,878	2,438,052,665
Mark-up accrued on borrowings	13	192,674,790	142,171,993
		9,912,471,411	9,487,990,679
Contingencies and commitments	14		
		49,530,075,545	43,350,667,844

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chief Financial Officer

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non current assets			
Property, plant and equipment	15	22,229,434,463	21,331,296,362
Intangibles	16	1,567,709	2,701,357
Long term loans and advances	17	17,429,341	63,226,829
Long term deposits	18	43,356,640	43,356,640
Investment property	19	4,324,910,743	4,134,255,209
		26,616,698,896	25,574,836,397
Current assets			
Stores, spares and loose tools	20	4,713,129,764	4,214,829,636
Stock-in-trade	21	2,942,861,554	1,456,156,782
Trade debts - unsecured, considered good	22	1,205,553,375	916,039,469
Short term investments	23	12,335,073,816	10,124,095,693
Loans, Advances, deposits, prepayments and other receivables	24	783,220,947	583,944,235
Cash and bank balances	25	933,537,193	480,765,632
		22,913,376,649	17,775,831,447
		49,530,075,545	43,350,667,844

Chief Executive Officer

Director

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023

	Note	2023 Rupees	2022 Rupees
Sales-net	26	38,921,635,350	32,876,949,179
Cost of sales	27	(28,488,941,331)	(23,065,180,670)
Gross Profit		10,432,694,019	9,811,768,509
Selling and distribution expenses	28	(176,123,458)	(122,136,736)
Administrative and general expenses	29	(396,230,055)	(353,522,846)
Other income	30	2,085,808,053	690,143,396
Other expenses	31	(736,512,959)	(563,052,382)
		776,941,581	(348,568,568)
Operating profit		11,209,635,600	9,463,199,941
Finance cost	32	(740,307,772)	(537,710,815)
Profit before taxation		10,469,327,828	8,925,489,126
Taxation	33	(4,648,576,683)	(3,901,208,866)
Profit after taxation		5,820,751,145	5,024,280,260
Earnings per share - basic and diluted	34	28.98	25.01

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	2023 Rupees	2022 Rupees
Profit after taxation	5,820,751,145	5,024,280,260
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss:		
Equity investments at FVOCI - net changes in fair value	(80,000)	(389,400)
Items that are or may be reclassified to statement of profit or loss:		
Debt investments at FVOCI - net changes in fair value	(145,000)	(1,210,000)
	(225,000)	(1,599,400)
Total comprehensive income for the year	5,820,526,145	5,022,680,860

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

			Reserves					
			Capital reserves		Revenue reserves			
	Note	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profits	Total reserves	Total
					Rupees			
Balance as at 01 July 2021		2,008,612,970	49,704,951	(599,886)	70,000,000	20,095,821,336	20,214,926,401	22,223,539,371
Total comprehensive income for the year								
Profit after tax for the year		-	-	-	-	5,024,280,260	5,024,280,260	5,024,280,260
Other comprehensive loss for the year		-	-	(1,599,400)	-	-	(1,599,400)	(1,599,400)
		-	-	(1,599,400)	-	5,024,280,260	5,022,680,860	5,022,680,860
Balance as at 30 June 2022		2,008,612,970	49,704,951	(2,199,286)	70,000,000	25,120,101,596	25,237,607,261	27,246,220,231
Total comprehensive income for the year								
Profit after tax for the year		-	-	-	-	5,820,751,145	5,820,751,145	5,820,751,145
Other comprehensive loss for the year		-	-	(225,000)	-	-	(225,000)	(225,000)
		-	-	(225,000)	-	5,820,751,145	5,820,526,145	5,820,526,145
Own shares purchased for cancellation	4.3	-	-	-	-	(456,701,404)	(456,701,404)	(456,701,404)
Balance as at 30 June 2023		2,008,612,970	49,704,951	(2,424,286)	70,000,000	30,484,151,337	30,601,432,002	32,610,044,972

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 Rupees	2022 Rupees
Cash flows from operating activities			
Cash generated from operations	35	9,061,899,692	9,429,252,992
Finance cost paid		(685,823,997)	(514,171,817)
Compensated absences paid	8.2	(7,885,019)	(3,915,386)
Income tax paid		(2,455,159,642)	(549,366,473)
Payment made to Workers' Welfare Fund	9.3	(81,209,290)	(44,441,426)
Payment made to Workers' Profit Participation Fund	9.2	(180,433,500)	(136,000,000)
		(3,410,511,448)	(1,247,895,102)
Net cash generated from operating activities		5,651,388,244	8,181,357,890
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,015,897,038)	(461,847,370)
Proceeds from disposal of property, plant and equipment		7,589,770	18,096,560
Acquisition of intangibles		-	(1,019,920)
Purchase of investment property		(190,655,534)	(169,050)
Short term investments - net		(2,105,084,283)	(7,111,789,849)
Profit on bank deposits		93,648,851	64,794,342
Gain on market treasury bills		494,778,500	435,764,500
Long term deposits		-	(30,000)
Long term loans and advances - net		45,797,488	(36,787,729)
Net cash used in investing activities		(3,669,822,246)	(7,092,988,516)
Cash flows from financing activities			
Short term borrowing - net		-	(498,000,000)
Repayment of long term finances		(1,071,920,204)	(1,306,783,590)
Own shares purchased for cancellation	4.3	(456,701,404)	-
Dividend paid		(172,829)	(549,503)
Net cash used in financing activities		(1,528,794,437)	(1,805,333,093)
Net increase / (decrease) in cash and cash equivalents		452,771,561	(716,963,719)
Cash and cash equivalents at beginning of the year		480,765,632	1,197,729,351
Cash and cash equivalents at end of the year	36	933,537,193	480,765,632

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

1 Reporting entity

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

1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 (2022: 110,482,320) ordinary shares of the Company comprising 55% of its paid up share capital.

2 Basis of preparation

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial statements.

2.2.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2023:

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

comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  i) requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  iii) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee

may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

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

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:

  - Once tax law is enacted but before top-up tax is effective:

- disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.

These amendments apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

The above amendments are effective from annual period beginning on or after 01 July 2023 and are not likely to have impact on the Company's financial statements.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Use of judgments, estimates and assumptions

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

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

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

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in estimate may affect the depreciation charge or impairment. The rates of depreciation are specified in note 15.1.

2.5.2 Recoverable amount of assets / cash generating units and impairment

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

2.5.3 Taxation

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

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

2.5.4 Provisions

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

2.5.5 Stores, spares and loose tools

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

2.5.6 Stock-in-trade

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

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

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

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

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

2.5.8 Contingencies

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

3 Statement of consistency in accounting policies

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

3.1 Property, plant and equipment

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

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

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

Depreciation rates on items of property, plant and equipment are specified in note 15.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the item becomes available for intended use and is discontinued when it is disposed or classified as held for disposal.

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

Capital work in progress

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

3.2 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 16.

3.3 Stores, spares and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

3.4 Stock-in-trade

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

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

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

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

3.5 Employees benefits

Defined contributions plan

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

Compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss. The Company recognizes provision for compensated absences on an undiscounted basis as the impact of discounting is not material and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

3.6 Financial instruments

3.6.1 Recognition and initial measurement

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

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

3.6.2 Classification and subsequent measurement

Financial assets

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

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

Amortized cost

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

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

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

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

Debt Instrument - FVOCI

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

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

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

Equity Instrument - FVOCI

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

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. The Company has designated the investment in Gharibwal Cement Limited at the date of initial application as measured at FVOCI.

Fair value through profit or loss (FVTPL)

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

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Company has classified investments in mutual funds, treasury bills and listed entities as disclosed in note 23 as FVTPL.

Financial assets – Business model assessment:

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

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

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

Financial liabilities

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

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

3.6.3 Derecognition

Financial assets

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

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

Financial liabilities

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

3.6.4 Offsetting

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

3.6.5 Impairment

Financial assets

The Company recognizes loss allowances on:

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

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

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

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

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

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

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

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

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

Non-financial assets

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

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

3.7 Loans and borrowings

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

3.8 Provisions and contingencies

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

3.9 Revenue from Contract with customers

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

3.10 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

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

3.11 Income from Dividends

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

3.12 Borrowing costs

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

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

3.13 Taxation

Income tax

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

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

Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Earnings per share (“EPS”)

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

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

3.15 Cash and cash equivalents

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

3.16 Foreign currency transactions and balances

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

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

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

3.17 Dividend to ordinary shareholders

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

3.18 Cancellation of own shares purchased by the Company

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

As at year ended 30 June 2023, Company is in the process of purchasing its own shares out of distributable profits and has cancelled the same subsequent to the year end as explained in note 4.3 of the financial statements.

3.19 Investment property

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

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

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

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

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

		Note	2023 Number of shares	2022 Number of shares	2023 Rupees	2022 Rupees
4	**Share capital**					
	Authorized share capital					
	Ordinary shares of Rs. 10 each		300,000,000	300,000,000	3,000,000,000	3,000,000,000
	Issued, subscribed and paid-up capital					
	Ordinary shares of Rs. 10 each, fully paid-up in cash		20,749,585	20,749,585	207,495,850	207,495,850
	Shares issued for consideration other than cash	4.2	11,230,000	11,230,000	112,300,000	112,300,000
	Fully paid bonus shares		168,881,712	168,881,712	1,688,817,120	1,688,817,120
			200,861,297	200,861,297	2,008,612,970	2,008,612,970

4.1 ANS Capital (Private) Limited, holding company, holds 110,482,320 (2022: 110,482,320) ordinary shares comprising 55.00% of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 152,045 (2022: 152,045), ordinary shares of Rs. 10 each of the Company, Directors and Executives hold 34,321,996 (2022: 34,321,996) and 130,637 (2022: 147,637) respectively, ordinary shares of Rs. 10 each of the Company.

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

4.3 In accordance with the provisions of section 88 of the Companies Act,2017 read with Listed Companies (Buy-Back of Shares) Regulations,2019, the members of Kohat Cement Company Limited (the Company) in their EOGM dated 21 February 2023, have approved for purchase/buy-back of 5 million own ordinary shares at spot price during the period from 1st March 2023 to 19th August 2023 or till such date the purchase is complete, whichever is earlier for cancellation . As on 30 June 2023, the Company has purchased 2.797 million shares amounting to Rs.456.70 million which has been deducted from accumulated/distributable profits, whereas subsequent to year end the Company has also purchased the balance 2.203 million shares. The Company's 5 million shares have been cancelled on 11 August 2023.

