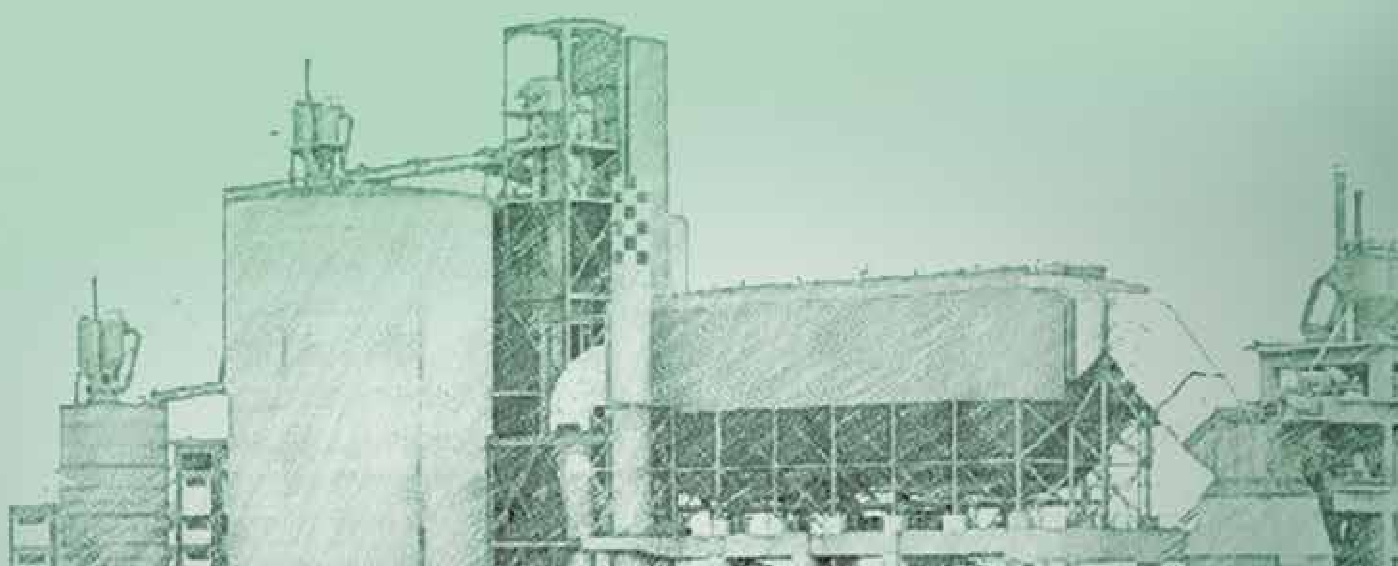
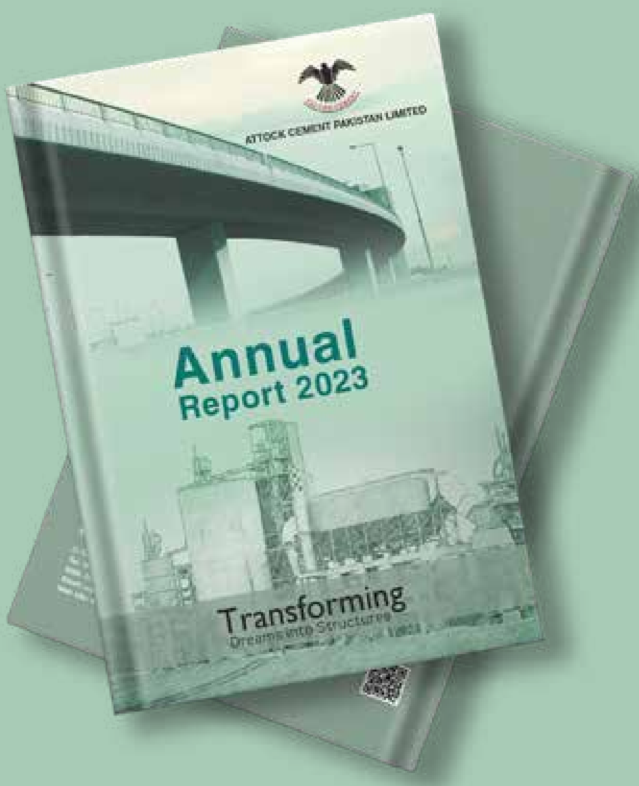
FALCON CEMENT

ATTOCK CEMENT PAKISTAN LIMITED

Annual Report 2023



Transforming
Dreams into Structures



Transforming
Dreams into Structures

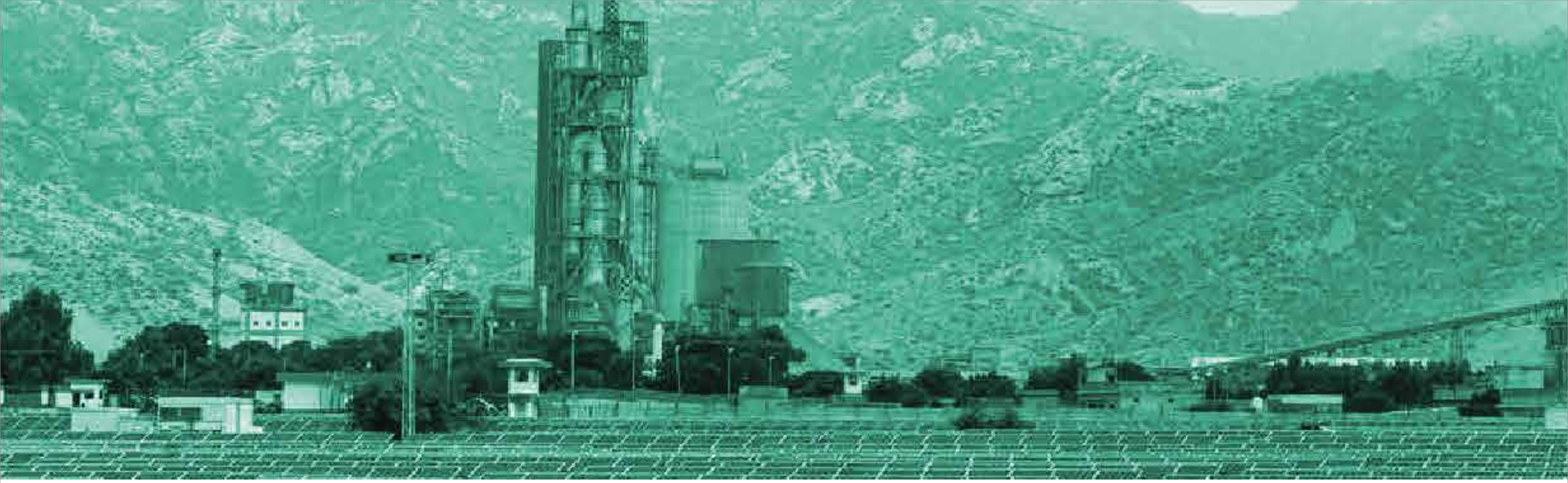
Attock Cement understands the power of construction to turn aspirations into reality, and that's why we're dedicated to provide the highest quality cement that lays the foundation for the success.

Overview

Located at Hub, District Lasbela, Balochistan, Attock Cement Pakistan Limited (ACPL) is a subsidiary Company of **M/s. Pharaon Investment Group Limited (PIGL),** commonly known as **Attock Oil Group,** which is one of the largest foreign investment groups in Pakistan. **Dr. Ghaith R. Pharaon (late)**, being an international investor / industrialist, was the sponsor of the Pharaon Group. Apart from his financial and trading interests in other parts of the world, he made substantial investments in Pakistan in the oil and gas, power, real estate and cement sectors.

The journey of Attock Cement Pakistan Limited started from the year, 1981 and the Company started its commercial production in year, 1988. In four decades, the Company has shown steady growth.

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



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Company Information

Board of Directors

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

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

Shamim Ahmad Khan - Chairman
Shuaib A. Malik
Abdus Sattar

HR & Remuneration Committee

Shamim Ahmad Khan - Chairman
Shuaib A. Malik
Mohammad Haroon

Chief Operating Officer & Company Secretary

Irfan Amanullah

Chief Financial Officer

Muhammad Rehan

Auditors

M/s. A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors

M/s. UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor

M/s. HNT & Associates

Registered Office

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

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

Plant

Hub Chowki, Lasbela, Balochistan

Share Registrar

M/s. FAMCO Associates (Private) Ltd.
8-F, Near Hotel Faran,Nursery, Block-6,
PECHS,Shahra-e-Faisal, Karachi
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106

Bankers

MCB Bank Limited
The Bank of Punjab
Allied Bank Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited
Habib Metropolitan Bank Limited
BankIslami Pakistan Limited
Industrial and Commercial
Bank of China Limited
Bank Alfalah Limited

Group Structure

Holding Company

Pharaon Investment Group Limited

PIGL

Attock Cement Pakistan Limited

FALCON CEMENT

Associated Companies

AOC

The Attock Oil Company Limited

Attock

Attock Petroleum Limited

POL

Pakistan Oilfields Limited

A R L

Attock Refinery Limited

National Refinery Limited

AGL

Attock Gen Limited

AITSL

Attock Information Technology Services (Pvt) Limited

ATTOCK ENERGY

Attock Energy (Pvt) Limited

Vision

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

Mission

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

Corporate Strategy

Objectives

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

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

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

Strategy

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

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

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

Core Values

Ethics

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

Quality

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

People

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

Business Excellence

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

Code of Conduct

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

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

1) Ethics

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

2) Quality

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

3) Respect, honesty and Integrity

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

4) Compliance with Laws, Rules and Regulations

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

5) Full and Fair Disclosure

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

6) Prevent Conflict of Interest

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

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

7) Trading in Company's shares

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

8) Inside information

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

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

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

9) Media relations and disclosures

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

10) Corporate Opportunities

Directors and employees are expected not to:

a. take personal use of opportunities that are discovered through the use of Company property, information or position.
b. use Company property, information, or position for personal gains.
c. Directors and employees are expected to put aside their personal interests in favor of the Company interests.

11) Business Excellence, Competition and Fair Dealing

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

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

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

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

12) Equal Employment Opportunity

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

13) Work Environment

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

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

14) Record Keeping

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

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

15) Protection of Privacy and Confidentiality

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

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

16) Protection and Proper use of Company Assets / Data

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

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

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

17) Gift Receiving

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

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

18) Communication

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

19) Employee Retention

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

20) Internet use / Information Technology

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

21) Compliance with Business Travel Policies

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

22) Compliance

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

Quality, Health, Safety & Environmental Policy

We are committed to produce premium quality cement for the satisfaction of our valued customers. We will achieve this standard through:

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

Gender Diversity Policy

Attock Cement Pakistan Limited provides a non-discriminatory, just and respectful workplace environment where women are supported and given recognition based on individual merit and are considered for opportunities to advance and succeed regardless of their gender or terms of employment.

This policy applies to all employees working under any form of contract with ACPL including interns.

Following are the main elements of the policy:

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

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

Whistle Blowing Policy Statement

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

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

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

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

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

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

Employment Practices

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

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

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

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

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

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

Corporate Social Responsibility

Community Development

After the destructive floods in the year, 2022, ACPL has provided assistance of around Rs.12 million in the form of medicines, rations, tents and donations to the Prime Minister's Flood Relief Fund to provide as much support as possible to the people affected by those floods.

Besides this, the Company actively provides assistance to the poor families located in goths around the plant area in the form of food rations, financial assistance through Zakat, provision of clean drinking water through setting up of filtration plants and water tankers, free medicines, payment of burial expenses of deceased family members and payment of monthly stipends to widows.

Health

The Company organized a free eye camp at TCF School located near the factory. It was a joint venture between Akhtar Eye Hospital and ACPL where around 285 patients visited for examination / treatment. Consultation, medicines relating to common eye problems and spectacles for patients having visual deficiency were all provided free of cost. Additionally, 27 patients will undergo cataract extraction at Akhtar Eye Hospital free of cost.

Education

In order to provide support in the field of education, ACPL donated stationary, uniforms and shoes for school going children in the nearby schools. Additionally, furniture for the staff of Government Girls Primary School was also donated by ACPL. Solar powered motor was installed by the Company at Falcon Public School in order to provide clean water to the staff and students of the school.

Environment

ACPL regularly conducts plantation drives and is committed to making the area in and around the factory as green as possible. In this regard, the Company till date has planted more than 9,000 plants around the factory premises and will continue conducting plantation drives in the future.

Infrastructure Development

Attock Cement Pakistan Limited constructed Gazebo and main Passway at Gaddani Beach in 2022. Additionally, ACPL continues to bear the cost of maintaining the road that leads from Sakran Police Station to our Factory along with bearing the cost of maintaining the road going from Sakran Police Station to Band Murad / Hamdard University. During the last rainy season, when the floods washed away the eastern bank of Hub River bridge at band Murad, the Company spent huge amount to repair the damaged portion and made the bridge operational within 4-5 days. This was a great effort which was appreciated by local community as well as high government officials.

Water Provision / Purification

Approximately 10,000 people are getting pure drinking water with the help of Company's efforts.

Occupational Health & Safety

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety and all production facilities are fully compliant with quality standards. In the field of medical services, Company is providing its expertise in full swing in terms of a 6 bedded medical center within factory premises, a welfare dispensary at Sakran and distribution of free medicines throughout the year through regular medical camps. The treatment in camps is free for the local communities.

The Company has also implemented an integrated Quality, Environment, Health & safety management system based on ISO 9001, ISO 14001 and OHSAS 18001 requirements. Regular safety drills are also conducted to record maximum of safe hours in the factory. Also, employees are regularly given orientations about safe work environment. A lot of inventions are in pipeline to further enhance the safety culture.

Community Relations

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

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

Green Pathway

Green Pathway is an indispensable pillar of our corporate culture. At ACPL, we are intending to minimize our impact on the environment and reduce usage of fossil fuels, thus reducing carbon dioxide emissions to a minimum level while manufacturing our products.

Education

The Company currently operates two Primary and Secondary level schools that impart education to children of both plant employees as well as those from neighbouring villages.

The Company sponsored TCF – Dr. Ghaith R. Pharaon Campus, started its academic activities from April, 2010 under the supervision of The Citizen Foundation (TCF), a non-profit organization. Also, another school under the name of Falcon Public School is fully supported by ACPL. Both the schools have the capacity of almost 1,000 students. These schools have been equipped with all modern facilities including state of the art laboratory. Constant expansion in classrooms and extension of buildings is carried out in both the schools on as and when required basis.

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

Our Quality Is Globally Endorsed

While holding licenses of BIS (Bureau of Indian Standards) and SLSI (Sri Lanka Standards Institute), Attock Cement Pakistan Limited holds certification of ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007. Apart from being licensed by these renowned bodies, our clinker and cement also fully comply with SABS, KEBS, EN-197-1:2011, ASTM C-150 and PNS-07:2018.

Our Active Export Markets Include

BANGLADESH	PHILIPPINES	SRILANKA	SOMALI LAND	MOZAMBIQUE
SOUTH AFRICA	YEMEN	DJIBOUTI	TANZANIA	MADAGASCAR
QATAR	INDIA	ETHIOPIA	COMOROS	CHINA

Our Products

Ordinary Portland Cement

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

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

Sulphate Resistant Cement (SRC)

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

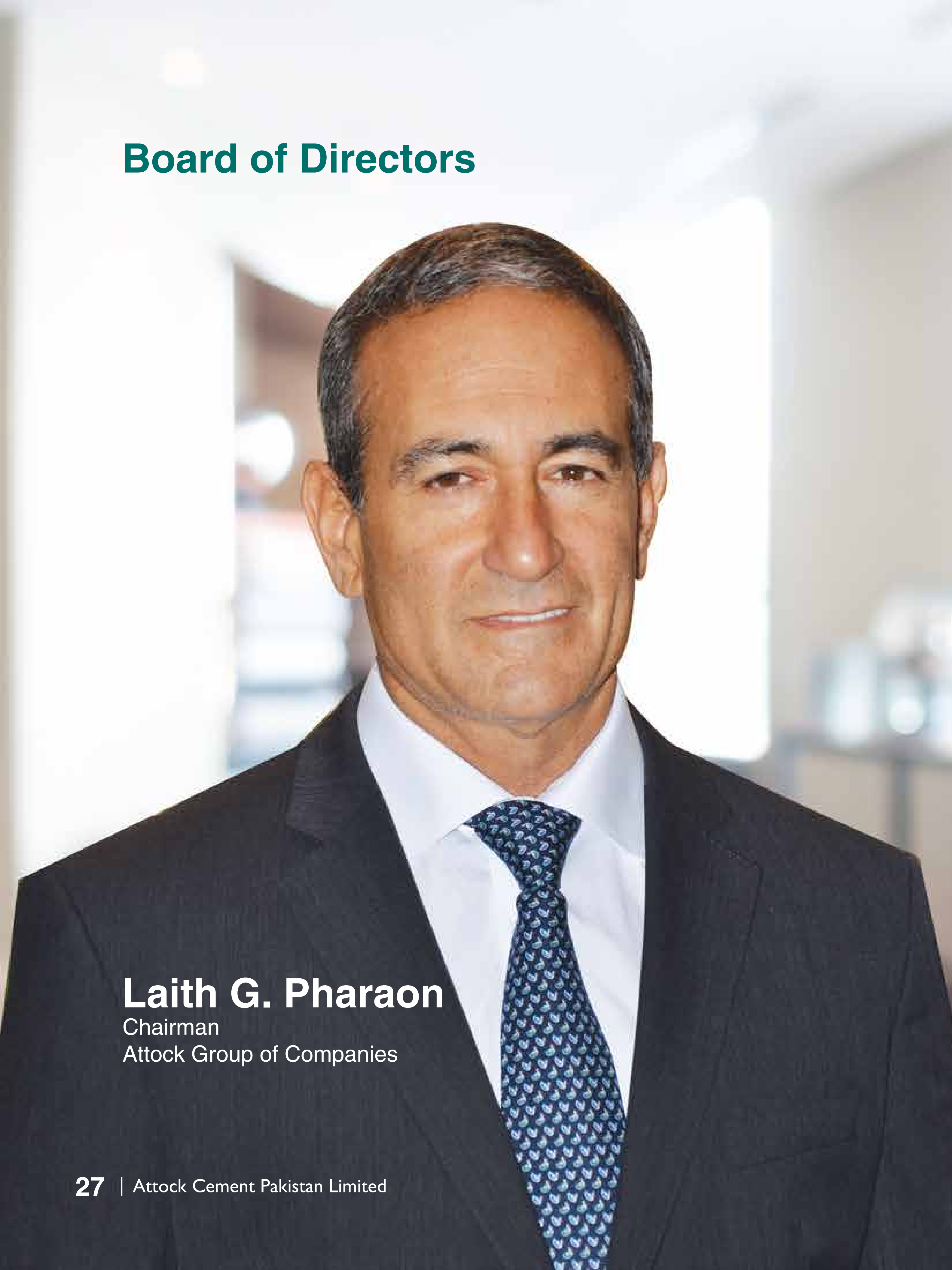
Falcon Block Cement

Another popular product of the company is Block Cement. This product has been developed exclusively for block & precast slab makers. The product, due to its unique specifications give quick setting time and, is very popular among the block & precast slabs makers. The product, due to its quality, commands premium in price over the similar products of competitors.

Falcon Rock Cement

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

Board of Directors



Laith G. Pharaon

Chairman
Attock Group of Companies

WAEL G. PHARAON

SHUAIB A. MALIK

ABDUS SATTAR

SHAMIM AHMAD KHAN

MOHAMMAD HAROON

BABAR BASHIR NAWAZ

IRFAN AMANULLAH
Alternate Director

Profile of the Board of Directors

Laith G. Pharaon
Non Executive Director
Chairman (Attock Group of Companies)

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

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

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

Wael G. Pharaon
Non Executive Director

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

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

Shuaib A. Malik

Non Executive Director
Also Alternate Director to Mr. Laith G. Pharaon

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

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

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

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

OTHER ENGAGEMENTS
Group Chief Executive

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

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

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

Director & Alternate Director
Attock Gen Limited

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

Abdus Sattar

Non Executive Director

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

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

Shamim Ahmad Khan

Non Executive and Independent Director

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

OTHER ENGAGEMENTS

Independent Director

Attock Refinery Limited
Pakistan Oilfields Limited
National Refinery Limited
IGI Holdings Limited

Mohammad Haroon

Non Executive and Independent Director

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

OTHER ENGAGEMENTS

Independent Director

Sui Northern Gas Pipelines Limited
(Ministry of Energy – Petroleum Division)

Babar Bashir Nawaz

Chief Executive & Director

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

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

Irfan Amanullah

Alternate Director to Mr. Wael G. Pharaon

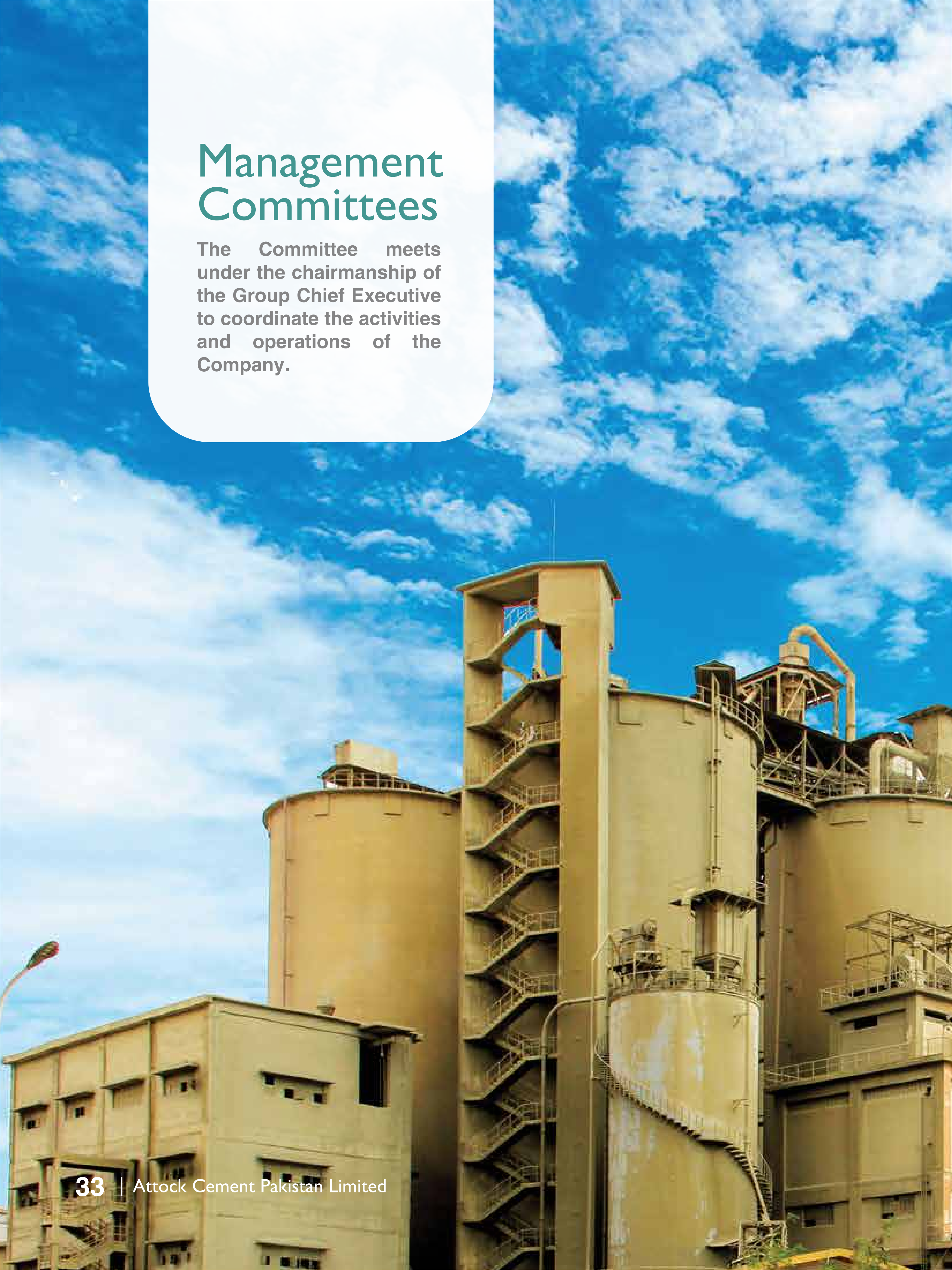
Mr. Irfan Amanullah is a fellow member of both the Institute of Chartered Accountant of Pakistan and the Institute of Cost and Management Accountants of Pakistan. During his career span of over 30 years he has worked with various multinational companies in Pakistan. He joined Attock Cement Pakistan Limited in 2000 and since last 24 years he has been associated with this Company.

Presently he is the Chief Operating Officer and in this capacity he has been looking after the entire operations of the Company.

As a Business Manager, one of his best achievements was to re-introduce Pakistan Cement at regional level through EXPORTS. He has represented the cement sector of Pakistan at various national and international forums. He remained key speaker on Pakistan Cement Sector in some of the leading cement conferences in Afro-Asian countries, organized by the international reputable forums such as INTERCEM, CEMTECH and CEMASIA.

Management Committees

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



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

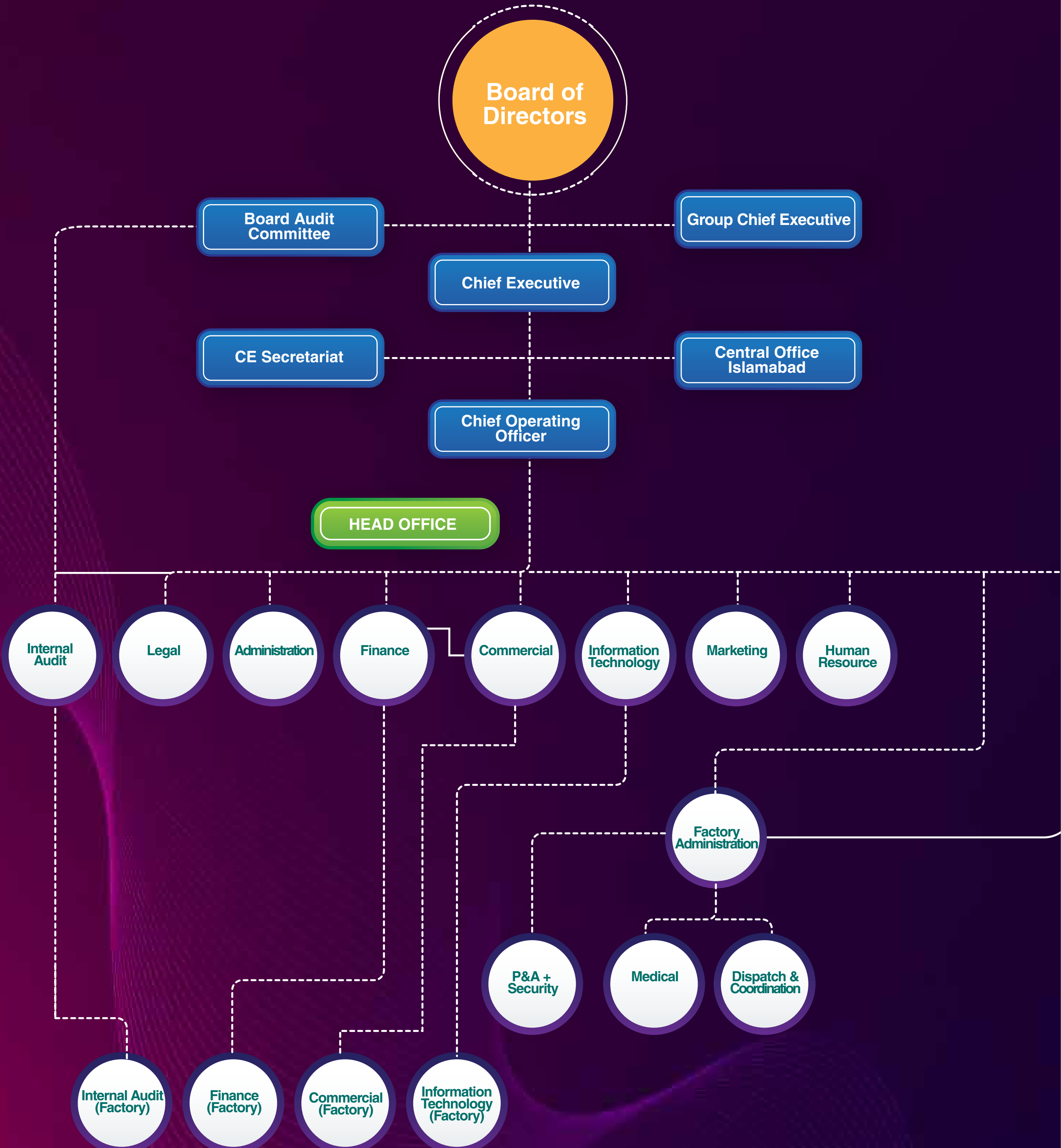
Procurement Committee
The Procurement Committee is responsible for ensuring that procurement of assets, goods and services are made in accordance with Company policies and procedures on competitive terms in a transparent manner.

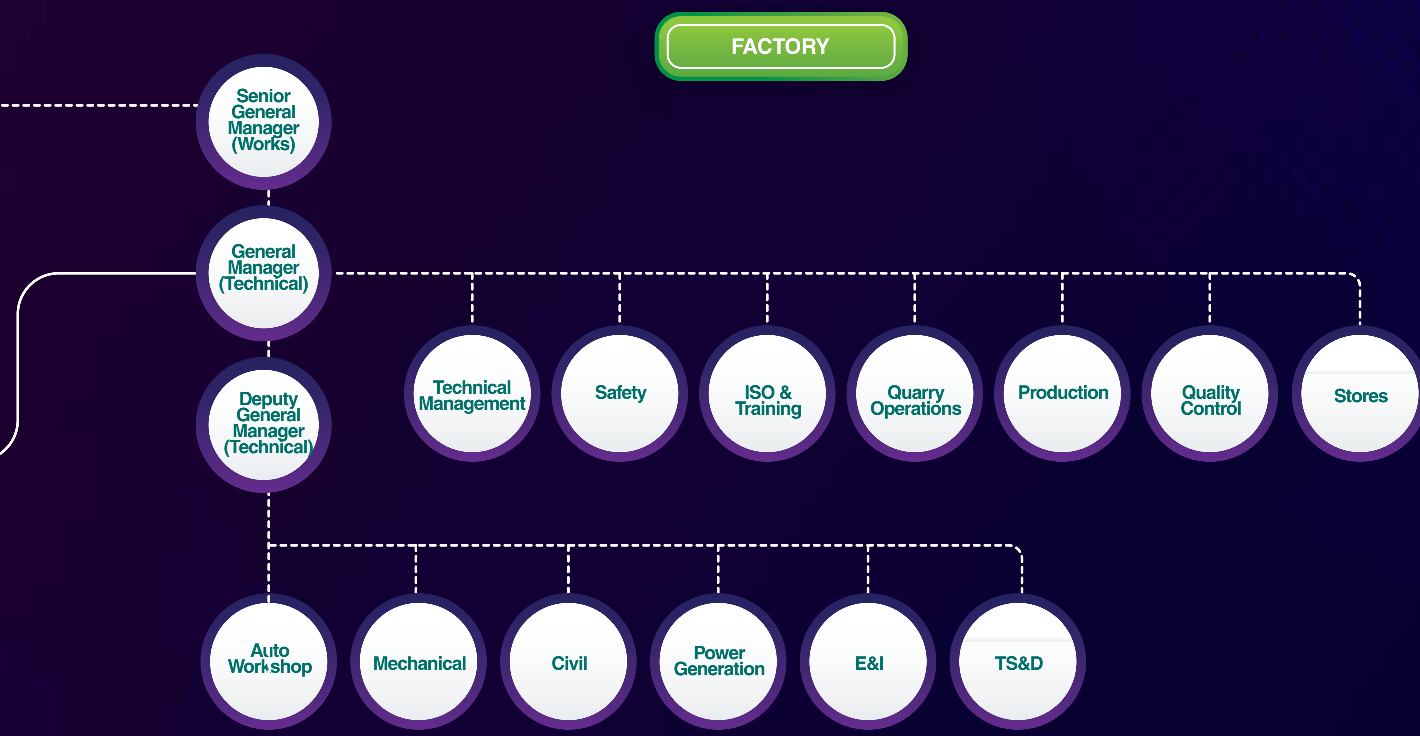
IT Steering Committee
IT Steering Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery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

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

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

Corporate Organogram




FACTORY
Senior General Manager (Works)
General Manager (Technical)
Deputy General Manager (Technical)
Technical Management
Safety
ISO & Training
Quarry Operations
Production
Quality Control
Stores
Auto Workshop
Mechanical
Civil
Power Generation
E&I
TS&D

Chairman's Review

I welcome you all in the 44th Annual General Meeting of the Company.