		Note	2023 Rupees	2022 Rupees
5	**Reserves**			
	Capital reserves			
	- share premium	5.1	49,704,951	49,704,951
	- fair value reserve	5.2	(2,424,286)	(2,199,286)
	Revenue reserve			
	- general reserves		70,000,000	70,000,000
			117,280,665	117,505,665

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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

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

		Note	2023 Rupees	2022 Rupees
6	**Long term financing - secured**			
	Term finance - Line-4 (Conventional)			
	The Bank of Punjab	6.1	1,353,152,106	1,769,506,598
	Habib Bank Limited	6.2	488,834,033	733,251,045
	The Bank of Khyber	6.3	499,992,147	642,857,140
	Askari Bank Limited	6.4	507,553,419	652,568,607
	Samba Bank Limited	6.5	342,857,148	428,571,432
			3,192,388,854	4,226,754,822
	Less: Current maturity		(1,034,355,873)	(1,034,358,120)
	Less: Transaction cost	6.6	(9,015,606)	(12,996,584)
			2,149,017,375	3,179,400,118
	Term finance - RFWS Scheme			
	The Bank of Punjab	6.7	-	18,425,202
	Habib Bank Limited	6.7	-	19,129,034
			-	37,554,236
	Less: Current maturity		-	(37,554,236)
			-	-
			2,149,017,375	3,179,400,118

6.1 This represents long term finance facility obtained from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 1,353.15 million is repayable in 13 equal quarterly installments ending on 24 September 2026.

6.2 This represents long term finance facility obtained from Habib Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV) and 18MW Waste Heat Recovery plant (WHR) at the existing production facilities of the Company. This facility carries markup at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 488.83 million is repayable in 8 equal quarterly installments ending on 30 June 2025.

6.3 This represents long term finance facility obtained from The Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 499.99 million is repayable in 14 equal quarterly installments ending on 10 October 2026.

6.4 This represents long term finance facility obtained from Askari Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs. 507.55 million is repayable in 14 equal quarterly installments ending on 23 November 2026.

6.5 This represents long term finance facility obtained from Samba Bank Limited during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal of Rs.342.86 million is repayable in 16 equal quarterly installments ending on 30 June 2027.

		2023 Rupees	2022 Rupees
6.6	**Transaction cost**		
	At the beginning of the year	12,996,584	16,977,562
	Amortized during the year	(3,980,978)	(3,980,978)
	At the end of the year	9,015,606	12,996,584

6.7 These loans have been repaid during the year.

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

		Note	2023 Rupees	2022 Rupees
7	**Long term deposits and retention money**			
	Long term deposits	7.1	3,536,100	2,036,100

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

8 Deferred liabilities

8.1 Deferred taxation

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

	2022		
	Opening balance	Charge / (reversal) in statement of profit or loss	Closing balance
	Rupees		
Taxable / (deductible) temporary difference			
Accelerated tax depreciation	3,377,479,357	652,170,138	4,029,649,495
Unused tax losses	(1,171,045,156)	1,158,682,312	(12,362,844)
Tax credits	(338,594,202)	(258,915,849)	(597,510,051)
Provision for loss allowance for trade debts	(10,190,652)	(2,212,330)	(12,402,982)
	1,857,649,347	1,549,724,271	3,407,373,618

8.2 Compensated absences

	2023 Rupees	2022 Rupees
At beginning of the year	27,647,098	24,358,436
Charge for the year	12,085,162	7,204,048
Less: Payments made during the year	(7,885,019)	(3,915,386)
Closing balance	31,847,241	27,647,098

		Note	2023 Rupees	2022 Rupees
9	**Trade and other payables**			
	Trade creditors - local	9.1	647,949,685	1,270,981,043
	Trade creditors - imports		26,724,599	10,578,754
	Contractors' bills payable		38,593,713	43,471,738
	Accrued liabilities		628,451,562	782,403,716
	Payable to Workers' Profit Participation Fund	9.2	2,242,107,702	1,862,683,991
	Payable to Workers' Welfare Fund	9.3	167,980,377	81,230,496
	Payable to Provident Fund Trust		4,987,873	4,305,593
			3,756,795,511	4,055,655,331
	Payable to Government on account of:			
	Income Tax deducted at source		31,220,036	31,732,396
	Federal Excise Duty		491,248,104	564,334,129
	Sales Tax Payable		392,294,069	430,489,164
	Royalty and Excise Duty		109,127,379	118,127,550
			1,023,889,588	1,144,683,239
	Retention money payable	9.4	13,360,295	10,853,254
	Other payables		377,099,311	314,029,384
			390,459,606	324,882,638
			5,171,144,705	5,525,221,208

9.1 This includes amount payable to Ultra Pack (Private) Limited, a related party, amounting to Rs.43.54 million (2022: Rs. 156.07 million).

		Note	2023 Rupees	2022 Rupees
9.2	**Workers' Profit Participation Fund ("WPPF")**			
	At beginning of the year		1,862,683,991	1,524,645,595
	Allocation for the year	31	559,857,211	474,038,396
	Less: Paid during the year		(180,433,500)	(136,000,000)
	At end of the year	9.2.1	2,242,107,702	1,862,683,991

9.2.1 The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of The Companies Profit (Worker's Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labor welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury. Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of leftover amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, no provincial authority has been constituted so far in the Province of KPK to collect the left over amount. Therefore, the Company has filed a constitutional Petition before the Honorable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

		Note	2023 Rupees	2022 Rupees
9.3	**Workers' Welfare Fund**			
	At beginning of the year		81,230,496	44,431,532
	Allocation for the year	31	167,959,171	81,240,390
	Less: Paid during the year		(81,209,290)	(44,441,426)
	At end of the year		167,980,377	81,230,496

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

		Note	2023 Rupees	2022 Rupees
10	**Contract liability**			
	Advance from customers	10.1	253,135,945	264,984,408

10.1 This represents advance received from customers for future sale of goods.

		Note	2023 Rupees	2022 Rupees
11	**Dividend payable**			
	Dividend withheld on account of:			
	- court order	11.1	20,972,124	20,972,124
	- non provision of CNIC		8,542,367	8,542,367
	- non provision of Bank details		7,425,371	7,598,201
			36,939,862	37,112,692

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

12 Short term borrowings - secured

12.1 Export Refinance facilities are available from different commercial banks, under mark-up arrangement carrying mark-up at SBP export refinance rate plus 1.00% (2022: SBP export refinance rate plus 1.00%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days. The amount utilized as at 30 June 2023 is nil (2022: nil).

12.2 The Company has aggregate Running Finance / FATR facilities of Rs. 3,934 million (2022: Rs. 3,977 million) to finance working capital requirements of the Company and carry mark up at 3 months KIBOR plus 0.75% ~ 1.25% (2022: 3 months KIBOR plus 0.75% ~ 1.25%) per annum. The amount utilized as at 30 June 2023 is nil (2022: nil).

12.3 The Company has aggregate facilities of Rs. 4,634 million (2022: Rs. 4,477 million) for opening of letters of credit and Rs. 388.73 million (2022: Rs. 388.73 million) for bank guarantees. The amount utilized as at 30 June 2023 amount to Rs. 1,833.13 million (2022: Rs.511.04 million) and Rs. 232.33 million (2022: Rs. 232.33 million) respectively.

All the above short term finance facilities are secured by way of first parri passu hypothecation charge on present and future current assets of the Company with 25% margin, except that the facilities of bank guarantees issued in favor of SNGPL & PESCO aggregating to Rs. 224.82 million (2022: Rs. 224.82 million) are secured by first parri passu hypothecation charge on present and future fixed assets of the Company with 25% margin.

	2023 Rupees	2022 Rupees
13 Mark-up accrued on borrowings		
Mark-up based borrowings:		
Long term financing - secured	192,668,606	142,171,993
Short term borrowings - secured	6,184	-
	192,674,790	142,171,993

14 Contingencies and commitments

14.1 Legal Contingencies

14.1.1 The State Cement Corporation of Pakistan (Private) Limited, previous sole owner of the Company, raised a claim of Rs. 5.64 million (2022: Rs. 5.64 million) against the Company on account of interim dividend pertaining to year ended 30 June 1993 declared by previous Board of Directors. The subsequent Board of Directors rescinded the declaration of interim dividend on various grounds. The matter is pending before the Civil Courts, Lahore.

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

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

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

14.1.5 The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Company before the honorable Peshawar High Court through filing a Writ Petition (WP), wherein the honorable Court has directed to maintain status quo whereas the WP is pending adjudication.

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

14.1.7 During the year, Khyber Pakhtunkhwa Mines and Minerals Department conducted a survey of the leased area granted to Company containing mineral resources in order to determine any difference (if any) between the minerals excavated by the Company and the amount of Royalty paid since inception till December 2014. While finalizing the assessment, the Mining department alleged a difference of minerals excavated and declared by the Company thereby created a demand of Rs. 750 million in dire ignorance of law and facts of the matter. Company filed various representations and / or appeals before the appropriate forums to highlight that the Company has even declared more production and thus paid more Royalty than the hypothetical figure of production assessed by the Mining Department through its survey, which otherwise has no strong basis. However, mining department did not consider and even did not dispose off the submissions of the Company and hence the Company filed a Writ Petition before the honorable Peshawar High Court wherein, as an interim relief, the court has refrained mining department to recover any amount from the Company. However, the final outcome of the Writ Petition is pending.

14.2. Income Tax Contingencies

14.2.1 The Deputy Commissioner Inland Revenue (DCIR) passed an ex-parte order for tax year 2007 treating the Company as in default for alleged violation of withholding of income tax provisions of the Income Tax Ordinance, 2001 (ITO, 2001) to create a tax demand of Rs. 67 million while finalizing set aside proceedings under section 161/205 of the ITO, 2001 set aside by the Appellate Tribunal Inland Revenue (ATIR). The order was impugned by the Company before Commissioner Inland Revenue (Appeals) [CIR(A)] who deleted entire demand of Rs. 67 million, which was also upheld by ATIR on appeal by Income Tax Department (Department). The Department has challenged the aforesaid decision of ATIR before the honorable Lahore High Court, which is pending adjudication.