OVERVIEW OF THE ECONOMY

Global economies are facing massive obstacles owing to higher interest rate environments, growing energy prices, supply shortages, food insecurity and the ever-worsening impacts of climate change. The far reaching after effects of the COVID-19 pandemic and tightening of monetary policies in both developing and developed countries have raised new challenges and many countries including Pakistan are facing massive financial crisis as their access to foreign exchange has been impacted significantly.

In order to avoid a default like situation, Pakistan has just signed a standby arrangement with International Monetary Fund (IMF). This standby facility has given the much needed fiscal space to the country's economy, however, the conditions which have been agreed in the arrangement may further trigger inflation in the country.

In order to comply with the IMF requirements the State Bank of Pakistan has already increased the policy rate to 22% and the Government has notified a massive increase of 31% in base power tariff rate which would further increase the production cost significantly across industries and products including cement.

INDUSTRY REVIEW

During the year under review, the cement industry of Pakistan has faced significant challenges in both local and export markets owing to lesser demand and higher production cost. It seems this trend in the sector will continue during the next year also.

Higher energy prices, significant devaluation of PKR against US$, elevated interest rates and supply disruptions have caused the highest ever inflation in the history of the country and it has impacted the overall investment scenario in construction sector resulting significant decline in local cement demand. During the year under review, the cement industry showed negative growth of 16% as compared to same period last year. Local dispatches decreased by 16% while exports declined by 13% as both Bangladesh and Sri Lanka which are major markets of Pakistani clinker and cement became uncompetitive owing to steep rise in cost of production and higher shipping freight.

OPERATIONAL & FINANCIAL PERFORMANCE

During the current financial year, the 1Q 2022-23, was almost washed out because of unprecedented monsoon spell and urban flooding that affected the local dispatches whereas export sales remain depressed due to un-competitive prices demanded in the regional markets which were also facing the similar uncertainties. As a result the overall volumetric clinker and cement sales of your Company reduced by 11%. During the year under review, production cost significantly increased by almost 32% owing to higher fuel, power cost and other inflationary increase in almost all cost elements. Despite of the lower demand and market challenges, your Company was able to pass on the incremental cost to the customers which leads to increase in gross margin by 4%. Operating margins remained at the same level of 12% because of higher distribution cost as compared to last year.

BOARD OF DIRECTORS PERFORMANCE

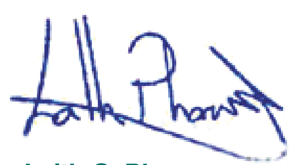
I would like to appreciate the performance of the Board of Directors in devising excellent tactical, operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience in this difficult time for the Country as a whole.

Focusing on translating the vision and core values of the business into tangible results, the Board of Directors equipped the Company with all necessary resources to maximize shareholders' value and encouraged the management to convert challenges into opportunities mitigating the associated risks. Best practices of corporate governance have been embedded into the Company's culture to maintain highest level of professionalism and business conduct. Risk management framework, effective internal controls and audit functions have been implemented to ensure that the day-to-day operations follow the overall strategy formulated by the Board. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

ACKNOWLEDGMENT

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

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



Laith G. Pharaon
Chairman

August 29, 2023

Directors' Report

The Directors of your Company have pleasure to present before you the Annual Report of your Company along with the audited financial statements for the year ended June 30, 2023.

PRODUCTION & SALES

Production and sales figures for the year ended June 30, 2023 are as follows:

	2022-23	2021-22
	-------QTY IN M. TONS-------	
Clinker Production	**1,971,426**	2,180,178
Cement Production	**1,503,714**	1,797,723
Cement Dispatches		
Local	**1,356,828**	1, 581,592
Exports	**150,470**	217,289
Total	**1,507,298**	1,798,881
Clinker Dispatches	**548,308**	505,999
Total Dispatches	**2,055,606**	2,304,880

Considering the massive economic turmoil being faced by both Pakistan and regional economies the overall demand remained lower both in local and export markets and the company as a part of its strategy temporarily closed its less efficient line which resulted significant reduction in its overall capacity utilization from 76% in preceding year to 68% in the period under review.

In 2022-23, the Company sold 1,507,298 M. tons of cement in both local and export markets, showing a net decline of 16% as compared to the preceding year. Out of the total quantity sold 1,356,828 M. tons (2021-22: 1,581,592 M. tons) was sold in the local market, showing decrease of 14% as compared to the preceding year. Growing political uncertainty, higher interest rates, significant fluctuation in rupee dollar parity and massive increase in inflation kept the local cement demand under check and overall market declined by 16%.

As far as export markets are concerned, the Company did not push for increased dispatches due to extremely fine prices being offered by the regional competitors in these markets. Accordingly, the management took a prudent decision and reduced its exposure in the markets where prices were extremely low. Consequently, the company sold 548,308 M. tons clinker in the regional markets, though it was higher by 8% as compared to last year but much lower than the expectations.

FINANCIAL PERFORMANCE

A comparison of the key financial numbers of your Company for the year ended June 30, 2023 with the preceding year is as under:

	2022-23	2021-22	Increase	Increase
	---------------------- Rs. in million		----------------------	%
Net Sales	25,477	20,479	4,998	24
Gross Profit	5,674	3,702	1,972	53
Operating Profit	3,168	2,563	605	24
Profit Before Tax	2,888	2,312	576	25
Profit After Tax	1,516	1,122	394	35
EPS in Rupees	11.03	8.16	2.87	35

(i) Sales Performance

The overall net sales revenue increased by Rs. 4,998 million (24%) as compared to the preceding year. The overall net retention (both cement & clinker) increased by Rs.3,509 per ton (39%) mainly due to increase in local sale prices and positive exchange variation in export sales. The company made concrete efforts to pass the exuberant increase in production costs to the customers and was able to increase its net retention in local market to the extent of

35% as compared to previous year. However, the prices in the international market remained under pressure and did not increase in line with the increase in other commodity prices; therefore, the management prudently restricted the export sales of both cement and clinker.

(ii) Profitability

In the year 2022-23, the Company earned a net profit after tax of Rs. 1,516 million (2021-22: Rs. 1,122 million) increased by Rs. 394 million (35%) as compared to the preceding year.

The gross margin for the year under review is improved to 22% as compared to 18% from the preceding year.

The major reason for increase in gross margin is because of increase in sales revenue owing to better net retention and positive exchange variation. However, the production cost per ton of dispatches significantly increased by around 32% as compared to last year.

Major variances in key cost parameters which affected the overall production cost are as follows:

- Fuel cost per ton of clinker produced increased by Rs. 1,959 per ton as compared to corresponding period due to exuberant rise in the coal prices in the international market in 1st half of the year 2022-23. Even though the international coal prices started to decline from later 2nd half of the financial year but because of significant devaluation of PKR against US$ such reduction was partially offset; and
- During the year the weighted average power tariff increased by Rs.11.33 per unit (57%). Even though the Company's owned power generation through Solar Power plant and WHRS has partially negated the impact of such massive increase but the increase in power tariff will continue to impact the overall production cost.

Operating margins remained at same level of 12% as compared to last year. This is mainly due to increase in distribution cost which is increased by Rs. 588 million (45%) over the corresponding period owing to higher transportation cost for both exports and local landed sales coupled with inflationary impact on port handling charges.

The company reported profit before tax of Rs. 2,888 million (2021-22: Rs. 2,312 million) higher by Rs. 576 million (25%) as compared to the preceding year.

In the Finance Act, 2023, the government imposed Super tax @ 10% on profits applicable from the current year and by virtue of said amendment, the Company's tax liability has been reworked accordingly.

(iii) Appropriation

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

	2022-23	2021-22
	------------Rs in '000--------------	
Profit after tax	1,516,062	1,121,591
Re-measurements of post - employment benefit obligations	167,054	(6,033)
Total Comprehensive income for the year	1,683,116	1,115,558
Un-appropriated profit b/f	16,117,268	15,826,272
Profit available for appropriation	17,800,384	16,941,830
Appropriation:		
Final Dividend for the year 2021-22:		
Cash Dividend of Rs.1.5 per share (2020-21: Rs.4.0 per share)	(206,140)	(549,708)
Interim Dividend for the year 2022-23:		
Cash Dividend of Rs.nil per share (2021-22: Rs.2.0 per share)	-	(274,854)
Un-appropriated profit c/f	17,594,244	16,117,268

For the year ended June 30, 2023 the Board in its meeting held on August 29, 2023 has proposed a final cash dividend of Rs. 6.0 per share (60%) amounting to Rs. 825 million.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 7,213 million during the year to the national exchequer on account of payments towards sales tax, income tax, excise duty and other statutory levies. An amount of approximately Rs. 755 million was also paid as withholding income tax deducted by the Company from shareholders, employees, suppliers and contractors. In addition to that your Company earned foreign exchange of approximate US$ 29 million during the year under review from export proceeds.

MARKETING

Throughout its history, the Company has devoted significant investments towards cultivating customer loyalty. This commitment is exemplified by the consistent supply of high-quality cement/clinker, prompt delivery to consumers and sustained engagement with customers through a dedicated sales and marketing team. Additionally, the company remains proactive in its approach by introducing fresh marketing resources in markets where demand-supply dynamics are perceived to be favorable. A prime example of this is the thriving Karachi Market, with its high net retention rate, where the Company has successfully retained its leadership position even in the presence of fierce competition.

The fiscal year 2022-23 proved to be exceptionally challenging. The 1Q 2022-23 was almost washed out because of unprecedented monsoon spell and urban flooding specially in the areas of Karachi and Sindh. The sharp increase in international coal prices led to a significant surge in cement production costs, resulting in drastic decline of sales in the first half of FY2022-23, with an average Richards Bay coal price of US$ 276 per metric ton (PMT). However, in the second half of FY2022-23, coal prices eased to US$ 132 PMT, there was a recovery in sales, achieving a noteworthy volumetric growth compared to the previous year, partially offsetting the declines experienced in the first half. It is worth mentioning that global cement and clinker prices remained stagnant throughout this period.

Undoubtedly, the outgoing FY2022-23, was one of the worst periods in Pakistan's recent economic history, during which the cement sector in Pakistan had encountered notable obstacles.

These include a decline in demand resulting from the impact of floods on infrastructure and a construction slowdown triggered by political uncertainty. Moreover, the government's fiscal constraints and limited foreign aid had led to delays in rehabilitation efforts, exacerbating the effects on cement demand.

Moreover, the worldwide economic slowdown had led to a decline in cement exports, particularly affecting countries such as Sri Lanka and Bangladesh, which have been grappling with foreign exchange crises. Additionally, the industry had been adversely affected by a significant surge in construction material prices.

ACPL's key export markets, namely Sri Lanka and Bangladesh, faced significant challenges for various reasons. In terms of rupee-dollar parity, the Sri Lankan Market was particularly impacted by an abrupt devaluation of its currency; however we saw some improvement in later half of last fiscal year. Meanwhile, the Bangladesh market was affected by relatively higher freight costs from Pakistan. As a result, cement exports for the fiscal year 2022-23 declined to 150,470 tons, down from 217,289 tons in the previous year. Notably, approximately 80% of this total export volume was attributed to sales made to Sri Lanka.

Despite the increase in freight and economic instability, ACPL managed to increase exports of clinker almost by 8% as compared to the preceding year. The Company during the year, though continued its exports of high quality clinker in the regional markets of Bangladesh and Sri Lanka and, reinstated the market of Africa through exporting bagged cement to Somali land but as the reasons cited above, ACPL was able to sell 548,308 tons of clinker (2021-22: 505,999 tons).

HUMAN RESOURCES

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Keeping in line with the ideology of always serving humanity, the Company remained an active member of the local community and during the year the Company took several initiatives as part of its' CSR program in the field of community development, welfare and education.

After the devastating floods of 2022, ACPL made contribution of around Rs.12 million both in terms of cash and in kind under various initiatives including donation of Rs. 10 million towards the Prime Minister's Flood Relief Fund in order to extend the maximum possible support to the flood affected people of Pakistan.

Besides this, the Company actively provides assistance to the poor families located in goths around the plant area in the form of food rations, financial assistance through its charity program, provision of clean drinking water through setting up of water filtration plant and supply of water through tankers.

Furthermore, the Company arranged a free eye medical camp at TCF School located near the factory. It was a joint venture between Akhtar Eye Hospital and ACPL which was attended by 285 patients. Consultation, medicines pertaining to common eye problems and glasses for patients having visual impairment were all provided free of cost. Additionally, 27 cases of cataract were detected and these patients will undergo cataract extraction at Akhtar Eye Hospital free of cost.

In order to provide support in the field of education, ACPL donated stationary, uniforms and shoes to school going children. Additionally, furniture for Government Girls Primary School was also donated by ACPL.

ACPL has been on the forefront of infrastructure development, and therefore, took the initiative of repairing link roads and main roads of the area for smooth traffic movement.

HEALTH, SAFETY AND ENVIRONMENT

The 21 MW solar power plant is operating successfully which has significantly reduced ACPL's reliance on power generated through fossil fuels and further strengthens our commitment to manufacturing cement using the most environment friendly methods possible.

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

ACPL regularly conducts plantation drives and is committed to making the area in and around the factory as green as possible. In this regard, the Company till date has planted more than 9,000 plants around the factory premises and will continue conducting plantation drives in the future.

DIVESTMENT OF EQUITY IN SAQR AL KEETAN

The Shareholders of the Company in their meeting held on May 25, 2023 granted approval to the management for the divestment of entire shareholding of the Company held in "Saqr-Al-Keetan for Cement Production (SAK)" in Basra, Iraq.

SAK was incorporated under the laws of Iraq on November 3, 2014, the existing authorized share capital of the Subsidiary is 30,000,000 shares with the Company holding 18,000,000 shares representing 60% of the entire issued share capital of the Subsidiary (the "Sale Shares").

The entire shareholding are contemplated to be divested to two (2) buyers against divestment consideration of US$ 11,700,000/- (US$ eleven million seven hundred thousand only) each;

(i) 50% of the Shares, being 9,000,000 in number have be been sold to Mr. Abdul Lateef Mohsin Al Geetan, an Iraqi national (the "Individual Buyer"); and

(ii) Remaining 50% of the Shares, being 9,000,000 in number have been sold to M/s Lamassu Babylon General Trading Company (the "Corporate Buyer"), a Company incorporated under the laws of Dubai, UAE (collectively, the "Buyers").

The Company has signed the Share Purchase Agreement on May 26, 2023. During the month of June 2023, the Company received US$ 11.7 million against the divestment of 9,000,000 shares in first tranche, however, the transfer of shares was subject to approval of Registrar which has been accredited on July 26, 2023.

The Company has classified the investment in Saqr Al Keetan as "held for divestment" as disclosed in note 14 of the financial statements. The divestment consideration received by the Company has been disclosed in note 14 of the financial statement.

PROGRESS ON PROJECT

Line IV

Complete shipments of plant and machineries have arrived at plant site. All civil, mechanical and electrical contractors have been mobilized and the work on the project is in full swing. It is expected that the plant erection would be completed during 1Q 2024.

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

The Directors hereby confirm that:

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

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

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

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

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

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

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

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

	Rupees in Million	Year Ended
Provident Fund (unaudited)	1,005	June 30, 2023
Gratuity Funds (unaudited)	597	June 30, 2023
Pension Funds (unaudited)	541	June 30, 2023

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

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

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

Sr. No.	Name of the Director	Status	No. of meetings attended
1	Mr. Shamim Ahmad Khan	Chairman / Non Executive and Independent Director	4
2	Mr. Shuaib A. Malik	Non Executive Director	4
3	Mr. Abdus Sattar	Non Executive Director	4

k) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2022-23 have been given on page 52; and

l) The key operating and financial data for the last 6 years is set out on page 60.

DIRECTORS' REMUNERATION POLICY

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

HOLDING COMPANY

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

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2023 is given on page 52.

AUDITORS

The retiring auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 44th Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

AUDIT COMMITTEE

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

Sr. No.	Name of the Members	Status
1	Mr. Shamim Ahmad Khan	Chairman / Non Executive and Independent Director
2	Mr. Shuaib A. Malik	Non Executive Director
3	Mr. Abdus Sattar	Non Executive Director

Terms of Reference

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

1. Determination of appropriate measures to safeguard the assets.

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

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

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

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

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

6. Ensuring coordination between the internal and external auditors.

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

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

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

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

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

12. Determination of compliance with relevant statutory requirements.

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

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

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

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

Terms of Reference

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

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;

- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

- Recommending human resource management policies to the Board;

- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

FUTURE OUTLOOK

The fiscal year 2023-24 has started with a positive note and Pakistan has successfully negotiated and signed a stand by facility of US$ 3 billion for 9 months with IMF. The first installment has already been released. This installment coupled with deposits from Saudi Arabia and UAE has given much needed support to the fragile foreign exchange resources of the country. There is a general perception that Pakistan has averted the default at least during the tenure of standby facility.

The appointment of caretaker political set up has also been completed smoothly and it seems that the country is heading towards elections which may bring the much desired political stability in the country. However, the economic managers of the country have to really work hard in controlling massive inflation which has now reached at around 28%. In short to medium term, it seems that the inflation shall remain high as huge power and gas tariff adjustments are due besides global increase in oil prices will have its negative impact on the overall inflation. The higher inflation number shall compel the central bank to keep the interest rates high which would increase the cost of doing business in the country. The maintenance of rupee dollar parity at current level shall also remain a challenge due to receding exports and decline in remittances.

Under such hostile environment it would be difficult for the investors to invest their money into country's housing sector and it is anticipated that cement demand may continue to remain sluggish during 2023-24. The ever increasing trend in input costs like electricity and diesel prices would continue to keep the margins in check.

The growing economic issues would continue to challenge the industrial growth in the country and will slow down the economic momentum. The Management is fully alive to the situation and is developing its strategies to ensure that it should keep the company liquid and profitable in order to combat the business challenges. Accordingly, the Company is exploring the unconventional cement markets as far away as North America and West Africa.

Besides this, the Management is also experimenting various cost reduction initiatives, foremost amongst them is to replace imported coal with local coal and by expanding the use of alternate fuel in plant operations to the maximum possible extent. Furthermore, the Company is continuously exploring the ways and means to reduce its dependence on national grid and as first step the Company has already established a solar park with the capacity of approximately 21MW. The Company is evaluating other workable operational solutions for cheap electricity.

The Management through the above measures would try and maintain the Company's profitability in these challenging times.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

ABDUS SATTAR
Director

August 29, 2023
Rawalpindi, Pakistan

Pattern of Shareholding
As on June 30, 2023

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
525	1	100	18,090
486	101	500	152,247
339	501	1,000	295,002
412	1,001	5,000	1,024,199
128	5,001	10,000	968,117
147	10,001	95,000	4,093,604
36	95,001	955,000	11,081,702
1	955,001	2,190,000	2,072,696
1	2,190,001	2,195,000	2,194,966
1	2,195,001	115,530,000	115,526,338
2,076			137,426,961

S.No.	Categories of Shareholders	Shares held	Percentage %
1	Directors, Chief Executive Officer, their spouse and minor children	144,011	0.10
2	Associated Companies, Undertakings and related Parties	7,000	0.01
3	Banks, Development Financial Institutions, Non Banking Financial Institutions	152,735	0.11
4	Insurance Companies	2,178,696	1.59
5	Modarabas and Mutual Funds	5,570,238	4.05
6	Shareholders holding 10% or more	115,526,338	84.06
7	General Public - Local	10,405,963	7.57
8	Others	3,441,980	2.51
		137,426,961	**100**

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

Total Paid-up Capital of the Company	137,426,961 Shares
5% of the paid-up capital of the Company	6,871,348 Shares

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

No transaction has been reported by the Chief Executive and / or any other Company's Director(s), Executive and their spouse(s) and minor children from July 01, 2022 to June 30, 2023 in the shares of the Company.

Stakeholders' Engagement

We value our stakeholders and take every step to understand and fulfill their needs. We are also mindful that all of the stakeholders we are engaged with, from investors and customers to employees and suppliers are keen to understand how our business is evolving and energized to grow in a challenging world.

Stakeholder engagement is a continuous process that organizations follow in order to listen to, collaborate with or inform (or a combination of all three) their existing stakeholders. This process entails identifying, mapping and prioritizing stakeholders to determine the best tactics for effective communication while making the best use of available resources.

Stakeholder engagement helps organizations to proactively consider the needs and desires of anyone who has a stake in the organization. When done well, stakeholder engagement can mitigate potential risks and conflicts with stakeholder groups.

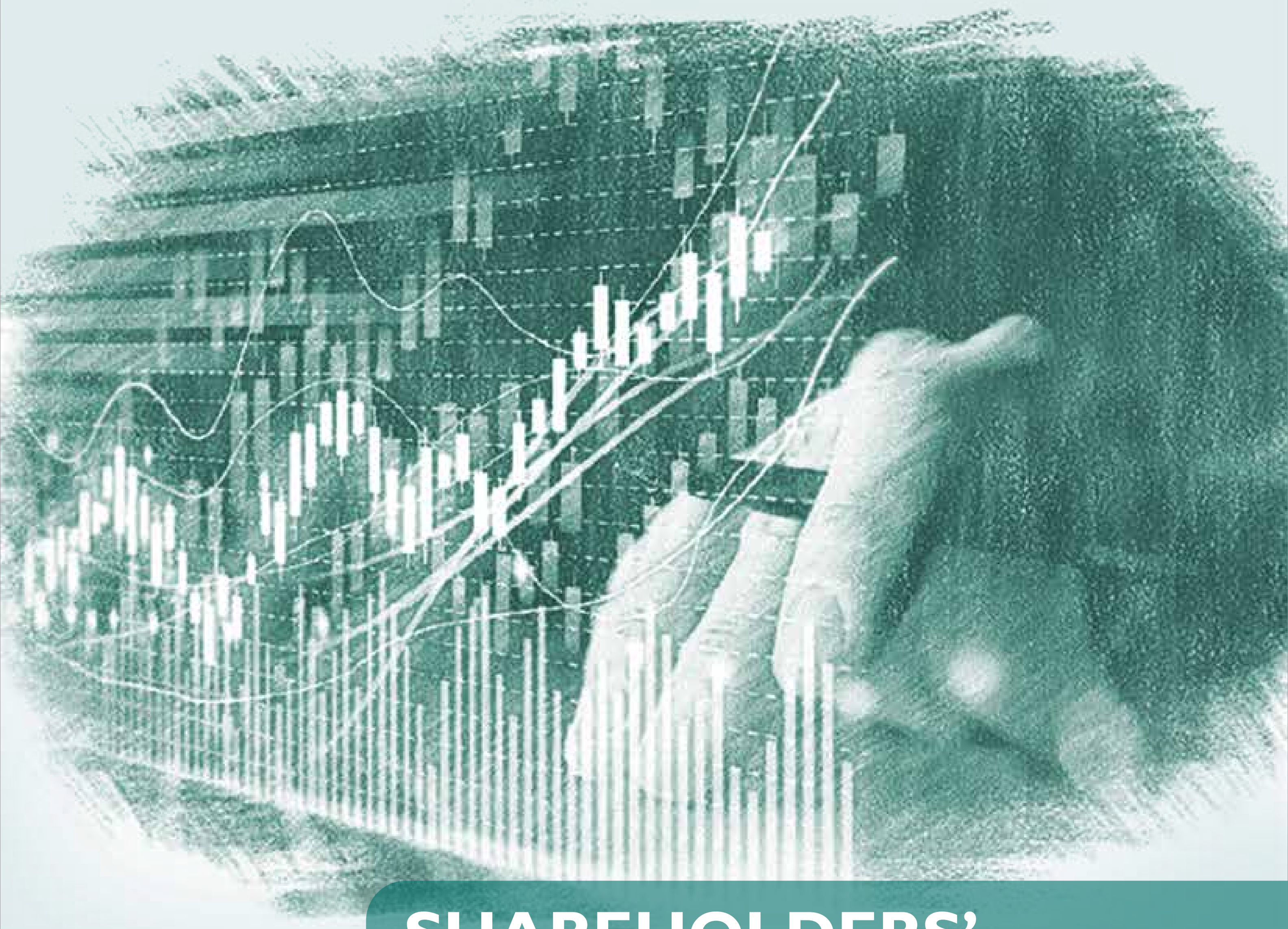
Since our inception, the Company has engaged with varied groups of stakeholders at different levels to understand their expectations and to make them partners in our journey towards sustainable development.

Corporate Briefing Session 2021-22

The objective of corporate briefing session is to provide suitable and equitable flow of information to shareholders, market analysts and investors. By organizing Corporate Briefing Session, the Company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explains its financial performance, competitive environment in which the Company operates, investment decisions and challenges it faces as well as business outlook.

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

On November 30, 2022, the Company held a formal corporate briefing session on its financial performance and operational overview at PSX auditorium as well as through video link. The CFO briefed the investors regarding the financial statements of the Company for the year ended June 30, 2022 and the Company's investment plans for the future. Further, the CFO also highlighted the status of project in hand. The Investors attended the event and showed great interest in the affairs of the Company. The presentation was followed by a Question and Answer Session where some thought-provoking questions were put forward to the Management, which were very well addressed to the satisfaction of the audience.



SHAREHOLDERS' INFORMATION

Vertical Analysis

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
For the year ended June 30

	2023		2022		2021		2020		2019		2018	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue	**25,477.36**	**100.00**	20,479.14	100.00	21,244.56	100.00	18,500.57	100.00	20,780.93	100.00	16,495.66	100.00
Cost of sales	**(19,803.31)**	**(77.73)**	(16,776.78)	(81.92)	(16,602.00)	(78.15)	(14,251.50)	(77.03)	(15,978.03)	(76.89)	(11,697.58)	(70.91)
Gross profit	**5,674.05**	**22.27**	3,702.36	18.08	4,642.56	21.85	4,249.07	22.97	4,802.90	23.11	4,798.08	29.09
Distribution costs	**(1,882.90)**	**(7.39)**	(1,294.66)	(6.32)	(2,203.45)	(10.37)	(1,830.95)	(9.90)	(1,414.82)	(6.80)	(782.22)	(4.74)
Administrative expenses	**(727.11)**	**(2.85)**	(640.80)	(3.13)	(568.04)	(2.67)	(506.94)	(2.74)	(505.15)	(2.43)	(533.11)	(3.23)
Other expenses	**(201.23)**	**(0.79)**	(124.44)	(0.61)	(114.13)	(0.54)	(92.27)	(0.50)	(149.75)	(0.72)	(163.00)	(0.99)
Other income	**304.96**	**1.20**	920.62	4.50	134.80	0.63	233.55	1.26	293.80	1.41	60.80	0.37
Profit from Operations	**3,167.77**	**12.44**	2,563.08	12.52	1,891.74	8.90	2,052.46	11.09	3,026.98	14.57	3,380.55	20.50
Finance cost	**(289.24)**	**(1.14)**	(257.95)	(1.26)	(357.49)	(1.68)	(525.89)	(2.84)	(648.44)	(3.12)	(251.17)	(1.52)
Share of net income of associate	**9.80**	**0.04**	6.81	0.03	5.65	0.03	5.92	0.03	24.66	0.12	-	-
Profit before income tax	**2,888.33**	**11.34**	2,311.94	11.29	1,539.90	7.25	1,532.49	8.28	2,403.20	11.56	3,129.38	18.98
Income tax (expense) / credit	**(1,372.27)**	**(5.39)**	(1,190.35)	(5.81)	(432.56)	(2.04)	(425.00)	(2.30)	(330.00)	(1.59)	1,270.41	7.70
Profit for the year	**1,516.06**	**5.95**	1,121.59	5.48	1,107.34	5.21	1,107.49	5.98	2,073.20	9.98	4,399.78	26.68

Vertical Analysis

STATEMENT OF FINANCIAL POSITION
As at June 30

	2023		2022		2021		2020		2019		2018	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - Property, plant & equipment	**31,068.30**	**71.15**	26,729.63	68.11	19,477.02	59.64	17,255.96	62.93	17,685.58	64.74	17,962.93	68.03
Long-term investments	**57.35**	**0.13**	1,870.55	4.77	1,863.74	5.71	1,858.09	6.78	1,836.54	6.72	1,435.38	5.44
Long-term loans and advances-considered good	**53.01**	**0.12**	64.81	0.17	67.96	0.21	38.82	0.14	47.59	0.17	47.31	0.18
Long-term deposits	**99.94**	**0.23**	99.94	0.25	99.94	0.31	99.94	0.36	99.94	0.37	99.94	0.38
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	131.54	0.50
	31,278.60	**71.63**	28,764.93	73.30	21,508.67	65.86	19,252.81	70.21	19,669.65	72.00	19,677.10	74.52
Current assets												
Inventories	**3,815.14**	**8.74**	5,404.31	13.77	3,642.50	11.15	3,465.94	12.64	3,395.52	12.43	3,649.07	13.82
Trade receivables - considered good	**1,387.95**	**3.18**	951.85	2.43	1,631.40	5.00	494.54	1.80	795.06	2.91	709.92	2.69
Loans and advances - considered good	**106.13**	**0.24**	105.40	0.27	143.93	0.44	162.44	0.59	87.93	0.32	78.50	0.30
Short-term deposits and prepayments	**92.33**	**0.21**	20.59	0.05	25.36	0.08	13.25	0.05	45.21	0.17	22.59	0.09
Other receivables	**617.89**	**1.41**	410.47	1.05	320.04	0.98	324.52	1.18	235.81	0.86	201.37	0.76
Taxation - payment less provisions	**1,726.40**	**3.96**	2,555.25	6.51	2,859.34	8.76	2,866.87	10.45	2,602.24	9.53	1,453.30	5.50
Tax refunds due from government - Sales tax	**-**	**-**	106.69	0.27	19.43	0.06	56.52	0.21	182.59	0.68	289.27	1.10
Short-term investment	**1,804.81**	**4.14**	-	-	1,914.89	5.86	-	-	-	-	-	-
Cash and bank balances	**1,015.02**	**2.32**	924.80	2.36	591.41	1.81	785.56	2.86	302.59	1.11	324.94	1.23
	10,565.67	**24.20**	10,479.35	26.70	11,148.29	34.14	8,169.63	29.79	7,646.95	28.00	6,728.95	25.48
Investment in subsidiary held for divestment	**1,823.00**	**4.17**	-	-	-	-	-	-	-	-	-	-
Total Assets	**43,667.27**	**100.00**	39,244.28	100.00	32,656.96	100.00	27,422.44	100.00	27,316.60	100.00	26,406.06	100.00
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital, issued, subscribed & paid up	**1,374.27**	**3.15**	1,374.27	3.50	1,374.27	4.21	1,374.27	5.01	1,374.27	5.03	1,145.23	4.34
Unappropriated profit	**17,594.24**	**40.29**	16,117.27	41.07	15,826.27	48.46	15,178.39	55.35	14,725.19	53.91	13,727.41	51.99
	18,968.51	**43.44**	17,491.54	44.57	17,200.54	52.67	16,552.66	60.36	16,099.46	58.94	14,872.64	56.33
LIABILITIES												
Non-current liabilities												
Long-term loans	**6,435.53**	**14.74**	7,211.86	18.38	2,435.11	7.29	236.25	0.86	2,187.50	8.01	3,437.50	13.02
Deferred income - Govt. grant	**1,198.29**	**2.74**	997.24	2.54	335.26	1.03	-	-	-	-	-	-
Long-term lease liabilities	**16.87**	**0.04**	38.56	0.10	38.28	0.12	46.46	0.17	7.91	0.03	10.79	0.04
Deferred liabilities	**2,760.95**	**6.32**	1,850.05	4.71	1,233.82	3.78	1,081.13	3.94	351.28	1.28	-	-
Employee benefit obligations	**60.63**	**0.14**	275.13	0.70	307.96	0.94	359.64	1.31	266.88	0.98	387.09	1.47
	10,472.27	**23.98**	10,372.83	26.43	4,350.42	13.16	1,723.48	6.28	2,813.57	10.30	3,835.39	14.52
Current liabilities												
Trade and other payables	**6,976.90**	**15.99**	6,620.37	16.87	6,657.14	20.39	4,185.44	15.26	3,577.44	13.10	4,983.84	18.87
Consideration received ag. sale of subsidiary	**3,359.95**	**7.69**	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	**11.28**	**0.03**	11.42	0.03	10.67	0.03	10.42	0.04	10.18	0.04	9.00	0.03
Accrued markup	**145.59**	**0.33**	78.38	0.20	18.87	0.22	33.59	0.12	143.87	0.53	88.77	0.34
Sales tax payable	**2.04**	**0.00**	-	-	-	-	-	-	-	-	-	-
Short-term borrowings	**3,708.65**	**8.49**	4,647.60	11.84	4,393.85	13.45	4,902.75	17.88	4,669.20	17.09	2,612.51	9.89
Current portion of long-term lease liabilities	**22.08**	**0.05**	22.15	0.06	25.45	0.08	14.12	0.05	2.88	0.01	3.91	0.01
	14,226.49	**32.58**	11,379.91	29.00	11,106.00	34.17	9,146.31	33.35	8,403.57	30.76	7,698.03	29.14
Total liabilities	**24,698.76**	**56.56**	21,752.74	55.43	15,456.42	47.33	10,869.79	39.79	11,217.14	41.06	11,533.42	43.68
Total Equity and Liabilities	**43,667.27**	**100.00**	39,244.28	100.00	32,656.96	100.00	27,422.44	100.00	27,316.60	100.00	26,406.06	100.00