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

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

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

14.2.5 Income tax affairs of the Company for Tax Year 2015 were selected for audit U/S 177 of the ITO, 2001. The audit proceedings were finalized by the Deputy Commissioner Inland Revenue (DCIR) resulting in change in allocation of expenses between local and export income and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 172.6 million. The aforesaid treatment meted out by the DCIR has been agitated by the Company before Commissioner Inland Revenue (Appeals) [CIR(A)] through filing of appeal, wherein partial relief has been allowed to the Company leaving a tax demand of Rs. 37.3 million. Both the department and Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A).

14.2.6 The Additional Commissioner Inland Revenue (Addl. CIR) amended the assessment of Company twice for the Tax Year 2016 under the provisions of Section 122(5A) of the Income Tax Ordinance, 2001 (ITO, 2001). The amendments of assessment was made by the Additional CIR vide two separate orders which resulted into an aggregate tax demand of Rs. 210.69 million. The orders of the ACIR have been agitated by Company before the Commissioner Inland Revenue (Appeals) [CIR(A)] through filing two separate appeals, one of which involving tax demand of Rs. 16.4 million has been decided against the Company by the CIR(A) and the Appellate Tribunal Inland Revenue (ATIR) for which a reference application is filed before the Honorable Lahore High Court which is pending adjudication. Demand to the tune of Rs. 194.312 million created vide the other order of the ACIR has been curtailed to Rs. 100.31 million by the CIR(A) and finally deleted by the ATIR which is contested by the Department through filing of a reference application before the honorable Lahore High Court (LHC), which is pending adjudication.

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

14.2.8 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014 . On an appeal, the Commissioner Inland Revenue (Appeals) [CIR(A)], curtailed the aforesaid demand to Rs. 16.7 million. The aforesaid order of CIR(A) has been challenged by Company and the Inland Revenue Department before the Honourable Appellate Tribunal Inland Revenue, Lahore, which is pending adjudication.

14.3. Sales Tax Contingencies

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

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

14.3.3 The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 497 million by disallowing input sales tax to the tune of Rs. 474m and imposed a penalty of Rs. 22.7 Million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed U/S 8(1)(h) of the STA, 1990 as opposed to Company's contention that the input claimed by the Company merits acceptance being directly relates to production of taxable supplies. Rs. 49.71 million were deposited by the Company to obtain statutory stay from recovery to bar department to issue recovery notice under section 48 of the STA 1990, along with filing appeal before Commissioner Inland Revenue (Appeals) [CIR(A)], which, however, decided against the company. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which resulted in deletion of entire demand whereas the aforesaid amount of Rs. 49.71 million has become refundable to the Company. However, the tax Department has filed a reference application before the honorable Lahore High Court (LHC) against the order of ATIR, which is pending adjudication.

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

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

	Note	2023 Rupees	2022 Rupees
14.5 Commitments			
In respect of letters of credit for:			
- Capital expenditures		–	315,340,200
- stores and spares		1,836,329,686	199,068,614
		1,836,329,686	514,408,814
Others:			
- Guarantee issued by Company in favor of bank on behalf of the associated company		390,000,000	390,000,000
		2,226,329,686	904,408,814
15 Property, plant and equipment			
Operating fixed assets	15.1	20,286,414,882	21,200,398,415
Capital work in progress	15.5	1,943,019,581	130,897,947
		22,229,434,463	21,331,296,362

15.1 Operating fixed assets

2023

	Cost					Depreciation				
	As at 01 July 2022	Additions/ (adjustments)	Disposals	As at 30 June 2023	Depreciation Rate	As at 01 July 2022	For the year	Disposals	As at 30 June 2023	Net book value as at 30 June 2023
	Rupees					Rupees				
Freehold land	369,171,848	109,610,386	-	478,782,234	-	-	-	-	-	478,782,234
Factory buildings	1,839,380,817	4,998,613	-	1,844,379,430	4% - 5%	588,696,494	65,063,570	-	653,760,064	1,190,619,366
Office and other building	58,713,548	-	-	58,713,548	5%	29,594,287	1,455,963	-	31,050,250	27,663,298
Housing colony	252,264,442	2,166,961	(6,918,438)	247,512,964	5%	73,860,603	8,921,243	(5,851,400)	76,930,447	170,582,517
Plant - Civil structures	6,566,956,876	-	-	6,566,956,876	4%	1,812,098,122	248,725,893	-	2,060,824,015	4,506,132,861
Plant - Machinery and equipment	19,983,700,178	41,951,601	-	20,025,651,780	4% - 10%	5,679,614,369	736,851,597	-	6,416,465,966	13,609,185,814
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	25,917,442	423,081	-	26,340,523	3,807,729
Power installations	133,937,080	-	-	133,937,080	10%	107,387,965	2,654,911	-	110,042,876	23,894,204
Furniture, fixtures and other office equipment	157,060,468	7,342,236	(320,277)	164,082,427	10%	73,069,553	8,647,707	(236,868)	81,480,392	82,602,035
Computer and printers	42,211,083	8,527,111	(6,960,548)	43,777,647	30%	31,339,421	4,927,570	(6,611,211)	29,655,780	14,121,867
Weighing scale	29,403,750	-	-	29,403,750	10%	10,299,698	1,910,405	-	12,210,103	17,193,647
Light vehicles	369,596,037	25,763,373	(4,080,277)	391,279,133	20%	225,592,249	32,167,789	(2,700,866)	255,059,172	136,219,961
Heavy vehicles	18,824,516	-	-	18,824,516	20%	15,594,482	646,007	-	16,240,489	2,584,027
Railway sidings	9,853,476	-	-	9,853,476	5%	8,514,923	66,928	-	8,581,851	1,271,625
Laboratory equipment	55,964,477	3,415,123	-	59,379,600	10%	35,213,352	2,416,625	-	37,629,977	21,749,623
Library books	94,217	-	-	94,217	10%	89,690	453	-	90,143	4,074
	29,917,281,066	203,775,404	(18,279,540)	30,102,776,929		8,716,882,650	1,114,879,742	(15,400,345)	9,816,362,048	20,286,414,882

2022

	Cost					Depreciation				
	As at 01 July 2021	Additions/ (adjustments)	Disposals	As at 30 June 2022	Depreciation Rate	As at 01 July 2021	For the year	Disposals	As at 30 June 2022	Net book value as at 30 June 2022
	Rupees					Rupees				
Freehold land	203,488,738	165,683,110	-	369,171,848	-	-	-	-	-	369,171,848
Factory buildings	1,738,348,522	101,032,295	-	1,839,380,817	4% - 5%	524,757,922	63,938,572	-	588,696,494	1,250,684,323
Office and other building	56,651,884	2,061,664	-	58,713,548	5%	28,132,175	1,462,112	-	29,594,287	29,119,261
Housing colony	247,635,303	4,629,139	-	252,264,442	5%	64,573,455	9,287,148	-	73,860,603	178,403,839
Plant - Civil structures	6,339,955,042	253,622,026	-	6,566,956,876	4%	1,564,343,149	247,754,973	-	1,812,098,122	4,754,858,754
Plant - Machinery and equipment	19,964,748,585	(26,620,192) 28,677,252 (9,725,659)	- -	19,983,700,178	4% - 10%	4,945,450,677	734,163,692	-	5,679,614,369	14,304,085,809
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	25,447,352	470,090	-	25,917,442	4,230,810
Power installations	133,937,080	-	-	133,937,080	10%	104,438,064	2,949,901	-	107,387,965	26,549,115
Furniture, fixtures and other office equipment	148,917,728	8,202,739	(59,999)	157,060,468	10%	64,043,360	9,053,107	(26,915)	73,069,553	83,990,915
Computer and printers	48,143,276	4,275,923	(10,208,116)	42,211,083	30%	37,410,215	3,971,105	(10,041,899)	31,339,421	10,871,662
Weighing scale	29,403,750	-	-	29,403,750	10%	8,177,025	2,122,673	-	10,299,698	19,104,052
Light vehicles	351,404,532	36,194,836	(18,003,331)	369,596,037	20%	200,359,825	34,750,327	(9,517,903)	225,592,249	144,003,788
Heavy vehicles	18,824,516	-	-	18,824,516	20%	14,786,973	807,509	-	15,594,482	3,230,034
Railway sidings	9,853,476	-	-	9,853,476	5%	8,444,473	70,450	-	8,514,923	1,338,553
Laboratory equipment	55,454,477	510,000	-	55,964,477	10%	32,950,172	2,263,180	-	35,213,352	20,751,125
Library books	94,217	-	-	94,217	10%	89,187	503	-	89,690	4,527
	29,377,009,378	568,543,135	(28,271,446)	29,917,281,066		7,623,404,024	1,113,065,342	(19,586,717)	8,716,882,650	21,200,398,415

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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

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

The Company is in the process of acquiring further land in District Khushab for installation of its new grey cement line.