Horizontal Analysis

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
For the year ended June 30

	2023		2022		2021		2020		2019		2018	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Revenue	**25,477.36**	**24.41**	20,479.14	(3.60)	21,244.56	14.83	18,500.57	(10.97)	20,780.93	25.98	16,495.66	100
Cost of sales	**(19,803.31)**	**18.04**	(16,776.78)	1.05	(16,602.00)	16.49	(14,251.50)	(10.81)	(15,978.03)	36.59	(11,697.58)	100
Gross profit	**5,674.05**	**53.25**	3,702.36	(20.25)	4,642.56	9.26	4,249.07	(11.53)	4,802.90	0.10	4,798.08	100
Distribution costs	**(1,882.90)**	**45.44**	(1,294.66)	(41.24)	(2,203.45)	20.34	(1,830.95)	29.41	(1,414.82)	80.87	(782.22)	100
Administrative expenses	**(727.11)**	**13.47**	(640.80)	12.81	(568.04)	12.05	(506.94)	0.35	(505.15)	(5.24)	(533.11)	100
Other expenses	**(201.23)**	**61.71**	(124.44)	9.03	(114.13)	23.69	(92.27)	(38.38)	(149.75)	(8.13)	(163.00)	100
Other income	**304.96**	**(66.88)**	920.62	582.95	134.80	(42.28)	233.55	(20.51)	293.80	383.22	60.80	100
Profit from Operations	**3,167.77**	**23.59**	2,563.08	35.49	1,891.74	(7.83)	2,052.46	(32.19)	3,026.98	(10.46)	3,380.55	100
Finance cost	**(289.24)**	**12.13**	(257.95)	(27.84)	(357.49)	(32.02)	(525.89)	(18.90)	(648.44)	158.17	(251.17)	100
Share of net income of associate	**9.80**	**43.91**	6.81	20.53	5.65	(4.56)	5.92	(75.99)	24.66	100.00	-	-
Profit before income tax	**2,888.33**	**24.93**	2,311.94	50.14	1,539.90	0.48	1,532.49	(36.23)	2,403.20	(23.21)	3,129.38	100
Income tax (expense) / credit	**(1,372.27)**	**15.28**	(1,190.35)	175.19	(432.56)	1.78	(425.00)	28.79	(330.00)	(125.98)	1,270.41	100
Profit for the year	**1,516.06**	**35.17**	1,121.59	1.29	1,107.34	(0.01)	1,107.49	(46.58)	2,073.20	(52.88)	4,399.79	100

Horizontal Analysis
STATEMENT OF FINANCIAL POSITION
As at June 30

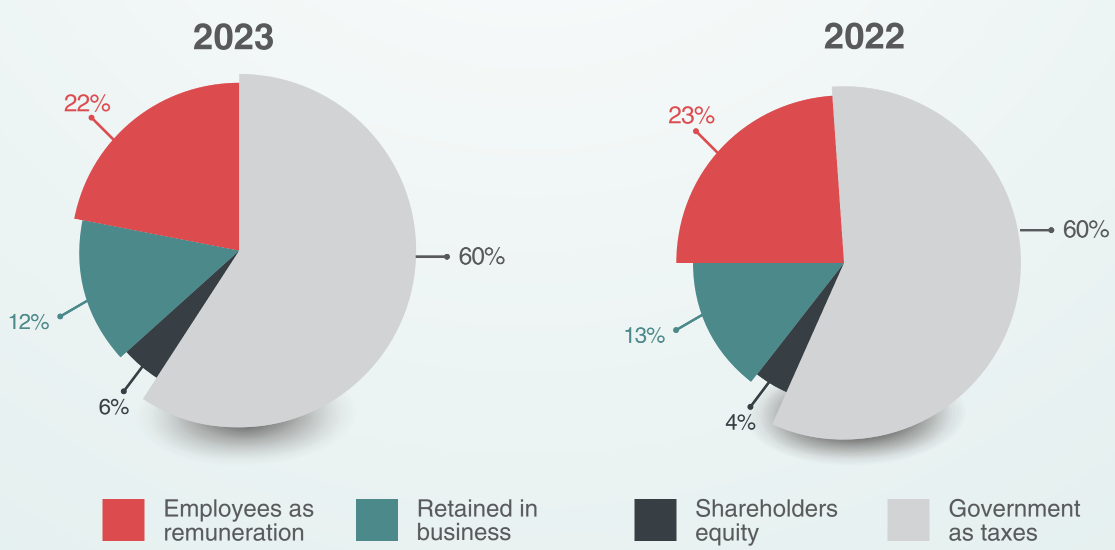
	2023		2022		2021		2020		2019		2018	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - Property, plant & equipment	**31,068.30**	**16.23**	26,729.63	37.24	19,477.02	12.87	17,255.96	(2.43)	17,685.58	(1.54)	17,962.93	100
Long-term investments	**57.35**	**(96.93)**	1,870.55	0.37	1,863.74	0.30	1,858.09	1.17	1,836.54	27.95	1,435.38	100
Long-term loans and advances	**53.01**	**(18.21)**	64.81	(4.65)	67.96	75.06	38.82	(18.43)	47.59	0.59	47.31	100
Long-term deposits	**99.94**	**-**	99.94	-	99.94	-	99.94	-	99.94	-	99.94	100
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	131.54	100
	31,278.60	**8.74**	28,764.93	33.74	21,508.67	11.72	19,252.81	(2.12)	19,669.65	(0.04)	19,677.10	100
Current assets												
Inventories	**3,815.14**	**(29.41)**	5,404.31	48.37	3,642.50	5.09	3,465.94	2.07	3,395.52	(6.95)	3,649.07	100
Trade receivables - considered good	**1,387.95**	**45.82**	951.85	(41.65)	1,631.40	229.88	494.54	(37.80)	795.06	11.99	709.92	100
Loans and advances - considered good	**106.13**	**0.69**	105.40	(26.77)	143.93	(11.39)	162.44	84.74	87.93	12.01	78.50	100
Short-term deposits and prepayments	**92.33**	**348.42**	20.59	(18.81)	25.36	91.40	13.25	(70.69)	45.21	100.13	22.59	100
Other receivables	**617.89**	**50.53**	410.47	28.26	320.04	(1.38)	324.52	37.62	235.81	17.10	201.37	100
Taxation - payment less provisions	**1,726.40**	**(32.44)**	2,555.25	(10.63)	2,859.34	(0.26)	2,866.87	10.17	2,602.24	79.06	1,453.30	100
Tax refunds due from Government - Sales tax	**-**	**(100.00)**	106.69	449.10	19.43	(65.62)	56.52	(69.05)	182.59	(36.88)	289.27	100
Short-term Investments	**1,804.81**	**100.00**	-	(100.00)	1,914.89	100.00	-	-	-	-	-	-
Cash and bank balances	**1,015.02**	**9.76**	924.80	56.37	591.41	(24.71)	785.56	159.61	302.59	(6.88)	324.94	100
	10,565.67	**0.82**	10,479.35	(6.00)	11,148.29	36.46	8,169.63	6.84	7,646.95	13.64	6,728.95	100
Investment in subsidiary held for sale	**1,823.00**	**100.00**	-	-		-	-	-		-	-	-
Total Assets	**43,667.27**	**11.27**	39,244.28	20.17	32,656.96	19.09	27,422.44	0.39	27,316.60	3.45	26,406.06	100
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital, issued, subscribed & paid up	**1,374.27**	**-**	1,374.27	-	1,374.27	-	1,374.27	-	1,374.27	20.00	1,145.23	100
Unappropriated profit	**17,594.24**	**9.16**	16,117.27	1.84	15,826.27	4.27	15,178.39	3.08	14,725.19	7.27	13,727.41	100
	18,968.51	**8.44**	17,491.54	1.69	17,200.54	3.91	16,552.66	2.81	16,099.46	8.25	14,872.64	100
LIABILITIES												
Non-current liabilities												
Long-term loans	**6,435.53**	**(10.76)**	7,211.86	196.16	2,435.11	930.73	236.25	(89.20)	2,187.50	(36.36)	3,437.50	100
Deferred income - Govt. grant	**1,198.29**	**20.16**	997.24	197.45	335.26	100.00	-	-	-	-	-	-
Long-term lease liabilities	**16.87**	**(56.22)**	38.56	0.73	38.28	(17.61)	46.46	487.36	7.91	(26.69)	10.79	100
Deferred liabilities	**2,760.95**	**49.24**	1,850.05	49.94	1,233.82	14.12	1,081.13	207.77	351.28	100.00	-	-
Employee benefit obligations	**60.63**	**(77.98)**	275.13	(10.61)	307.96	(14.37)	359.64	34.76	266.88	(31.05)	387.09	100
	10,472.27	**0.96**	10,372.83	138.44	4,350.42	152.42	1,723.48	(38.74)	2,813.57	(26.64)	3,835.39	100
Current liabilities												
Trade and other payables	**6,976.90**	**5.39**	6,620.37	(0.55)	6,657.14	59.05	4,185.44	17.00	3,577.44	(28.22)	4,983.84	100
Consideration received against subsidiary	**3,359.95**	**100.00**	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	**11.28**	**(1.23)**	11.42	7.03	10.67	2.40	10.42	2.36	10.18	13.11	9.00	100
Accrued markup	**145.59**	**85.75**	78.38	315.37	18.87	(43.82)	33.59	(76.65)	143.87	62.07	88.77	100
Sales tax payable	**2.04**	**100.00**	-	-	-	-	-	-	-	-	-	-
Short-term borrowings	**3,708.65**	**(20.20)**	4,647.60	5.78	4,393.85	(10.38)	4,902.75	5.00	4,669.20	78.72	2,612.51	100
Current portion of long-term lease liabilities	**22.08**	**(0.32)**	22.15	(12.97)	25.45	80.24	14.12	390.28	2.88	(26.34)	3.91	100
	14,226.49	**25.01**	11,379.91	2.47	11,106.00	21.43	9,146.31	8.84	8,403.57	9.17	7,698.03	100
Total liabilities	**24,698.76**	**13.54**	21,752.74	40.74	15,456.42	42.20	10,869.79	(3.10)	11,217.14	(2.74)	11,533.42	100
Total Equity and Liabilities	**43,667.27**	**11.27**	39,244.28	20.17	32,656.96	19.09	27,422.44	0.39	27,316.60	3.45	26,406.06	100

Statement of Value Addition and Distribution

For the year ended June 30

		2023	2022
		(Rupees in million)	
Gross Sales		**33,130**	28,111
Less:	Operating expenses	**(20,239)**	(16,990)
	Value added by Operations	**12,891**	11,121
Add:	Income from Investments	**10**	7
	Other Income	**305**	921
		315	928
	Total Value Added / wealth created	**13,206**	12,049
	Distributed as follows:		
	Employees as remuneration	**2,866**	2,740
	Government as:		
	Taxation	**1,372**	1,190
	Workers Funds	**201**	124
	Sales Tax & Excise Duty	**6,334**	5,998
		7,907	7,312
	Shareholders as dividend	**825**	481
	Retained in business		
	Depreciation	**917**	875
	Net earnings	**691**	641
		1,608	1,516
	Total value distributed	**13,206**	12,049

Distribution Of Value Addition



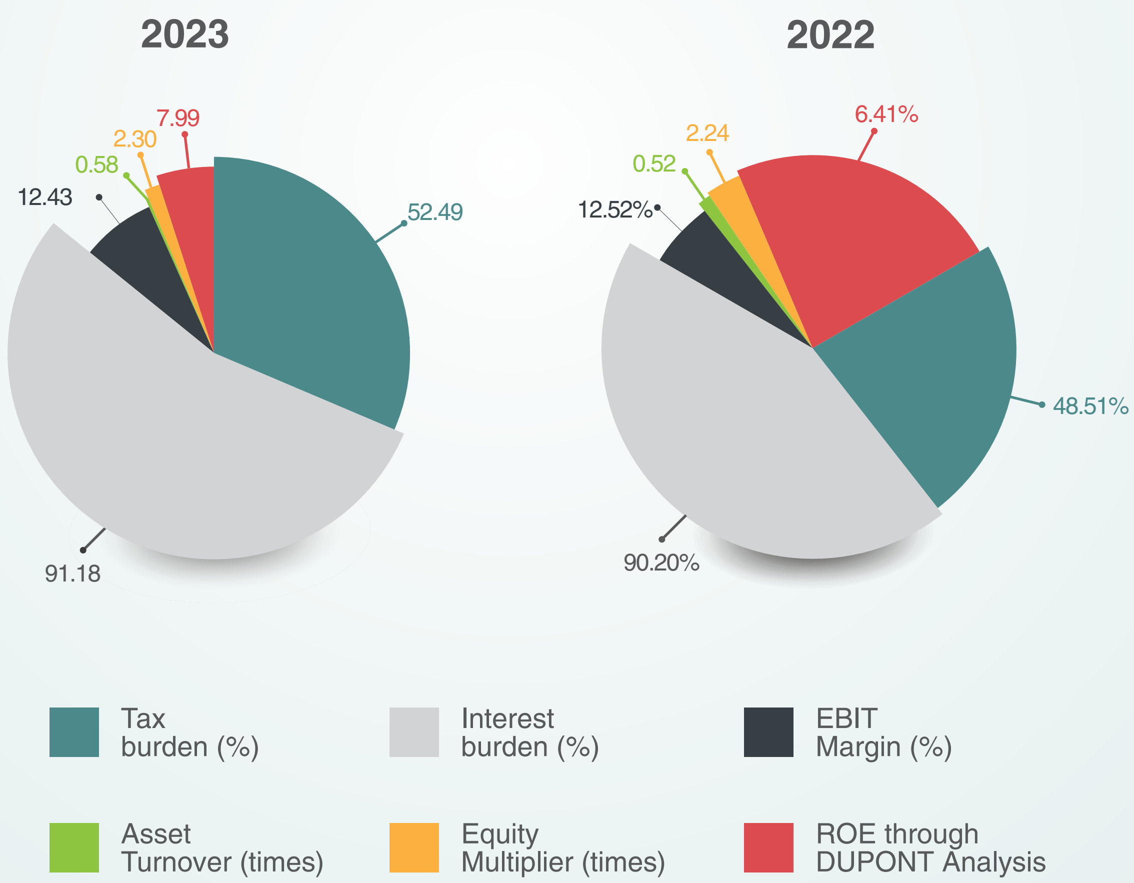
Six Years at a Glance

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
	------- Rupees in million unless otherwise stated -------					
Productions and Sales						
Clinker production (in tons)	**1,971,426**	2,180,178	3,191,164	2,828,898	3,184,363	2,482,551
Capacity utilization (%)	**68**	76	110	98	110	109
Cement production (in tons)	**1,503,714**	1,797,723	2,006,269	1,766,734	2,437,425	2,309,345
Cement sales (in tons)	**1,507,298**	1,798,881	2,010,531	1,766,442	2,447,666	2,288,613
Profit or Loss						
Revenue from contracts with customers	**25,477**	20,479	21,245	18,501	20,781	16,496
Cost of sales	**19,803**	16,777	16,602	14,252	15,978	11,698
Gross profit	**5,674**	3,702	4,643	4,249	4,803	4,798
Other income	**305**	921	135	234	294	61
Operating profit	**3,168**	2,563	1,892	2,052	3,027	3,381
Profit before tax	**2,888**	2,312	1,540	1,532	2,403	3,129
Profit after tax	**1,516**	1,122	1,107	1,107	2,073	4,400
Financial Position						
Paid-up capital	**1,374**	1,374	1,374	1,374	1,374	1,145
Unappropriated profit	**17,594**	16,117	15,826	15,178	14,725	13,727
Long-term & deferred liabilities	**10,472**	10,373	4,350	1,723	2,814	3,835
Current liabilities	**14,226**	11,380	11,106	9,146	8,404	7,698
Fixed assets less depreciation	**31,068**	26,730	19,477	17,256	17,686	17,963
Other long-term assets	**211**	2,035	2,032	1,997	1,984	1,714
Current assets	**10,566**	10,479	11,148	8,170	7,647	6,729
Investment held for sale	**1,821**	-	-	-	-	-
Key Financial Ratios						
Gross profit (%)	**22**	18	22	23	23	29
Operating profit (%)	**12**	13	9	11	15	20
Net profit after tax (%)	**6**	5	5	6	10	26
Return on equity (%)	**8**	6	6	7	13	30
Return on capital employed	**17**	15	11	12	19	23
No. of days in inventory	**22**	24	27	35	11	22
No. of days in receivables	**17**	23	18	13	13	10
Fixed assets turnover ratio (times)	**2**	1	1	1	1	1
Current ratio (times)	**1**	1	1	1	1	1
Price earning ratio (times)	**8**	8	22	15	5	3
Dividend yield ratio (%)	**7**	5	2	3	6	6
Dividend payout ratio (%)	**54**	43	50	43	27	21
Debt equity ratio	**53**	68	40	31	43	41
Interest cover ratio (times)	**11**	10	5	4	5	13
Shares and Earnings						
Market price per share as at June 30 (Rs.)	**83**	67	180	125	71	135
Earnings per share (Rs.)	**11.03**	8.16	8.06	8.06	15.09	32.02
Cash dividend per share	**6.00**	3.50	4.00	3.50	4.00	8.00
Break-up value per share	**138.03**	127.28	125.16	120.45	117.15	129.87