	Note	2023 Rupees	2022 Rupees
15.3 Depreciation charge for the year has been allocated as follows:			
Cost of goods sold	27	1,102,121,757	1,101,099,078
Selling and distribution expenses	28	4,512,049	4,794,035
Administrative and general expenses	29	8,245,936	7,172,229
		1,114,879,742	1,113,065,342

15.4 Disposal of property, plant and equipment

	2023							
Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale value	Gain/(loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rupees							
Building Material - debris	6,918,438	5,851,400	1,067,039	3,181,500	2,114,461	Negotiation	Muhammad Kashif	Third party
Computer Items having book value less than Rs.500,000/- each	6,960,548	6,611,211	349,336	164,285	(185,051)	Negotiation	FA Technologies / RJK computers	Third party
Light vehicles								
Toyota Corolla	2,242,460	1,757,486	484,974	2,950,000	2,465,026	Insurance claim	EFU general insurance	Third party
Motor Bikes having book value less than Rs.500,000/- each	1,837,817	943,380	894,437	1,281,885	387,448	Company policy	Employees	Employees
	4,080,277	2,700,866	1,379,411	4,231,885	2,852,474			
Office Equipments	320,277	236,868	83,409	12,100	(71,309)	Negotiation	RJK computers	Third party
2023	18,279,540	15,400,345	2,879,195	7,589,770	4,710,575			
2022	28,271,446	19,586,718	8,684,728	18,096,560	9,411,831			

		Note	2023 Rupees	2022 Rupees
15.5	**Capital work in progress**			
	Opening balance		130,897,947	273,939,559
	Additions during the year		1,849,036,990	205,902,529
	Transfers to property, plant and equipment		(36,915,356)	(348,944,141)
	Closing balance	15.6	1,943,019,581	130,897,947
15.6	**The breakup of closing balance is as follows:**			
	Plant and machinery		1,725,607,899	42,285,955
	Civil works		217,411,682	88,611,992
			1,943,019,581	130,897,947

		Note	2023 Rupees	2022 Rupees
16	**Intangible assets**			
	Opening balance		2,701,357	6,725,910
	Additions during the year		-	1,019,921
	Less: Amortization for the year	29	(1,133,648)	(5,044,474)
	Closing balance		1,567,709	2,701,357
	Cost		30,461,960	30,461,960
	Less: Accumulated amortization		(28,894,251)	(27,760,603)
			1,567,709	2,701,357

		(Percentage)	(Percentage)
	Amortization rate	20% to 50%	20% to 50%

		Note	2023 Rupees	2022 Rupees
17	**Long term loans and advances**			
	Loans to employees - secured considered good		466,190	104,244
	Advance against purchase of land	17.1	16,963,151	63,122,585
			17,429,341	63,226,829

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

		Note	2023 Rupees	2022 Rupees
18	**Long term deposits**			
	Opening balance		43,356,640	43,326,640
	Additions during the year		-	30,000
	Closing balance	18.1	43,356,640	43,356,640

18.1 This mainly represents security deposit with Peshawar Electric Supply Company.

		Note	2023 Rupees	2022 Rupees
19	**Investment property**			
	Balance at the beginning of the year		4,134,255,209	4,134,086,159
	Additions during the year		190,655,534	169,050
		19.1	4,324,910,743	4,134,255,209

19.1 Investment property comprises of land that are held for capital appreciation. The approximate market value of investment property is Rs. 8,360.93 million (2022: Rs. 7,152.85 million) and aggregate forced sale value of Rs. 7,106.79 million (2022: Rs.6,079.92 million) based on valuation conducted by a professional valuer. The Company owns investment properties measuring 1,128.88 kanals (2022: 1,083.55 kanals) located at different locations in District Lahore.

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

		Note	2023 Rupees	2022 Rupees
20	**Stores, spares and loose tools**			
	Stores	20.1	2,997,389,055	2,709,022,593
	Spares		1,662,025,792	1,453,329,587
	Loose tools		53,714,917	52,477,456
			4,713,129,764	4,214,829,636

20.1 These include stores in transit amounting to Rs. 47.38 million (2022: Rs. 12.87 million).

		Note	2023 Rupees	2022 Rupees
21	**Stock-in-trade**			
	Raw materials		34,565,880	9,423,953
	Packing materials		519,991,935	348,793,868
	Work in process		1,563,113,179	737,992,650
	Finished goods		825,190,561	359,946,311
			2,942,861,554	1,456,156,782
22	**Trade debts**			
	Trade debts - unsecured, considered good		1,249,185,297	953,624,262
	Provision for loss allowance against trade debts	22.1	(43,631,922)	(37,584,793)
			1,205,553,375	916,039,469

	Note	2023 Rupees	2022 Rupees
22.1 Movement in provision for loss allowance against trade debts:			
Balance as of July 01		37,584,793	35,140,181
Expected credit loss during the year		6,047,129	2,444,612
Closing balance as at 30 June		43,631,922	37,584,793

23 Short term investments

	Note	2023 Rupees	2022 Rupees
FVOCI - listed equity securities			
Cost		89,286	89,286
Accumulated fair value gain	23.1	220,714	300,714
		310,000	390,000
FVOCI - debt instrument			
Term Finance Certificates	23.2.1	100,000,000	100,000,000
Accumulated fair value loss	23.2.2	(2,645,000)	(2,500,000)
		97,355,000	97,500,000
FVTPL			
Investments in Mutual Funds			
Money Market Mutual Funds - Shariah Compliant		11,285,840,240	-
Income Mutual Funds - Shariah Compliant		-	50,321,703
Money Market Mutual Funds - Conventional		307,809,113	1,968,960,717
		11,593,649,353	2,019,282,420
Government of Pakistan Market Treasury Bills		-	7,804,071,500
Listed equity securities			
Cost		641,980,755	209,009,200
Accumulated fair value gain / (loss)	23.3	1,778,708	(6,157,427)
		643,759,463	202,851,773
		12,237,408,816	10,026,205,693
		12,335,073,816	10,124,095,693

23.1 FVOCI - listed equity securities

	2023 Rupees	2022 Rupees
Fair value changes		
At beginning of the year	300,714	690,114
Fair value loss for the year	(80,000)	(389,400)
Accumulated fair value gain	220,714	300,714

23.2 FVOCI - debt instrument

23.2.1 These represents fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited and Bank of Punjab. These TFCs carry floating rate of return at 3-6 Month Kibor plus 1.60% ~ 2% per annum. The Company intends to liquidate these TFCs during next 12 months period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Note	2023 Rupees	2022 Rupees
23.2.2	**Fair value changes**			
	At beginning of the year		(2,500,000)	(1,290,000)
	Fair value (loss) for the year		(145,000)	(1,210,000)
			(2,645,000)	(2,500,000)
23.3	**FVTPL - listed equity securities**			
	Fair value changes			
	At beginning of the year		(6,157,427)	-
	Fair value gain / (loss) for the year		7,936,135	(6,157,427)
			1,778,708	(6,157,427)

		Note	2023 Rupees	2022 Rupees
24	**Loans, Advances, deposits, prepayments and other receivables**			
	Advances - unsecured, considered good			
	- to employees	24.1	3,285,012	3,261,627
	- to suppliers		216,887,920	255,963,061
	- to contractors		7,724,266	7,930,771
			227,897,198	267,155,459
	Loan to Ultra Kraft (Private) Ltd- an associated undertaking	24.3	169,834,269	-
	Income tax and Sales tax paid under protest	24.2	155,227,970	161,673,454
	Guarantee margin		75,863,696	17,948,191
	Prepayments		20,011,718	16,987,067
	Security deposits		92,489,482	91,414,482
	Accrued interest on bank deposits		7,780,631	4,063,853
	Duty drawback claims receivable on export sales		5,251,719	4,422,985
	Other advances and receivables		28,864,265	20,278,744
			783,220,948	583,944,235

		2023 Rupees	2022 Rupees
24.1	**Advances to Company's employees**		
	Advances to employees against salary	2,421,870	2,390,877
	Advances to employees against expenses	863,142	870,750
		3,285,012	3,261,627

24.2 This includes sales tax paid to the Federal Board of Revenue under protest, as referred to in notes 14.3.1, 14.3.2, and 14.3.3

24.3 In terms of section 199 of the Companies Act, 2017 the Company in its AGM held on October 27, 2022 has approved investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited, an associated company, to meet its working capital requirements. As of 30 June 2023, the Company has disbursed Rs. 160 million to Ultra Kraft (Private) Limited, the loan is for one year period starting from 29 October 2022 and carry mark up rate of 3 MK plus 1.5%. per annum. The Company has also issued a Corporate

Guarantee for an amount of Rs. 390 million for a period of 7 years in favour of National Bank of Pakistan (NBP) by mortgaging it's immovable property to secure long term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. Commission shall be charged at the rate of 0.12% per quarter payable quarterly in arrears. As at 30th June, Rs.9.83 million pertains to accrued markup/commission on financing facilities.

		Note	2023 Rupees	2022 Rupees
25	**Cash and bank balances**			
	Cash in hand		629,037	2,824,365
	Cash at bank			
	- current accounts			
	Deposits with conventional banks		458,045,863	351,669,458
	Deposits with Islamic banks		53,651,911	436,063
			511,697,774	352,105,521
	- saving accounts	25.1		
	Deposits with conventional banks		235,982,958	95,060,934
	Deposits with Islamic banks		185,227,424	30,774,812
			421,210,382	125,835,746
			933,537,193	480,765,632

25.1 These carry return at 6.75% to 19.50% (2022: 4% to 13.16%) per annum.

		2023 Rupees	2022 Rupees
26	**Sales - net**		
	Gross Sales		
	Local	52,834,034,197	45,979,106,567
	Export	414,231,584	60,957,284
		53,248,265,781	46,040,063,851
	Less: Sales tax	(8,949,407,921)	(7,551,631,787)
	Federal Excise Duty	(4,924,360,715)	(5,325,199,650)
	Rebate / commission	(452,861,795)	(286,283,235)
		(14,326,630,431)	(13,163,114,672)
		38,921,635,350	32,876,949,179

26.1 Disaggregation of revenue

26.1.1 Type of customers - Gross sales

	2023 Rupees	2022 Rupees
Contracts with government customers	998,159,970	1,100,059,218
Contracts with non-government customers	52,250,105,811	44,940,004,633
	53,248,265,781	46,040,063,851

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	2023 Rupees	2022 Rupees
26.1.2 Geographical region - Gross Revenue		
Pakistan	52,834,034,197	45,979,106,567
Afghanistan	414,231,584	60,957,284
	53,248,265,781	46,040,063,851

26.1.3 During the year the Company has recognized revenue amounting to Rs. 227.26 million out of contract liability as at 01 July 2022.

	Note	2023 Rupees	2022 Rupees
27 Cost of sales			
Raw materials consumed		1,605,500,571	1,265,524,851
Packing materials consumed		2,406,357,467	2,147,020,120
Power and fuel		5,933,856,199	5,081,335,788
Coal and gas		16,176,333,859	11,254,395,645
Stores and spares consumed		683,284,419	678,366,131
Salaries, wages and other benefits	27.1	707,370,632	614,894,554
Royalty and excise duty	27.2	560,779,787	603,244,437
Rent, rates and taxes		46,388,658	40,631,369
Repairs and maintenance		175,191,790	141,590,099
Insurance		52,047,457	53,768,238
Depreciation	15.3	1,102,121,757	1,101,099,078
Loading and freight charges		166,217,687	117,792,382
Other expenses		176,947,801	141,121,696
		29,792,398,084	23,240,784,388
Work in process			
At beginning of the year		737,992,650	565,970,725
At end of the year		(1,563,113,179)	(737,992,650)
		28,967,277,556	23,068,762,463
Finished goods			
At beginning of the year		359,946,311	373,218,643
At end of the year		(825,190,561)	(359,946,311)
		28,502,033,306	23,082,034,795
Less: Cost attributable to own cement consumption and others		(13,091,975)	(16,854,125)
		28,488,941,331	23,065,180,670

27.1 Salaries, wages and other benefits include Rs. 16.42 million (2022: Rs. 14.58 million) and Rs. 5.80 million (2022: Rs. 5.06 million) in respect of provident fund contributions and compensated absences, respectively.