Dupont Analysis

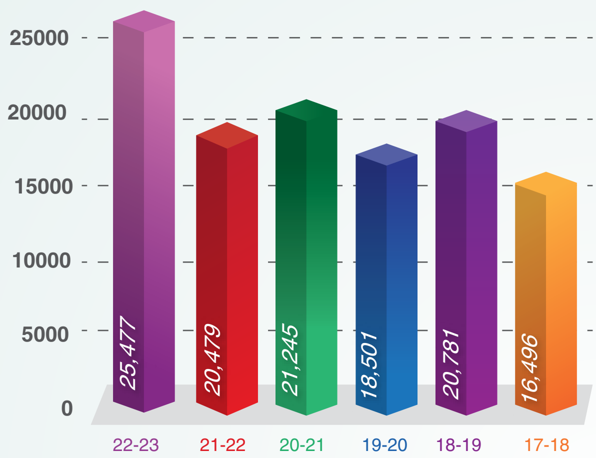
For the year ended June 30, 2023

	2023	2022
Tax burden (%)	**52.49**	48.51
Interest burden (%)	**91.18**	90.20
EBIT Margin (%)	**12.43**	12.52
Asset Turnover (times)	**0.58**	0.52
Equity Multiplier (times)	**2.30**	2.24
ROE through DUPONT Analysis (%)	**7.99**	6.41

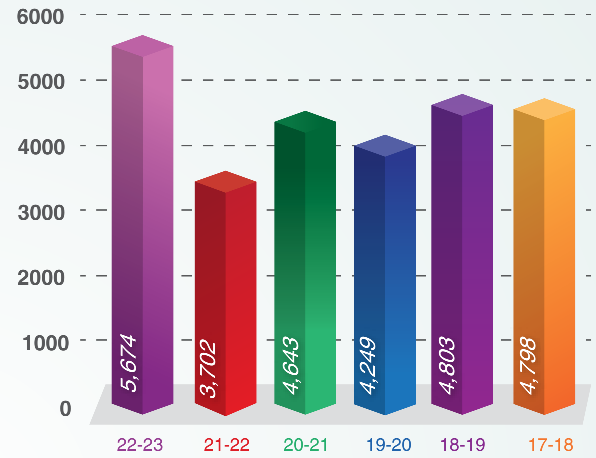


Graphical Presentation

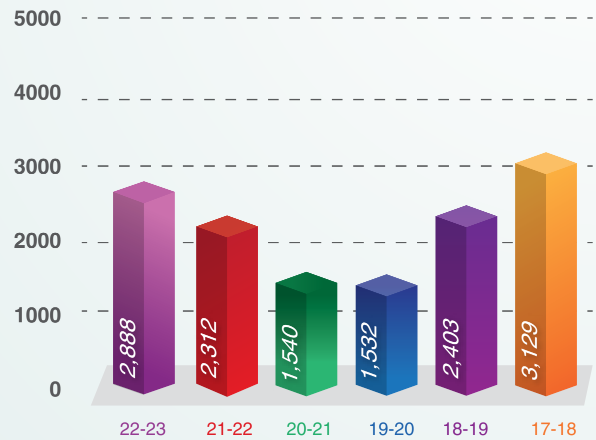
Net Sales
(Rs. in Million)



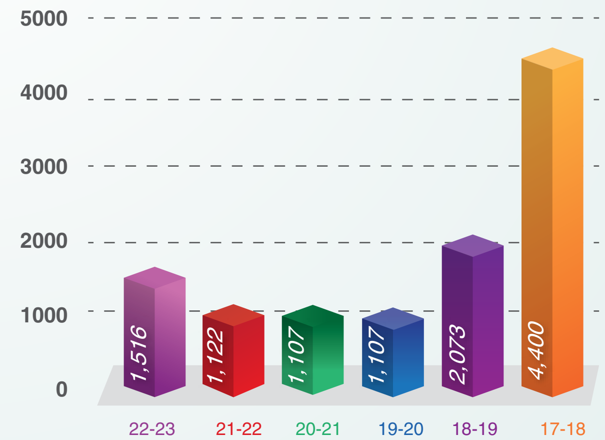
Gross Profit
(Rs. in Million)



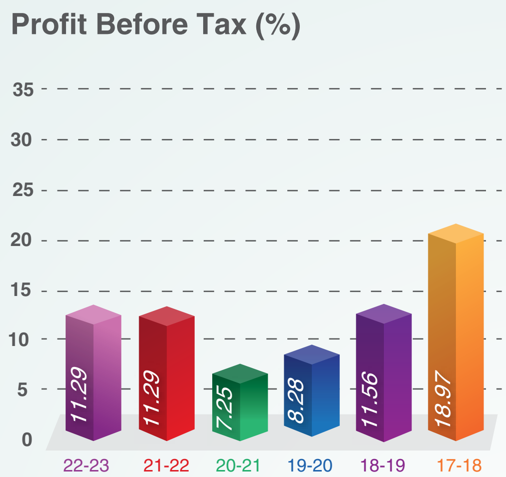
Profit Before Tax
(Rs. in Million)

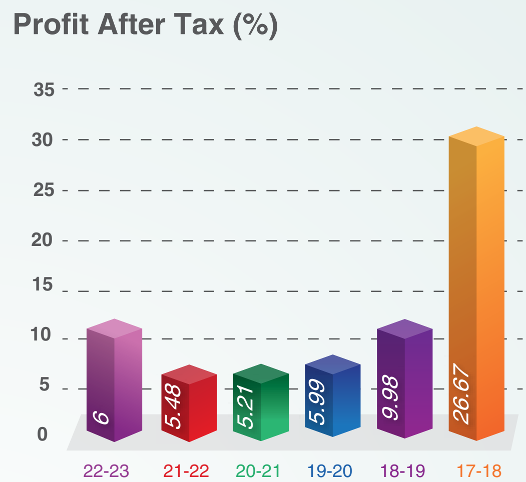


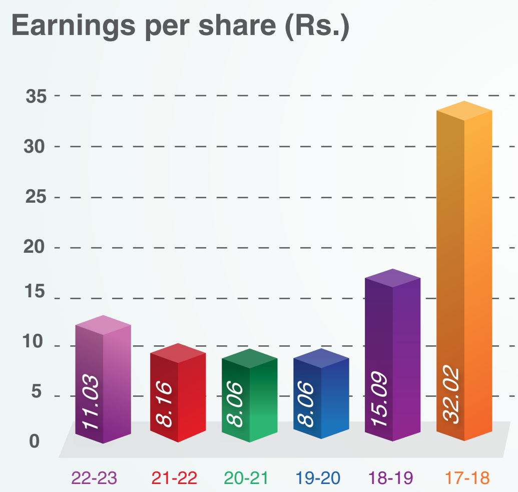
Profit After Tax
(Rs. in Million)

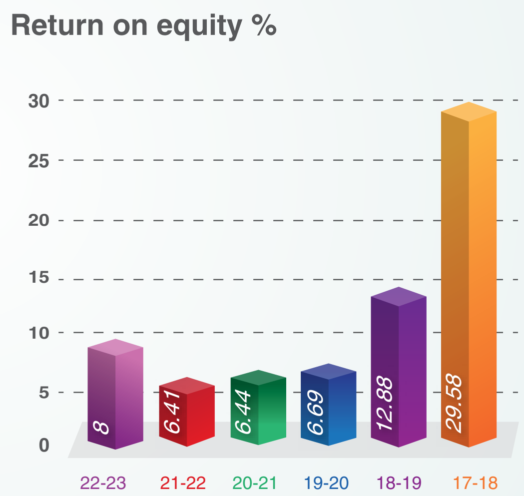


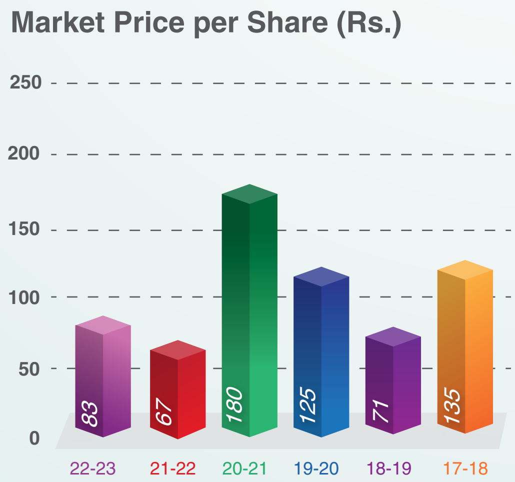
Graphical Presentation

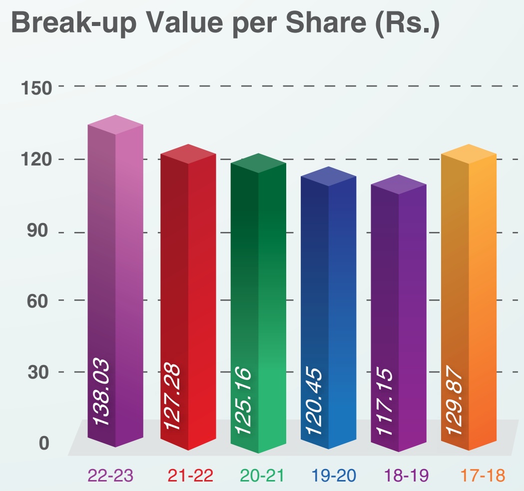






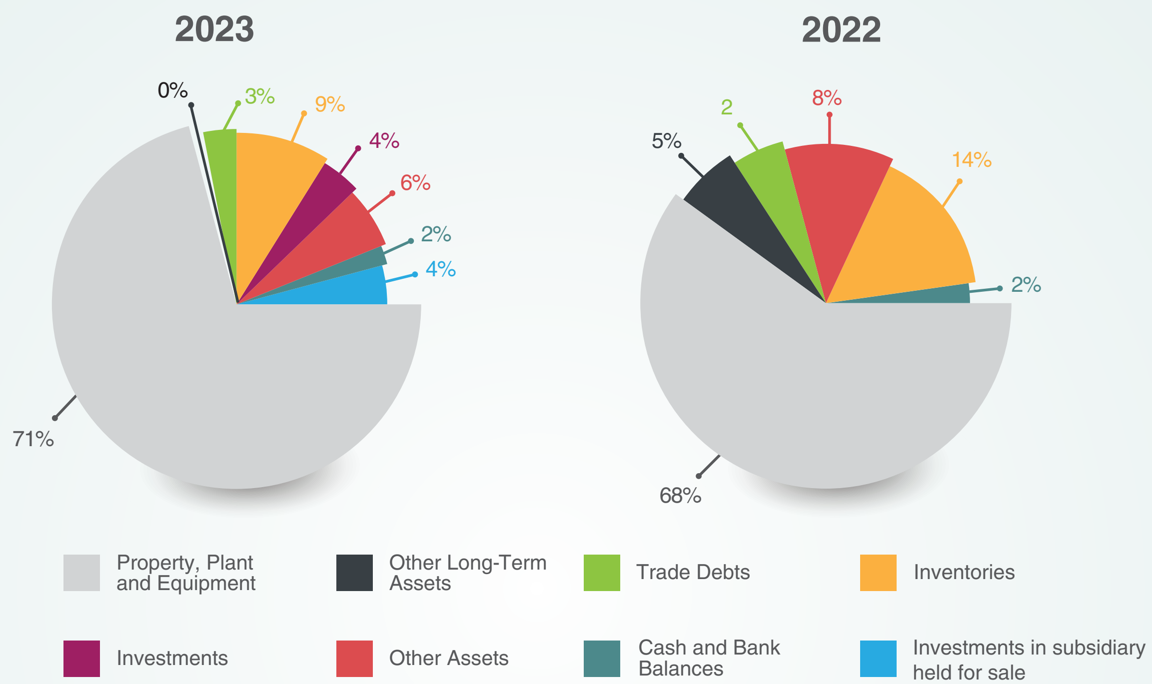




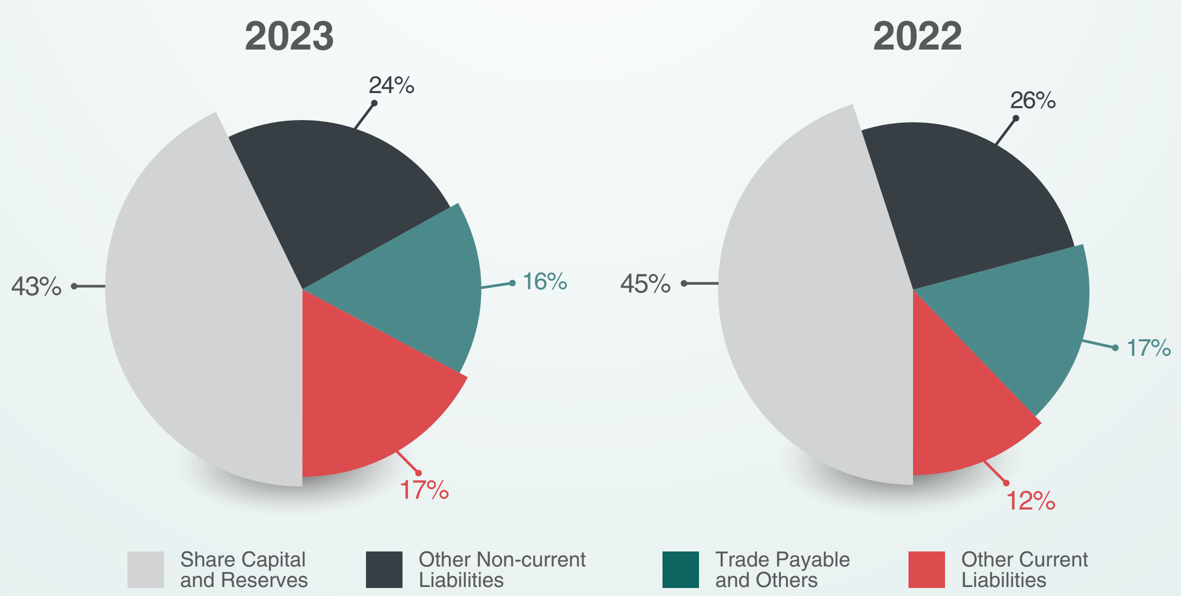


Composition of Statement of Financial Position

As at June 30



Equity and Liabilities (%)



Notice of the Forty-forth (44th) Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of Attock Cement Pakistan Limited (the "Company") will be held on October 23, 2023 at 11:00 hours at Marriott Hotel, Karachi as well as through video conference facility to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2023 together with the Reports of the Auditors and the Directors thereon.

2. To consider and approve final cash dividend @60% (Rs. 6.00 per share) as recommended by the Board of Directors for the year ended June 30, 2023.

3. To appoint auditors for the financial year 2023-24 and to fix their remuneration; and

4. To elect seven (7) Directors of the Company as the number fixed by the Board of Directors in their meeting held on June 19, 2023, for a period of three (3) years commencing from the date of election. The names of retiring directors are as follows:

   i) Mr. Laith G. Pharaon
   ii) Mr. Wael G. Pharaon
   iii) Mr. Shuaib A. Malik
   iv) Mr. Abdus Sattar
   v) Mr. Shamim Ahmad Khan
   vi) Mr. Mohammad Haroon
   vii) Mr. Babar Bashir Nawaz

   The retiring directors are eligible for the re-election.

SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution to enable and authorize the Company to circulate Annual audited financial statements to the members of the Company through QR enabled code and weblink as required by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O 389(I)/2023 dated March 21, 2023, instead of circulating through CD/DVD/USB.

   "RESOLVED THAT the Company be and is hereby authorized to circulate its annual report, including the annual audited financial statements, together with the reports and documents required to be annexed thereon under the Companies Act, 2017 to the members of the Company through QR enabled code and Weblink, as notified by the Securities & Exchange Commission of Pakistan vide its S.R.O.389(I)/2023 dated March 21, 2023 be and is hereby approved and the practice of circulation of the annual report through CD/DVD/USB be discontinued."

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

The statement of material facts concerning the above-mentioned special business as required under Section 134(3) of the Companies Act, 2017 is attached.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 29, 2023

Participation in Annual General Meeting through Electronic means:

The shareholders intending to participate in the meeting via video link are hereby requested to share following information for obtaining video link and login credential, with the office of the Company Secretary (modes of communication are mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on October 21, 2023.

Required information:

Shareholder's Name, CNIC Number, Folio / CDC Account No., Active Mobile Phone Number and Email address for timely communication.

Modes of Communication:

a) Mobile/WhatsApp: 0308-0972181
b) Email: 44agm@attockcement.com

Notes:

1. The Register of members and share transfer books of the Company will remain closed from October 16, 2023 to October 23, 2023 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 13, 2023 are entitled to attend and vote at the meeting.

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

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

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

For appointing proxies:

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

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

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

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

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

Required information:

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

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

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

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

i) All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and if required take necessary actions for inclusion of their name in ATL.

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

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

TRANSMISSION OF ANNUAL REPORT THROUGH CD/DVD:

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

TRANSMISSION OF ANNUAL REPORT THROUGH E-MAIL:

Pursuant to the provisions of Section 223(6) of the Companies Act, 2017 read with SRO 787 (I)/2014 dated September 08, 2014, SECP has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting through email. Hence, the members who intend to receive the annual reports and notice of annual general meeting electronically are requested to send their email addresses on the consent form placed on the Company's website i.e. www.attockcement.com

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

AVAILABILITY OF ANNUAL REPORT ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2023 are available on the Company's website www.attockcement.com, in addition to annual and quarterly financial statements for the prior years.

REQUIREMENTS OF THE COMPANIES (POSTAL BALLOT) REGULATIONS, 2018

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 & 144 of the Companies Act, 2017 and SRO 2192(I)/2022 dated December 5, 2022 issued by SECP, members will be allowed to exercise their right to vote for the special business in the AGM, in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

A. Procedure for E-voting:

(i) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers and email addresses available in the register of members of the Company by the close of business hours i.e. October 16, 2023.

ii) The web address/login credentials and security codes shall be communicated to the members through SMS/email by our Share registrar i.e. M/s. FAMCO Associates (being the e-voting service provider).

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

iv) E-voting process will start from October 17, 2023 at 09:00 a.m. and shall be closed on October 20, 2023 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is casted by a Member then he / she shall not be allowed to change it subsequently.

(B) Procedure for Voting through Postal Ballot:

The members shall ensure that duly filled in and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered address i.e. Attock Cement Pakistan Limited, D-70, Block-4, Kehkashan-5, Clifton, Karachi or email with subject “Voting through Postal Ballot” at 44agm@attockcement.com but not later than October 20, 2023, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

ELECTION OF DIRECTORS:

For Election of Directors, any person who seeks to contest the Election shall, whether he is a retiring director or otherwise, send his nomination for election, duly signed by the member or members making the nomination or by their duly authorized representative to the Company at its Registered Office i.e. Attock Cement Pakistan Limited, D-70, Block-4, Kehkashan-5, Clifton, Karachi, which should be received not less than fourteen (14) days before the date of the Meeting in terms of Section 159(3) of the Companies Act, 2017.

CATEGORIES FOR ELECTION OF DIRECTORS:

In compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), election of directors should be held in following categories:

1. Female director;
2. Independent directors; and
3. Other directors

Any member while submitting his/her notice of intention shall select any one of the above categories and clearly mention his notice of intention for which category he / she seeks to contest the Election of Directors.

CANDIDATES FOR DIRECTORSHIP:

Every nomination of a candidate for Election must be accompanied with the following documents:

- Duly signed consent to act as a Director on Form 28 as required by the Companies Act, 2017;
- Declaration for being compliant with the requirements of the Regulations and the eligibility criteria as set out in the Companies Act, 2017 to act as a Director of listed Company;
- Confirmation that he / she is not serving as Director in more than seven listed Companies simultaneously provided that this limit shall not include the directorship in the listed subsidiary; and
- A detailed profile along with a copy of valid CNIC, Folio or CDC account number, contact details and office address.

In case of Independent Director, a declaration of the Candidate as per the Regulations.

Potential Candidate may contact the Company through cfo@attockcement.com for any query or assistance on the above.

The final list of contesting directors will be circulated not later than seven days before the date of the said Meeting.

STATEMENT UNDER SECTION 166 OF THE COMPANIES ACT, 2017 - REGARDING INDEPENDENT DIRECTORS:

Independent Directors shall be selected in accordance with the applicable criteria set out for independence under section 166 of the Companies Act, 2017 and the Companies (Manners and Selection of Independent Directors) Regulations, 2018. Further, the Regulations issued there under and their names should be listed on the databank of independent directors maintained by Pakistan Institute of Corporate Governance. However, the candidate shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017.

STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2017:

This statement sets out the material facts concerning the special business, given in Agenda No. 5 of the Notice, intended to be transacted at the AGM.

Agenda No. 5 of the Notice

In view of the technological advancements, the SECP has allowed Listed Companies, through its SRO No. 389(I)/2023 dated March 21, 2023, to circulate the Annual Audited Financial Statements, to the Members of the Company through QR-enabled code and Weblink. The Company shall circulate Annual Audited Financial Statements, through email, in case it has been provided by the members to the Company and shall also send hard copies of Annual Audited Financial Statements, to the shareholders, free of cost, upon receipt of a duly completed Request Form as available on the Company's website www.attockcement.com.

None of the Directors of the Company have any direct or indirect interest in the Special business, except in their capacity as members and directors of the Company.

PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:

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

CONSENT FOR VIDEO CONFERENCE FACILITY:

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

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

UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

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

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

DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY (CDC):

As per Section 72 of the Companies Act, 2017 read with SECP notification number CSD/ED/Misc/2016-639-640 dated March 26, 2021 every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

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

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

For the year ended June 30, 2023

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

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

Male	7
Female	-

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

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

2. The composition of board is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit Committee:	Quarterly
HR and Remuneration Committee:	Yearly

15. The Board has set up an effective internal audit department which is experienced for the purpose and is fully conversant with the policies & procedures of the Company;

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

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

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

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

Sr. No.	Requirement	Reg. No.	Explanation
1	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The responsibilities as prescribed for the nomination committee are being taken care of at Board level on need basis so a separate committee is not considered to be necessary.
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	The Board has not constituted a risk management committee as risk management framework is managed at Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.
3	The company may post on its website key elements of its significant policies including but not limited to the following:	35(1)	Except for the communication and disclosure policy all the other policies have been duly placed on the website of the Company.

Sr. No.	Requirement	Reg. No.	Explanation
	(i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; (vi) corporate social responsibility/sustainability/ environmental, social and governance related policy		

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

LAITH G. PHARAON
Chairman

August 29, 2023
Rawalpindi, Pakistan

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ATTOCK CEMENT PAKISTAN LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Cement Pakistan Limited for the year ended June 30, 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 June 30, 2023.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 25, 2023

UDIN: CR202310073CRIVDcFsJ

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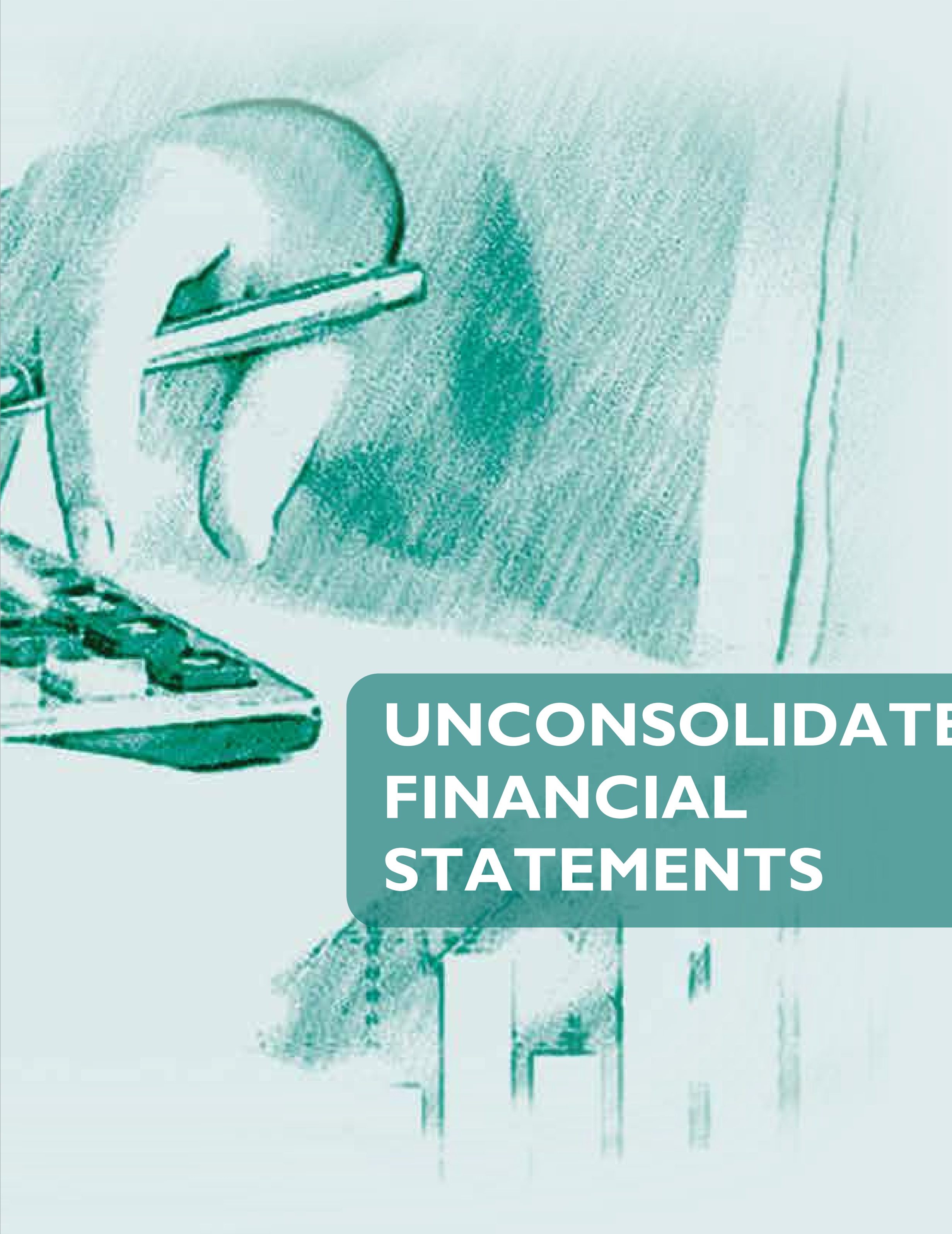

UNCONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

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

Key Audit Matter

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

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Following is the Key audit matter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 25, 2023

UDIN: AR202310073JyFjbSw51

Unconsolidated Statement of Financial Position
As at June 30, 2023

	Note	2023	2022
		-----------(Rupees '000)-----------	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	**31,068,301**	26,729,628
Long - term investments	4	**57,348**	1,870,552
Long - term loans and advances - considered good	5	**53,008**	64,807
Long - term deposits	6	**99,940**	99,940
		31,278,597	28,764,927
Current assets			
Inventories	7	**3,815,145**	5,404,313
Trade receivables - considered good	8	**1,387,948**	951,849
Loans and advances - considered good	9	**106,128**	105,400
Short - term deposits and prepayments	10	**92,333**	20,588
Other receivables	11	**617,885**	410,470
Taxation - payments less provisions		**1,726,400**	2,555,250
Tax refunds due from Government - Sales tax		**-**	106,686
Short - term investments	12	**1,804,815**	-
Cash and bank balances	13	**1,015,016**	924,798
		10,565,670	10,479,354
Investment in subsidiary held for sale - divestment	14	**1,823,001**	-
Total assets		**43,667,268**	39,244,281
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	15	**1,374,270**	1,374,270
Unappropriated profit		**17,594,244**	16,117,268
		18,968,514	17,491,538
LIABILITIES			
Non-current liabilities			
Long - term loans	16	**6,435,527**	7,211,855
Deferred income - Government grant	17	**1,198,287**	997,239
Lease liabilities	18	**16,875**	38,564
Deferred tax liabilities	19	**2,760,946**	1,850,049
Employee benefit obligations	20	**60,631**	275,126
		10,472,266	10,372,833
Current liabilities			
Trade and other payables	21	**6,976,903**	6,620,372
Consideration received against divestment of subsidiary	22	**3,359,948**	-
Unclaimed dividend		**11,275**	11,422
Accrued mark-up	23	**145,589**	78,375
Short - term borrowings	24	**3,708,653**	4,647,591
Sales tax payable		**2,040**	-
Current portion of lease liabilities	18	**22,080**	22,150
		14,226,488	11,379,910
Total liabilities		**24,698,754**	21,752,743
Contingencies and commitments	25		
Total equity and liabilities		**43,667,268**	39,244,281

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

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

Unconsolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2023

	Note	2023	2022
		-----------(Rupees '000)-----------	
Revenue from contracts with customers	26	**25,477,355**	20,479,142
Cost of sales	27	**(19,803,310)**	(16,776,783)
Gross profit		**5,674,045**	3,702,359
Distribution costs	28	**(1,882,896)**	(1,294,657)
Administrative expenses	29	**(727,106)**	(640,800)
Other expenses	30	**(201,225)**	(124,435)
Other income	31	**304,953**	920,615
Profit from operations		**3,167,771**	2,563,082
Finance cost	32	**(289,235)**	(257,954)
Share of net income of associate accounted for using the equity method	4	**9,797**	6,809
Profit before income tax		**2,888,333**	2,311,937
Income tax expense	33	**(1,372,271)**	(1,190,346)
Profit for the year		**1,516,062**	1,121,591
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations - net of tax	20	**167,054**	(6,033)
Total comprehensive income for the year		**1,683,116**	1,115,558
Basic and diluted earnings per share	34	**Rs. 11.03**	Rs. 8.16