27.2 This represents royalty and excise duty paid to Government of Khyber Pakhtunkhwa on account of extraction of raw materials from quarry lease.

	Note	2023 Rupees	2022 Rupees
28 Selling and distribution expenses			
Salaries, wages and other benefits	28.1	100,731,763	85,704,369
Vehicle running		9,448,655	5,049,526
Travelling and conveyance		5,347,944	3,320,434
Printing and stationary		458,012	476,090
Postage, telephone and telegrams		1,655,999	1,722,580
Repairs and maintenance		7,204,904	536,000
Entertainment		4,293,786	3,537,771
Rent, rates and taxes		4,205,938	2,698,173
Electricity, water and gas		846,326	685,585
Sales promotion		36,170,967	12,515,704
Depreciation	15.3	4,512,049	4,794,035
Miscellaneous		1,247,115	1,096,469
		176,123,458	122,136,736

28.1 Salaries, wages and other benefits include Rs. 2.20 million (2022: Rs. 1.90 million) and Rs. 0.72 million (2022: Rs. 0.61 million) in respect of provident fund contributions and compensated absences, respectively.

	Note	2023 Rupees	2022 Rupees
29 Administrative and general expenses			
Salaries, wages and other benefits	29.1	295,973,283	268,199,235
Vehicle running		7,127,897	4,060,514
Travelling and conveyance		2,712,140	2,327,348
Printing and stationary		7,018,674	4,383,541
Legal and professional		17,144,737	18,541,466
Postage, telephone and telegrams		6,192,321	5,225,209
Repairs and maintenance		20,842,155	14,285,754
Rent, rates and taxes		7,316,603	6,637,747
Electricity, water and gas		9,237,643	6,588,503
Entertainment		7,034,921	4,447,500
Auditors' remuneration and fee for other services	29.3	3,491,250	2,931,600
Depreciation	15.3	8,245,936	7,172,229
Amortization	16	1,133,648	5,044,474
Advertisement		737,925	487,840
Miscellaneous		2,020,921	3,189,886
		396,230,055	353,522,846

29.1 Salaries, wages and other benefits include Rs. 4.87 million (2022: Rs. 7.01 million) and Rs. 1.82 million (2022: Rs. 1.52 million) in respect of provident fund contributions and compensated absences, respectively.

29.2 Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.262 million (2022: Rs. 0.25).

		Note	2023 Rupees	2022 Rupees
29.3	**Auditors' remuneration and fee for other services**			
	Statutory audit		2,540,000	1,817,850
	Half year review		400,000	300,000
	Tax consultancy		551,250	813,750
			3,491,250	2,931,600
30	**Other income**			
	Income from financial assets - Conventional:			
	Interest on bank deposits and investments		48,304,294	22,615,440
	Realized gain on investments at FVTPL-Mutual Funds		90,609,288	10,198,249
	Realized gain on investments at FVTPL-Market Treasury Bills		494,778,500	435,764,500
	Dividend received from investment in mutual funds		1,028,047,489	43,304,695
	Dividend received from investment in equity securities		113,628,537	-
	Net change in fair value of financial assets at FVTPL		1,013,687	1,365,615
	Foreign currency exchange gain - net		40,463	153,428
	Interest on employees' loans		23,629	1,620
	Interest/commission on financing facilities to Ultra Kraft (Pvt) Ltd - associated company		18,246,214	-
	Income from financial assets - Shariah compliant:			
	Profit on bank deposits and investments		49,061,335	42,397,325
	Net change in fair value of financial assets at FVTPL		8,271,348	(79,341)
	Realized gain on investment at FVTPL		6,224,517	2,924,298
	Dividend received from investment in mutual funds		217,630,457	112,165,867
			2,075,879,758	670,811,696
	Income from non-financial assets			
	Income from sale of scrap		3,611,266	5,376,568
	Miscellaneous income		1,606,455	4,543,301
	Profit on disposal / retirement of property, plant and equipment		4,710,575	9,411,831
			9,928,295	19,331,700
			2,085,808,053	690,143,396
31	**Other expenses**			
	Workers' Profit Participation Fund	9.2	559,857,211	474,038,396
	Workers' Welfare Fund	9.3	167,959,171	81,240,390
	Donations	31.1	2,560,000	2,760,000
	Provision for loss allowance against trade debts		6,047,129	2,444,612
	Advances no longer receivable written off		89,448	2,568,984
			736,512,959	563,052,382

31.1 It includes donations paid to Akhuwat Foundation and Medicare Health Foundation of Rs. 2.20 million and Rs. 0.36 million respectively. None of the Directors of the Company or any of their spouse have any interest in donee's fund.

		2023 Rupees	2022 Rupees
32	**Finance cost**		
	Mark-up on conventional finances:		
	Short term borrowings- secured	137,578	18,917,430
	Long term finances-secured	683,425,751	496,418,919
		683,563,329	515,336,349
	Bank charges, commission and others	56,744,443	22,374,466
		740,307,772	537,710,815
33	**Taxation**		
	Current		
	- for the year	3,187,732,853	2,351,484,595
	- for prior year	45,059,002	–
		3,232,791,855	2,351,484,595
	Deferred tax	1,415,784,828	1,549,724,271
		4,648,576,683	3,901,208,866

		2023 Rupees	2022 Rupees
33.1	**Relationship between tax expense and accounting profit**		
	Profit before taxation	10,469,327,828	8,925,489,126
	Tax calculated at the rate of 29% (2022 : 29%)	3,036,105,070	2,588,391,847
	Tax effect of:		
	- income under Final Tax Regime / separate block of income	(218,167,442)	(98,958,136)
	- super tax @ 10%	1,033,987,723	859,121,806
	- change in proportion of local and export sales	31,458,888	66,377,335
	- change in tax rate	742,024,376	485,505,507
	- Tax revision prior year	45,059,002	--
	- others	(21,890,934)	770,506
		4,648,576,683	3,901,208,866

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

		Unit	2023 Rupees	2022 Rupees
34	**Earnings per share - basic and diluted**			
34.1	**Basic Earnings per share**			
	Profit for the year after taxation	Rupees	5,820,751,145	5,024,280,260
	Weighted average number of ordinary shares	Numbers	200,861,297	200,861,297
	Earnings per share	Rupees	28.98	25.01

34.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 June 2023 and 30 June 2022. Furthermore, there is no anti dilutive effect on basic earning per share of the proposed Buy-Back of shares as at 30 June 2023.

		Note	2023 Rupees	2022 Rupees
35	**Cash generated from operations**			
	Profit before taxation		10,469,327,828	8,925,489,126
	Adjustments for non-cash and other items:			
	Depreciation on property, plant and equipment	15.3	1,114,879,742	1,113,065,342
	Amortization on intangibles	29	1,133,648	5,044,474
	Gain on disposal of property, plant and equipment	15.4	(4,710,575)	(9,411,831)
	Net change in fair value of financial assets at FVTPL		(106,118,840)	(14,408,821)
	Provision for compensated absences	8.2	12,085,162	7,204,048
	Interest on bank deposits	30	(48,304,294)	(22,615,440)
	Gain on market treasury bills	30	(494,778,500)	(435,764,500)
	Profit on bank deposits - arrangements permissible under Shariah	30	(49,061,335)	(42,397,325)
	Provision for Workers' Welfare Fund	31	167,959,171	81,240,390
	Provision for Workers' Profit Participation Fund	31	559,857,211	474,038,396
	Finance cost	32	740,307,772	537,710,815
	Foreign currency exchange gain		(40,463)	(153,428)
	Provision for loss allowance against trade debts		6,047,129	2,444,612
			1,899,255,828	1,695,996,732
	Operating profit before working capital changes		12,368,583,656	10,621,485,858
	Changes in working capital			
	(Increase) / decrease in current assets:			
	Stores, spares and loose tools		(498,300,128)	(1,144,060,535)
	Stock in trade		(1,486,704,772)	(343,380,516)
	Trade debts		(295,561,035)	65,084,142
	Advances, deposits, prepayments and other receivables		(195,559,934)	(99,266,462)
			(2,476,125,869)	(1,521,623,371)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		(820,209,632)	201,497,597
	Contract Liabilities		(11,848,463)	127,892,908
	Long term deposits		1,500,000	-
	Cash generated from operations		9,061,899,692	9,429,252,992
36	**Cash and cash equivalents**			
	Cash and bank balances	25	933,537,193	480,765,632

37 Transactions with related parties

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

	Percentage of Holding	Relationship	Nature of transactions	Note	2023 Rupees	2022 Rupees
Transactions with related parties						
Company's Employees Provident Fund Trust		Post employment benefit plan	Contribution		23,487,425	23,494,500
Kohat Cement Educational Trust	0.08%	Common Directorship / Trustee	Contribution		5,900,000	5,636,578
Ultra Pack (Private) Limited		Common Control	Purchase of packing material		1,838,132,576	1,576,500,108
Ultra Kraft (Private) Limited		Common Control	Purchase of packing material		17,449,250	13,982,625
Ultra Kraft (Private) Limited		Common Control	Sale of cement		-	9,043,040
Ultra Kraft (Private) Limited		Common Control	Short term working capital loan		160,000,000	-
Ultra Kraft (Private) Limited		Common Control	Commission/markup		18,246,214	-
Art Vision (Private) Limited		Common directorship	Professional Services		-	10,000
Palace Enterprises (Private) Limited		Common directorship	Purchase of generator		-	3,500,000
Chief Executive		Key Management Personnel	Remuneration paid	38	118,765,747	89,611,225
Other executive		Key Management Personnel	Remuneration paid		119,803,414	104,420,060
Balances with related parties						
Company's Employees Provident Fund Trust		Post employment benefit plan	Payable	9	4,987,873	4,305,593
Ultra Pack (Private) Limited		Common Control	Trade creditors		43,542,000	156,069,810
Ultra Kraft (Private) Limited		Common Control	Loan/commission/markup receivable	24	169,834,269	-

37.1 The Company has paid Rs. 101.80 million (2022: Rs. 82.97 million) to the Chairman on account of his remuneration and has also paid Rs. 2.57 million (2022: Rs. 1.40 million) to the six non-executive directors being the fee for attending Board and Committee meetings.

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

38 Remuneration of Chief Executive, Directors and Executives

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

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

	2022			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	–	72,684,612	–	–
Managerial remuneration	72,684,612	–	–	156,954,016
Bonus	14,010,222	–	–	28,302,652
Medical expenses reimbursed	372,430	7,745,332	–	–
Other benefits	–	–	–	1,058,818
	87,067,264	80,429,944	–	186,315,486
Post employment benefits				
Contribution to provident fund	2,543,961	2,543,961	–	5,164,955
	89,611,225	82,973,905	–	191,480,441
Number of persons	1	1	–	19

38.1 The Company has paid Rs. 2.57 million (2022: Rs. 1.40 million) to the six non-executive directors as fee for attending Board and Committee meetings.

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

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

39 Financial risk management

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

- credit risk
- liquidity risk
- market risk

Risk management framework

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

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

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

39.1 Credit risk

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

39.1.1 Exposure to credit risk

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

	Note	2023 Rupees	2022 Rupees
Loans and receivables			
Long term deposits	18	43,356,640	43,356,640
Trade debts - unsecured, considered good		1,205,553,375	916,039,469
Short term investments (debt instrument)	23	11,691,004,353	2,116,782,420
Government of Pakistan Market Treasury Bills	23	–	7,804,071,500
Loan to Ultra Kraft (Private) Ltd- an associated undertaking		169,834,269	–
Accrued interest on bank deposits		7,780,631	4,063,853
Guarantee margin		75,863,696	17,948,191
Deposits and other receivables		123,775,617	114,084,103
Cash at banks		932,908,156	477,941,267
		14,250,076,737	11,494,287,443

39.1.2 Concentration of credit risk

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

	2023 Rupees	2022 Rupees
Customers	1,205,553,375	916,039,469
Banking companies and mutual funds	12,707,556,836	2,616,735,731
Government of Pakistan Market Treasury Bills	–	7,804,071,500
Others	336,966,526	157,440,743
	14,250,076,737	11,494,287,443

39.1.3 Credit quality and impairment

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

39.1.3(a) Counterparties with external credit ratings

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

	Rating				
Bank	**Short term**	**Long term**	**Rating agency**	**2023 Rupees**	**2022 Rupees**
Allied Bank Limited	A1+	AAA	PACRA	208,585,487	92,499,133
Askari Bank Limited	A1+	AA+	PACRA	156,545,494	1,580,812
Bank Alfalah Limited	A1+	AA+	PACRA	5,160,433	1,119,429
Bank Al Habib Limited	A1+	AAA	PACRA	91	9
Bank Islami Pakistan Limited	A1	AA-	PACRA	19,453	19,453
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	51,797,543	734,468
Habib Bank Limited	A-1+	AAA	JCR-VIS	103,640,425	24,490,112
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,088,274	8,185,032
JS Bank Limited	A1+	AA-	PACRA	17,616,448	1,171,705
MCB Islamic Bank Limited	A1	A	PACRA	50,062,505	63,655
MCB Bank Limited	A1+	AAA	PACRA	18,448,748	203,445,309
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,696,221	2,309,561
National Bank of Pakistan	A1+	AAA	PACRA	326,955	2,467,706
Samba Bank Limited	A-1	AA	JCR-VIS	1,005,022	647,808
Soneri Bank Limited	A1+	AA-	PACRA	8,693,992	1,510,293
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	9,750,657	5,505,679
The Bank of Punjab	A1+	AA+	PACRA	176,415,526	26,361,307
The Bank of Khyber	A-1	A+	JCR-VIS	14,251,977	29,456,760
United Bank Limited	A-1+	AAA	JCR-VIS	76,802,908	76,373,036
				932,908,160	477,941,266
LC / Guarantee Margins					
Askari Bank Limited	A1+	AA+	PACRA	11,678,400	427,700
Bank Alfalah Limited	A1+	AA+	PACRA	2,000,000	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	8,188,796	9,164,596
Habib Bank Limited	A-1+	AAA	JCR-VIS	45,756,317	415,795
The Bank of Punjab	A1+	AA+	PACRA	-	46,991
Soneri Bank Limited	A1+	AA-	PACRA	2,303,683	1,956,609
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	5,936,500	5,936,500
				75,863,696	17,948,191

Mutual Funds	Rating	Rating agency	2023 Rupees	2022 Rupees
ABL Cash Fund	AA+(f)	JCR-VIS	-	253,163,459
ABL Islamic Cash Fund	AA+(f)	JCR-VIS	737,264,208	-
Al Hamra Islamic Money Market Fund	AA+(f)	PACRA	1,266,870,302	-
Alfalah GHP Money Market Fund	AA+(f)	PACRA	-	100,825,626
Alfalah Islamic Rozana Amdani Fund	AA(f)	PACRA	823,209,370	-
Al-Habib Cash Fund	AA+(f)	JCR-VIS	-	176,836,188
Al Habib Islamic Cash Fund	AA+(f)	PACRA	555,209,740	-
Atlas Islamic Money Market Fund	AA(f)	PACRA	126,295,471	-
Atlas Money Market Fund	AA+(f)	PACRA	-	150,858,493
Faysal Money Market Fund	AA(f)	PACRA	-	100,521,492
First Habib Islamic Income Fund	AA(f)	PACRA	-	50,321,701
HBL Cash Fund	AA+(f)	JCR-VIS	-	151,660,584
HBL Islamic Money Market Fund	AA+(f)	JCR-VIS	1,454,190,025	-
JS Cash Fund	AA+(f)	PACRA	-	101,053,255
JS Islamic Daily Dividend Fund	AA(f)	PACRA	75,988,369	-
Lakson Money Market Fund	AA+(f)	PACRA	-	100,840,294
MCB Cash Management Optimizer	AA+(f)	PACRA	-	303,135,436
Meezan Rozana Amdani Fund	AA+(f)	JCR-VIS	2,023,185,821	-
NIT Islamic Money Market Fund	AAA	JCR-VIS	304,083,852	
NBP Islamic Daily Dividend Fund	AA+(f)	PACRA	759,190,713	-
NBP Islamic Money Market Fund	AA(f)	PACRA	694,710,180	328,024,895
NBP Fixed Term Munafa Plan - II		N/A	307,809,108	-
Lakson Islamic Money Market Fund	AA(f)	PACRA	176,654,931	
UBL Al Ameen Islamic Cash Fund	AA+(f)	JCR-VIS	632,552,242	-
UBL Al Ameen Islamic Cash Plan-1	AA+(f)	JCR-VIS	899,256,082	
UBL Liquidity Plus Fund	AA+(f)	JCR-VIS	-	202,040,997
Faysal Islamic Cash Fund	AA(f)	JCR-VIS	757,178,940	-
			11,593,649,354	2,019,282,420

Term Finance Certificates	Rating	Rating agency	2023 Rupees	2022 Rupees
Habib Bank Limited	AA+	JCR-VIS	47,665,000	47,500,000
The Bank of Punjab	AA-	PACRA	49,690,000	50,000,000
			97,355,000	97,500,000

	Rating				
Listed Equity Securities	Short term	Long term	Rating agency	2023 Rupees	2022 Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,198,790	5,237,162
MCB Bank Limited	A1+	AAA	PACRA	25,566,416	27,467,091
United Bank Limited	A-1+	AAA	JCR-VIS	353,354,036	170,147,520
Engro Fertilizers Limited	A1+	AA	PACRA	260,640,221	-
Gharibwal Cement Limited	A2	A	PACRA	310,000	390,000
				644,069,463	203,241,773

39.1.3(b) Counterparties without external credit ratings

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

	Gross carrying amount	
	2023 Rupees	2022 Rupees
Not yet due	1,019,577,148	726,519,753
Past due 0 - 90 days	157,903,367	187,866,007
Past due 91 - 180 days	19,587,739	412,555
Past due 181 - 270 days	10,065,194	1,491,398
Past due 271 - 360 days	8,286,840	2,329,675
Past due above one year	33,765,022	35,004,874
	1,249,185,309	953,624,262

39.1.3(c) Government of Pakistan Market Treasury Bills

Market treasury bills of Rs. Nil (2022: Rs. 7,804.07 billion) are issued by Government of Pakistan (GoP) and are sold in the primary market through auctions conducted by State Bank of Pakistan (SBP).These are sovereign instruments and are backed by credit of the GoP.

39.2 Liquidity risk

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

39.2.1 Exposure to liquidity risk

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

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

		2023				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	3,183,373,248	5,774,292,840	1,690,309,124	4,083,983,716	-
Long term deposits	7	3,536,100	3,536,100	-	-	3,536,100
Trade and other payables	9	1,446,833,989	1,446,833,989	1,446,833,989	-	-
Mark-up accrued on borrowings	13	192,674,790	192,674,790	192,674,790	-	-
Dividend payable	11	36,939,862	36,939,862	36,939,862	-	-
Unclaimed dividend		8,535,358	8,535,358	8,535,358	-	-
		4,871,893,347	7,462,812,939	3,375,293,123	4,083,983,716	3,536,100

		2022				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years
				Rupees		
Non-derivative financial liabilities						
Long term financing	6	4,251,312,474	5,774,292,840	1,690,309,124	4,083,983,716	-
Long term deposits	7	2,036,100	2,036,100	-	-	2,036,100
Trade and other payables	9	2,141,949,186	2,141,949,186	2,141,949,186	-	-
Mark-up accrued on borrowings	13	142,171,993	142,171,993	142,171,993	-	-
Dividend payable	11	37,112,692	37,112,692	37,112,692	-	-
Unclaimed dividend		8,535,357	8,535,357	8,535,357	-	-
		6,583,117,802	8,106,098,168	4,020,078,352	4,083,983,716	2,036,100

39.3 Market risk

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

39.3.1 Currency risk

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

39.3.1(a) Exposure to currency risk

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

	2023					
	AED	GBP	CNY	EURO	USD	Rupees
Assets						
Cash and bank balances	-	-	-	-	63,097	18,083,572
Advances, deposits, prepayments and other receivables	-	-	509,240	154,733	21,965	75,161,706
Liabilities						
Trade creditors	-	-	-	(242)	(8,556)	(2,528,070)
Net balance sheet exposure	-	-	509,240	154,491	76,506	90,717,208
Off balance sheet exposure	(141,200)	-	(7,418,552)	(285,556)	(5,011,770)	(1,836,329,686)
Total Exposure	(141,200)	-	(6,909,312)	(131,065)	(4,935,264)	(1,745,612,478)

	2022					
	AED	GBP	CNY	EURO	USD	Rupees
Assets						
Advances, deposits, prepayments and other receivables	-	229	40,642	1,024,062	40,613	230,065,733
Liabilities						
Trade creditors	-	-	-	(242)	(8,556)	(1,810,344)
Net balance sheet exposure	-	229	40,642	1,023,820	32,057	228,255,389
Off balance sheet exposure - Letters of credit	-	-	(666,725)	(2,191,600)	(101,696)	(514,408,814)
Total Exposure	-	229	(626,083)	(1,167,780)	(69,639)	(286,153,425)

39.3.1(b) Exchange rates applied during the year

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

	AED		GBP		CNY		EURO		USD	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees									
Reporting date spot rate										
- buying	78.59	56.35	364.77	249.31	39.91	30.85	313.72	215.23	286.60	205.50
- selling	78.72	56.40	365.40	249.92	39.98	30.93	314.27	215.75	287.10	206.00
Average rate for the year	67.51	48.47	299.39	236.19	35.67	27.61	260.52	200.10	247.94	177.63

39.3.1(c) Sensitivity analysis

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

	Effect on profit before taxation	
	2023 Rupees	2022 Rupees
Weakening of Pak Rupee		
GBP	-	572
EURO	485,519	2,208,892
USD	219,648	66,037
CNY	203,594	12,571
	908,761	2,288,072

Amount of off-balance sheet letters of credit will increase by Rs. 18.36 million (2022: Rs. 5.13 million) if Pak Rupee weakens 1% against other currencies.

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

39.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 0.18% (2022: 0.53%) of the Company's total assets, any adverse / favourable movement in functional currency with respect to British Pound Sterling, Chinese Yuan, Euro and US dollar will not have any material impact on the operational results.

39.3.2 Interest rate risk

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

39.3.2(a) Mark-up bearing financial instruments

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

	2023		2022	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
Non-derivative financial instruments				
Fixed rate instruments	–	–	7,804,071,500	37,554,236
Variable rate instruments	518,565,382	3,183,373,248	223,335,746	4,213,758,238
	518,565,382	3,183,373,248	8,027,407,246	4,251,312,474

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

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

	Effect on profit before taxation	
	2023 Rupees	2022 Rupees
Increase of 100 basis points	(26,648,079)	(39,904,225)
Decrease of 100 basis points	26,648,079	39,904,225

39.3.2(c) Interest rate risk management

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

39.3.3 Price risk

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

39.3.3(a) Investments exposed to price risk

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

	2023 Rupees	2022 Rupees
Investment in equity securities	644,069,463	203,241,773
Investment in units of mutual funds	11,593,649,353	2,019,282,420
Term Finance Certificates	97,355,000	97,500,000
	12,335,073,816	2,320,024,193

39.3.3(b) Sensitivity analysis

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

	Equity	
	2023 Rupees	2022 Rupees
FVOCI		
Effect of increase	37,071,223	15,037,089
Effect of decrease	(37,071,223)	(15,037,089)

	Profit and loss account	
	2023 Rupees	2022 Rupees
FVTPL		
Effect of increase	579,682,468	100,964,121
Effect of decrease	(579,682,468)	(100,964,121)

39.3.3(c) Price risk management

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

39.4 Fair value of financial instruments

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Carrying amount					Fair Value		
	Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
					Rupees				
On-Balance sheet financial instruments 30 June 2023									
Financial assets measured at fair value									
Investments	23	97,665,000	12,237,408,816	-	-	-	12,335,073,816	-	-
		97,665,000	12,237,408,816	-	-	-	12,335,073,816	-	-
Financial assets at amortised cost									
Long term deposits	18	-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good	22	-	-	1,205,553,375	-	1,205,553,375	-	-	-
Deposits, and other receivables	24	-	-	377,254,213	-	377,254,213	-	-	-
Cash and Bank balances	25	-	-	933,537,193	-	933,537,193	-	-	-
	39.4.2	-	-	2,559,701,421	-	2,559,701,421	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Long term financing	6	-	-	-	3,183,373,248	3,183,373,248	-	-	-
Long term deposits	7	-	-	-	3,536,100	3,536,100	-	-	-
Trade and other payables	9	-	-	-	1,446,833,989	1,446,833,989	-	-	-
Mark-up accrued on borrowings	13	-	-	-	192,674,790	192,674,790	-	-	-
Dividend payable	11	-	-	-	36,939,862	36,939,862	-	-	-
Unclaimed dividend		-	-	-	8,535,358	8,535,358	-	-	-
	39.4.2	-	-	-	4,871,893,347	4,871,893,347	-	-	-

		Carrying amount					Fair Value		
	Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
					Rupees				
On-Balance sheet financial instruments 30 June 2022									
Financial assets measured at fair value									
Investments	23	97,890,000	10,026,205,693	-	-	-	10,124,095,693	-	-
		97,890,000	10,026,205,693	-	-	-	10,124,095,693	-	-
Financial assets at amortised cost									
Long term deposits	18	-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good	22	-	-	916,039,469	-	916,039,469	-	-	-
Deposits, and other receivables	24	-	-	114,084,103	-	114,084,103	-	-	-
Cash and Bank balances	25	-	-	480,765,632	-	480,765,632	-	-	-
	39.4.2	-	-	1,554,245,844	-	1,554,245,844	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Long term financing	6	-	-	-	4,251,312,474	4,251,312,474	-	-	-
Long term deposits	7	-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables	9	-	-	-	2,141,949,186	2,141,949,186	-	-	-
Mark-up accrued on borrowings	13	-	-	-	142,171,993	142,171,993	-	-	-
Dividend payable	11	-	-	-	37,112,692	37,112,692	-	-	-
Unclaimed dividend		-	-	-	8,535,357	8,535,357	-	-	-
	39.4.2	-	-	-	6,583,117,802	6,583,117,802	-	-	-

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

40 Capital management

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

The Company's objectives when managing capital are:

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

ii. to provide an adequate return to shareholders.

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

41 Operating segments

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

41.2 Revenue from sale of cement represents 100.00% (2022: 100.00%) of gross sales of the Company.

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

	2023 Rupees	2022 Rupees
Pakistan	99.02%	99.82%
Afghanistan	0.98%	0.18%
	100.00%	100.00%

41.4 All assets of the Company as at 30 June 2023 are located in Pakistan.

42 Capacity and production - Clinker

	Plant capacity		Actual production	
	2023	2022	2023	2022
	Metric tons		Metric tons	
Grey	4,778,400	4,778,400	2,786,562	3,189,899
White	135,000	135,000	9,527	4,319

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

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

43 Provident fund trust

The following information is based on latest un-audited financial statements of Provident Fund Trust of the Company:

	Unit	2023 (Un-audited) Rupees	2022 (Audited) Rupees
Size of fund - total assets	Rupees	363,534,139	324,333,547
Cost of investments made	Rupees	320,162,751	302,426,305
Percentage of investments made	Percentage	88.07%	93.25%
Fair value of investment	Rupees	322,903,201	307,566,640

The breakup of fair value of investments is as follows:

	2023 (Un-Audited)	
	Rupees	Percentage
Treasury Bills	142,918,717	44.26%
Term Finance Certificates	1,785,000	0.55%
Cash at bank	178,199,484	55.19%
	322,903,201	100.00%

	2022 (Audited)	
	Rupees	Percentage
Treasury Bills	303,908,339	98.81%
Term Finance Certificates	2,000,000	0.65%
Cash at bank	1,658,301	0.54%
	307,566,640	100.00%

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

44 Number of employees

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

	2023	2022
	Number of employees	
Number of employees as at 30 June	696	695
Average number of employees during the year	690	694

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

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

	30 June 2022			
	Liabilities			
	Long and short term finances	Short term borrowings	Unclaimed and dividend payable	Total
	Rupees			
Balance as at 01 July 2021	5,552,786,149	498,000,000	46,197,552	6,096,983,701
Changes from financing activities				
Repayment of long term finances	(1,306,783,590)	–	–	(1,306,783,590)
Short term borrowings	–	(498,000,000)	–	(498,000,000)
Dividend paid	–	–	(549,503)	(549,503)
Total changes from financing cash flows	(1,306,783,590)	(498,000,000)	(549,503)	(1,805,333,093)
Other changes				
Amortization of government grant and transaction cost	5,309,915	–	–	5,309,915
Total liability related other changes	5,309,915	–	–	5,309,915
Closing as at 30 June 2022	4,251,312,474	–	45,648,049	4,296,960,523

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

46 Non adjusting events after the balance sheet date

The Board of Directors in their meeting held on 31 August 2023 has proposed 'Nil' (2022: 'Nil') final cash dividend of Rs. Nil (2022: Rs. 'Nil') per ordinary share.

47 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 31 August 2023.

48 General

48.1 Figures have been rounded off to the nearest rupee.

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

PATTERN OF SHAREHOLDING

As at 30 June 2023

Number of Shareholders	Shareholdings			Total Number of Shares Held	Percentage of Total Capital
	From		To		
444	1	-	100	17,782	0.01
632	101	-	500	198,406	0.10
316	501	-	1000	247,558	0.12
757	1001	-	5000	1,564,038	0.78
118	5001	-	10000	873,467	0.43
53	10001	-	15000	663,604	0.33
30	15001	-	20000	513,509	0.26
18	20001	-	25000	407,538	0.20
13	25001	-	30000	350,799	0.17
11	30001	-	35000	357,449	0.18
3	35001	-	40000	107,614	0.05
6	40001	-	45000	259,277	0.13
4	45001	-	50000	192,133	0.10
4	50001	-	55000	211,550	0.11
7	60001	-	65000	436,275	0.22
7	65001	-	70000	477,826	0.24
1	70001	-	75000	73,800	0.04
3	75001	-	80000	236,227	0.12
2	80001	-	85000	165,156	0.08
2	85001	-	90000	175,460	0.09
1	90001	-	95000	90,263	0.04
2	95001	-	100000	196,593	0.10
4	100001	-	105000	406,981	0.20
1	105001	-	110000	107,800	0.05
1	115001	-	120000	119,800	0.06
1	120001	-	125000	120,700	0.06
3	135001	-	140000	411,795	0.21
1	140001	-	145000	144,695	0.07
1	145001	-	150000	147,740	0.07
1	150001	-	155000	152,045	0.08
3	155001	-	160000	473,162	0.24
1	160001	-	165000	162,268	0.08
2	165001	-	170000	335,170	0.17
2	175001	-	180000	353,800	0.18
1	185001	-	190000	186,222	0.09
4	190001	-	195000	773,475	0.39
1	200001	-	205000	201,579	0.10
1	240001	-	245000	243,360	0.12
2	255001	-	260000	510,797	0.25
1	265001	-	270000	265,980	0.13
1	275001	-	280000	280,000	0.14
1	285001	-	290000	289,320	0.14
2	300001	-	305000	604,733	0.30
1	345001	-	350000	345,357	0.17
1	380001	-	385000	380,623	0.19
1	440001	-	445000	443,586	0.22
2	450001	-	455000	905,834	0.45
1	465001	-	470000	469,526	0.23
1	475001	-	480000	478,150	0.24
1	485001	-	490000	487,066	0.24
1	530001	-	535000	532,860	0.27
1	575001	-	580000	578,246	0.29
1	585001	-	590000	587,116	0.29
1	615001	-	620000	615,272	0.31
1	625001	-	630000	626,500	0.31
2	715001	-	720000	1,435,455	0.71
1	825001	-	830000	829,116	0.41
1	835001	-	840000	835,820	0.42
1	910001	-	915000	911,851	0.45
1	1005001	-	1010000	1,006,399	0.50
1	1275001	-	1280000	1,277,372	0.64
1	1430001	-	1435000	1,431,000	0.71
1	1490001	-	1495000	1,492,700	0.74
1	1505001	-	1510000	1,507,493	0.75
1	1965001	-	1970000	1,967,191	0.98
1	2480001	-	2485000	2,484,628	1.24
1	2530001	-	2535000	2,534,428	1.26
1	5555001	-	5560000	5,559,594	2.77
1	6220001	-	6225000	6,224,476	3.10
1	6690001	-	6695000	6,691,900	3.33
1	33630001	-	33635000	33,631,672	16.74
1	110480001	-	110485000	110,482,320	55.00
2,500				200,861,297	100.00

CATEGORIES OF SHAREHOLDING

As at 30 June 2023

Categories of Shareholders		Shares Held	Percentage
I	**Directors, Chief Executive Officer, their Spouse & Minor Children**	**34,322,776**	**17.09%**
	Directors		
	Mr. Aizaz Mansoor Sheikh	3,587	0.00%
	Mr. Nadeem Atta Sheikh	615,272	0.31%
	Mrs. Hafsa Nadeem	63,705	0.03%
	Mrs. Hijab Tariq	33,636,352	16.75%
	Mr. Muhammad Rehman Sheikh	780	0.00%
	Mr. Muhammad Atta Tanseer Sheikh	750	0.00%
	Mr. Ahmad Sajjad Khan	550	0.00%
	Mr. Talha Saeed Ahmed	1,000	0.00%
	Director's Spouse		
	Mrs. Shahnaz Aizaz	780	0.00%
II	**Associated Companies, Undertakings & Related Parties**	**110,634,365**	**55.08%**
	ANS Capital (Pvt) Limited	110,482,320	55.00%
	Kohat Cement Educational Trust	152,045	0.08%
III	**NIT & ICP**	**122,924**	**0.06%**
	FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED	122,300	0.06%
	INVESTMENT CORPORATION OF PAKISTAN	624	0.00%
IV	**Banks, Development Finance Institutions and Non-Banking Financial Institutions**	**868,432**	**0.43%**
V	**Insurance/ Takaful Companies**	**73,027**	**0.04%**
VI	**Modarbas**	**13,000**	**0.01%**
VII	**Mutual Funds**	**26,851,886**	**13.37%**
VIII	**Shareholder holding 10% and more (other than above)**	**Nil**	**0.00%**
IX	**General Public**	**22,037,954**	**10.97%**
	a) Local	20,537,064	10.22%
	b) Foreign	1,500,890	0.75%
X	**Others**	**5,936,933**	**2.96%**
	Joint Stock Companies	1,446,446	0.72%
	Gratuity/Pension/Provident Funds	1,749,817	0.87%
	Charitable Trusts / Non-Profit Organizations / Wakfs	75,605	0.04%
	Executives	130,637	0.07%
*	Kohat Cement Company Limited-Buy Back of Shares	2,534,428	1.26%
	Total	200,861,297	100%

* 263,109 shares purchased on 26-06-2023 which were delivered/transferred to the Company's CDC account on 04-07-2023, are not included in this figure.

FINANCIAL CALENDAR

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

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

Annual General Meeting	October 16, 2023
First Quarter ending September 30, 2023	Third week of October 2023
Second Quarter ending December 31, 2023	Third week of February 2024
Third Quarter ending March 31, 2024	Fourth week of April 2024
Year ending June 30, 2024	Last week of August 2024

BALLOT PAPER

Kohat Cement Company Limited
Registered Office: Kohat Cement Factory, Rawalpindi Road, Kohat
Phone: 042 111 115 225 (Ext: 108 & 118], Website: www.kohatcement.com

Ballot Paper for voting through Post for the Special Businesses
(Voting shall be held at Annual General Meeting at 10:00 am on October 16, 2023)

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

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

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

<table>
<tr><th rowspan="2">Nature and Description of resolutions</th><th colspan="2">I/We assent to Resolutions</th></tr>
<tr><th>FOR</th><th>AGAINST</th></tr>
<tr><td>Agenda Item 3. – To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2023
The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):
“Resolved that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2023 be and are hereby ratified, approved and confirmed.</td><td rowspan="3"></td><td rowspan="3"></td></tr>
<tr><td><table>
<tr><td>Name of Related Party</td><td>Description of transaction</td><td>Amount (Rs.)</td></tr>
<tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution made to KCET (which runs a school within the vicinity of KCCL factory)</td><td>5,900,000</td></tr>
<tr><td>Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement</td><td>1,838,132,576</td></tr>
<tr><td>Ultra Kraft (Private) Limited (UKPL)</td><td>Purchase of paper bags for packing of cement</td><td>17,449,250</td></tr>
</table></td></tr>
<tr><td>Agenda Item 4. – To authorize the Chief Executive of the Company to approve all transactions with Related Parties
The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):
“Resolved that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the financial year ending June 30, 2024 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.
<table>
<tr><td>Name of Related Party</td><td>Description of transaction</td></tr>
<tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET</td></tr>
<tr><td>Ultra Pack (Private) Limited (UPPL)</td><td>Sale of cement,
Purchase of poly propylene bags for packing of cement and
Sale of company’s vehicles</td></tr>
<tr><td>Ultra Kraft (Private) Limited (UKPL)</td><td>Sale of cement and purchase of paper bags for packing of cement</td></tr>
</table>
Further Resolved that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”</td></tr>
</table>

Nature and Description of resolutions	I/We assent to Resolutions	
	FOR	AGAINST
Agenda Item 5 – To approve renewal of investment in associated company The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s): "Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its working capital requirements for a term of one year from October 29, 2023 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.		
Further Resolved that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions."		

____
Signature of shareholder(s)
Place:
Date:

NOTES:

1. Duly filled postal ballot should be sent to Chairman, Kohat Cement Company Limited, Kohat Cement Factory, Rawalpindi Road, Kohat or email at mis@kohatcement.com on or before October 15, 2023. Any postal ballot received after this date, will not be considered for voting.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Signature on postal ballot should match with signature on CNIC.
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written and marked with (√) on both options given in ballot paper will be rejected.
5. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
6. Ballot paper has also been placed on the website of the Company www.koahtcement.com.

FORM OF PROXY

44th Annual General Meeting

I/We____ of ___________________________________ ____ being a member of Kohat Cement Company Limited (the Company) and holder of _________________________________ (No.) Ordinary shares as per Share Register Folio No.____________________ __________and/or CDC Participant I.D. No. _________________________ and Sub Account No. __________________________ hereby appoint ________________________of ____________________________________, another member of the Company having Folio No. ______________________________ and/or CDC Participant I.D. No. ________________________ and Sub Account No. _____________________________________ (or failing him ____ of ______________________________ having Folio No. _________________________ and/or CDC Participant I.D. No. _____________ and Sub Account No. ____________________________) as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, October 16, 2023 at 10:00 A.M. at the registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat and at any adjourned meeting thereof.

Signed this ___________________day of_________________2023.

Signature:

Please affix
Rupees Ten
revenue stamp

Witnesses:

1. Signature:

Name:

Address:

CNIC

or

Passport No.

Witnesses:

2. Signature:

Name:

Address:

CNIC

or

Passport No.

Note:

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

AFFIX
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POSTAGE

The Company Secretary,

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

کوھاٹ سیمنٹ کمپنی لمیٹڈ

پراکسی فارم

چوالیسواں سالانہ اجلاسِ عام

میں مسمّٰی / مسمّاۃ ______________________________

ساکن/نمائندہ ______________________________

ضلع __________ بحثییت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فولیونمبر __________) مسمّٰی /مسمّاۃ __________________

ساکن __________________ (سی ڈی سی / فولیونمبر __________) کوبطورِ مختار (پراکسی) مقرر کرتا ہوں، تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 16 اکتوبر 2023ء بروز پیر صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے

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

دستخط شیئر ہولڈر:

برائے مہربانی ۱۰ روپے مالیت کی ریونیو سٹیمپ چسپاں کریں۔

گواھان

1۔

دستخط: __________________

نام: __________________

پتہ: __________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: __________________

یا

پاسپورٹ نمبر: __________________

2۔

دستخط: __________________

نام: __________________

پتہ: __________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: __________________

یا

پاسپورٹ نمبر: __________________

نوٹ:

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

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

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The Company Secretary,

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

THE STRENGTH
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CEMENT

kohatcement.com

37-P, Gulberg II, Lahore, Pakistan
Tel: +92 -42-11-111-KCCL (5225) Fax: +92-423-5754084, 5874990
Email: mis@kohatcement.com