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

Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	----------------------	(Rupees '000	----------------------
Balance as at July 01, 2021	1,374,270	15,826,272	17,200,542
Profit for the year ended June 30, 2022	-	1,121,591	1,121,591
Other comprehensive loss for the year ended June 30, 2022	-	(6,033)	(6,033)
Total comprehensive income for the year ended June 30, 2022	-	1,115,558	1,115,558
Transaction with owners in their capacity as owners			
Dividend:			
- Final dividend for the year ended June 30, 2021 @ Rs. 4.0 per share	-	(549,708)	(549,708)
- Interim dividend for the year ended June 30, 2022 @ Rs. 2.0 per share	-	(274,854)	(274,854)
Balance as at July 01, 2022	**1,374,270**	**16,117,268**	**17,491,538**
Profit for the year ended June 30, 2023	**-**	**1,516,062**	**1,516,062**
Other comprehensive income for the year ended June 30, 2023	**-**	**167,054**	**167,054**
Total comprehensive income for the year ended June 30, 2023	**-**	**1,683,116**	**1,683,116**
Transactions with owners in their capacity as owners			
Dividend:			
- Final dividend for the year ended June 30, 2022 @ Rs. 1.5 per share	**-**	**(206,140)**	**(206,140)**
Balance as at June 30, 2023	**1,374,270**	**17,594,244**	**18,968,514**

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

Muhammad Rehan
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		-----------(Rupees '000)-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	**5,315,433**	1,636,827
Finance cost paid - conventional		**(534,228)**	(167,118)
Finance cost paid - islamic		**(111,817)**	(42,847)
Income tax refund / (paid)		**303,141**	(270,020)
Decrease in long - term loans and advances		**11,799**	3,157
Employee benefit obligations paid		**(103,253)**	(124,338)
Net cash generated from operating activities		**4,881,075**	1,035,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(5,055,655)**	(7,992,806)
Advance against divestment of subsidiary		**3,359,948**	-
Proceeds from disposal of operating assets		**11,482**	3,843
Purchase of open ended mutual fund units		**(2,700,231)**	(1,924,301)
Proceeds from sale of open ended mutual fund units		**904,303**	3,845,647
Placement in Term Deposit Receipts (TDRs) - net		**(275,000)**	(10,000)
Dividend received		**2,161**	368,849
Profit received		**40,717**	31,091
Net cash used in investing activities		**(3,712,275)**	(5,677,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(206,287)**	(823,814)
Proceeds from long - term loan - net		**1,963,280**	6,314,205
Repayment of long - term loan		**(1,636,631)**	(275,000)
Lease rentals paid		**(27,677)**	(29,846)
Net cash generated from financing activities		**92,685**	5,185,545
Net increase in cash and cash equivalents		**1,261,485**	543,529
Cash and cash equivalents at beginning of the year		**(3,073,911)**	(3,617,440)
Cash and cash equivalents at end of the year	36	**(1,812,426)**	(3,073,911)

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

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

1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

1.2 The Company has investment in subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for as held for sale - divestment.

1.3 During the year the Board of Directors in their meeting held on April 27, 2023 authorised the management to enter into a Share Purchase Agreement for the divestment of its entire shareholding (18,000,000 shares) in its subsidiary SAKCPCL to Mr Abdul Lateef Mohsin Al Geetan and M/s Lamassu Babylon General Trading Company subject to all legal compliances as further disclosed in note 14 - Investment in subsidiary held for divestment to these unconsolidated financial statements.

1.4 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be US$ 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 16.2 and 16.3 respectively. However, during the year the company also utilized its short term borrowings and own cash flows to finance the project due to discontinuance of subsidized financing. The project is under construction.

1.5 The Board of Directors in their meeting held on October 25, 2022 approved extension of Captive Solar Power Plant Capacity by 1.12 MW. However, during the prior year, the project of 20MW Captive Solar Power Plant has been commissioned with effect from January 1, 2022. This was financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in note 16.4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

The accounting and reporting standards applicable in Pakistan comprise of:

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

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

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

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

2.1.2 Critical accounting estimates and judgements

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

(i) Fixed assets - property, plant and equipment

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

(ii) Inventories

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realisable value are disclosed in note 2.6 to these unconsolidated financial statements.

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

(iii) Income tax

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

(iv) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in notes 2.14 and 20 to these unconsolidated financial statements for valuation of present value of defined benefit obligation.

(v) 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.

(vi) Future estimation of export sales

Deferred tax calculation is based on estimate of future ratio of export and local sales.

(vii) Contingencies

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

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

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

2.1.3 Changes in accounting standards, interpretations and pronouncements

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

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

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023.

However, these are considered either not to be relevant or to have any significant impact on the Company's unconsolidated financial statements and operations and, therefore, have not been disclosed in these unconsolidated financial statements.

2.2 Overall valuation policy

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

2.3 Fixed assets - property, plant and equipment

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

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

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

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

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

2.4 Long - term investments

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

2.5 Loans, advances, deposits and prepayments

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

Interest free loans to employees are stated at amortised cost.

2.6 Inventories

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

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

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

2.7 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.22 for a description of the Company's impairment policies.

2.8 Cash and cash equivalents

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

2.9 Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sale of such assets and their sale is highly probable. The Company measures its non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

2.10 Share Capital

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

2.11 Borrowings and their cost

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

2.12 Government grants

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

2.13 Income tax

Current

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

Deferred

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

2.14 Staff retirement benefits

Defined benefit plans

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2023 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in unconsolidated statement of profit or loss and other comprehensive income.

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

Defined contribution plan

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

2.15 Trade and other payables

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

2.16 Provisions

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

2.17 Lease liability and right-of-use asset

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

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

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

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

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

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

2.18 Contract Liability

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

2.19 Contingent Liabilities

Contingent liability is disclosed when:

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

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

2.20 Foreign currencies

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

2.21 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

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

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

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

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets and liabilities at amortised cost

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

ii) Financial assets at FVTOCI

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

iii) Financial assets and liabilities at FVTPL

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

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

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to unconsolidated statement of profit or loss, but is transferred to unconsolidated statement of changes in equity.

ii) Financial liabilities

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

2.22 Impairment

2.22.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

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 debt securities and bank balance 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.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2023 or July 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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 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.

Loss allowances for financial assets measured at amortised 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 recovery 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.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

2.22.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares ,stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

2.23 Off-setting of financial assets and liabilities

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

2.24 Revenue recognition

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

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

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

2.25 Other Income

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

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

2.26 Dividend

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

	2023	2022
	----------(Rupees '000)----------	
3. FIXED ASSETS - property, plant and equipment		
Operating assets - note 3.1	**15,751,603**	16,487,073
Capital work-in-progress - note 3.2	**14,447,916**	9,330,456
Stores held for capital expenditure - note 3.3	**868,782**	912,099
	31,068,301	26,729,628

3.1 Operating assets

	Freehold land - note 3.5	Buildings and roads on freehold land - note 3.5	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Right of use assets - note 3.4	Total
	(Rupees '000)								
Year ended June 30, 2023									
Opening net book value	38,068	1,811,004	14,478,795	25,945	1,552	11,561	60,709	59,439	16,487,073
Additions	-	282	173,996	-	-	397	40,903	-	215,578
Disposals	-	-	-	-	-	-	(3,119)	-	(3,119)
Transfers to stores	-	-	(30,715)	-	-	-	-	-	(30,715)
Depreciation charge	-	(157,321)	(704,576)	(3,893)	(775)	(5,426)	(21,407)	(23,816)	(917,214)
Closing net book value	**38,068**	**1,653,965**	**13,917,500**	**22,052**	**777**	**6,532**	**77,086**	**35,623**	**15,751,603**
At June 30, 2023									
Cost	38,068	3,272,240	22,733,409	235,627	30,051	131,122	206,545	133,127	26,780,189
Accumulated depreciation	-	(1,618,275)	(8,815,909)	(213,575)	(29,274)	(124,590)	(129,459)	(97,504)	(11,028,586)
Net book value	**38,068**	**1,653,965**	**13,917,500**	**22,052**	**777**	**6,532**	**77,086**	**35,623**	**15,751,603**

	Freehold land - note 3.5	Buildings and roads on freehold land - note 3.5	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Right of use assets - note 3.4	Total
	(Rupees '000)								
Year ended June 30, 2022									
Opening net book value	38,068	1,969,962	13,411,596	30,205	2,067	11,660	55,341	63,742	15,582,641
Additions	-	1,626	1,782,611	-	184	7,063	26,084	19,513	1,837,081
Disposals	-	-	-	(313)	-	-	(965)	-	(1,278)
Transfers to stores	-	-	(56,039)	-	-	-	-	-	(56,039)
Depreciation charge	-	(160,584)	(659,373)	(3,947)	(699)	(7,162)	(19,751)	(23,816)	(875,332)
Closing net book value	**38,068**	**1,811,004**	**14,478,795**	**25,945**	**1,552**	**11,561**	**60,709**	**59,439**	**16,487,073**
At June 30 2022									
Cost	38,068	3,271,958	22,559,413	235,627	30,051	130,725	165,642	133,127	26,564,611
Accumulated depreciation	-	(1,460,954)	(8,080,618)	(209,682)	(28,499)	(119,164)	(104,933)	(73,688)	(10,077,538)
Net book value	**38,068**	**1,811,004**	**14,478,795**	**25,945**	**1,552**	**11,561**	**60,709**	**59,439**	**16,487,073**
Rate of depreciation %	**-**	**5%**	**3.33% - 5%**	**10%**	**20%**	**25%**	**14.29% - 20%**	**23% - 37%**	

3.2 Movement in capital work-in-progress

	2023				2022			
	Balance as at July 01, 2022	**Additions during the year**	**Transfers**	**Balance as at June 30, 2023**	Balance as at July 01, 2021	Additions during the year	Transfers	Balance as at June 30, 2022
	(Rupees '000)							
Captive Solar Power Project - note 1.5								
Civil and electrical works	**-**	**114,343**	**(114,343)**	**-**	169,572	142,970	(312,542)	-
Plant and machinery	**-**	**-**	**-**	**-**	1,318,023	2,449	(1,320,472)	-
Others	**-**	**-**	**-**	**-**	31,719	27,062	(58,781)	-
	-	**114,343**	**(114,343)**	**-**	1,519,314	172,481	(1,691,795)	-

	2023				2022			
	Balance as at July 01, 2022	Additions during the year	Transfers	Balance as at June 30, 2023	Balance as at July 01, 2021	Additions during the year	Transfers	Balance as at June 30, 2022
	(Rupees '000)							
Installation of Line 4 - note 1.4								
Civil works	1,051,363	2,380,027	-	3,431,390	12,568	1,038,795	-	1,051,363
Plant and Machinery	7,898,090	1,934,774	-	9,832,864	-	7,898,090	-	7,898,090
Advances to suppliers	222,564	(83,649)	-	138,915	1,399,792	(1,177,228)	-	222,564
Others - note 3.2.1	140,970	902,731	-	1,043,701	9,803	131,167	-	140,970
	9,312,987	5,133,883	-	14,446,870	1,422,163	7,890,824	-	9,312,987
Others								
Civil works	21	282	(282)	21	244	1,626	(1,849)	21
Plant and Machinery	8,951	61,547	(69,473)	1,025	22,542	90,017	(103,608)	8,951
Vehicles	8,497	(8,497)	-	-	-	8,497	-	8,497
	17,469	53,332	(69,755)	1,046	22,786	100,140	(105,457)	17,469
Total	9,330,456	5,301,558	(184,098)	14,447,916	2,964,263	8,163,445	(1,797,252)	9,330,456

3.2.1 This includes directly attributable expenditure for the development, construction and operation of Line-4 to their existing site as disclosed in note 1.4. Furthermore, the borrowing cost net of deferred grant amounting to Rs.472.17 million was capitalised at the internal rate of return of 3.92% per annum on specific borrowings and the borrowing cost of Rs.394.34 million was capitalized at the internal rate of return of 13.5% per annum on general borrowing obtained for financing on this project.

	2023	2022
	(Rupees '000)	

3.3 Stores held for capital expenditure

	2023	2022
Balance at beginning of the year	912,099	930,120
Additions during the year	194,161	766,876
Transfers / disposal made during the year - note 3.3.1	(237,478)	(784,897)
Balance at end of the year	868,782	912,099

3.3.1 The details of stores held for capital expenditure disposed-off during the year having aggregate amount of written-down value greater than Rs. 500,000 each are as follows:

	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Loss	Mode of disposal	Particulars of the purchaser	Location
	------------	------------	Rupees in '000	------------	------------			
Stores - Pfister weighfeeder	11,581	-	11,581	7,542	4,039	Negotiation	M/s. Askari Cement	Rawalpindi

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

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

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

	2023	2022
	----------(Rupees '000)	----------
4. LONG - TERM INVESTMENTS		
Investment in subsidiary company		
Saqr Al-Keetan for Cement Production Company Limited - at cost - note 14	**-**	1,823,001
Investment in associated company accounted for using equity method		
Attock Information Technology Services (Private) Limited (AITSL) - 450,000 (2022: 450,000) fully paid ordinary shares of Rs. 10 each - notes 4.1 and 4.2	**57,348**	47,551
	57,348	1,870,552

4.1 The Company has a significant influence over the Board Composition of AITSL and also holds 10% (2022: 10%) of the total equity. Accordingly the Company has accounted this as investment in associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

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

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

	2023	2022
	----------(Rupees '000)----------	
Opening balance	**47,551**	40,742
Share of net income of associate accounted for using the equity method	**9,797**	6,809
	57,348	47,551

4.2 Set out below is the summarized financial information for Attock Information Technology Services (Private) Limited which is accounted for using the equity method:

	2023	2022
	----------(Rupees '000)----------	
Revenue	**193,399**	161,769
Profit after taxation	**97,977**	68,088
Non-current assets	**77,910**	86,994
Current assets	**529,425**	413,770
Non-current liabilities	**(9,406)**	(6,334)
Current liabilities	**(24,447)**	(18,925)
Net assets	**573,482**	475,505
Carrying value	**57,348**	47,551

5. LONG - TERM LOANS AND ADVANCES – considered good

	2023	2022
Employees - note 5.1	**140,204**	158,052
Director - note 5.2 & 5.3	**-**	4,320
	140,204	162,372
Less: Recoverable within one year - note 9	**(87,196)**	(97,565)
Long-term portion	**53,008**	64,807

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

5.2 This represents housing advance given to Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017.The maximum amount due at the end of any month is Rs. 4.32 million (2022: Rs. 9.60 million).

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

	2023	2022
	----------(Rupees '000)----------	
Opening	**4,320**	10,079
Repayment	**(4,320)**	(5,759)
Closing	**-**	4,320

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

6. LONG - TERM DEPOSITS

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

7. INVENTORIES

	2023	2022
	----------(Rupees '000)----------	
Stores, spares and loose tools - note 7.1	**2,490,767**	4,326,628
Raw materials	**207,507**	143,884
Packing materials	**264,720**	134,324
Semi - finished goods	**544,212**	540,425
Work-in-process	**37,085**	38,742
Finished goods - note 7.2	**270,854**	220,310
	3,815,145	5,404,313

7.1 Stores, spares and loose tools

Coal	**1,337,330**	3,143,627
Stores and spares - note 7.1.1	**1,139,581**	1,120,077
Bricks	**190,462**	147,171
Loose tools	**2,885**	2,667
	2,670,258	4,413,542
Less: Provision for slow moving and obsolete items	**(179,491)**	(86,914)
	2,490,767	4,326,628

7.1.1 This includes stores and spares in transit amounting to Rs. 33.41 million (2022: Rs. 19.33 million).

7.2 This includes cement held at port for export amounting to Rs. Nil (2022: Rs. 31.64 million).

7.3 These are subject to joint pari-passu charge against Company's short term running finance and export refinance facility.

8. TRADE RECEIVABLES – considered good

	2023	2022
	----------(Rupees '000)----------	
Secured	**1,323,524**	855,984
Unsecured	**64,424**	95,865
	1,387,948	951,849

	2023	2022
	----------(Rupees '000)----------	

8.1 The age analysis of trade receivables is as follows:

	2023	2022
Not yet due	**1,148,500**	437,337
1 to 30 days	**206,673**	138,886
31 to 90 days	**27,198**	355,286
91 to 180 days	**3,651**	20,340
181 to 365 days	**1,926**	-
	1,387,948	951,849

9. LOANS AND ADVANCES – considered good

	2023	2022
Current portion of long - term loans and advances - note 5	**87,196**	97,565
Advances to suppliers	**18,747**	7,773
Other advances - employees	**185**	62
	106,128	105,400

10. SHORT - TERM DEPOSITS AND PREPAYMENTS

	2023	2022
Deposits - considered good	**10,515**	10,565
Prepayments	**19,692**	10,023
Margin against bank guarantee - note 10.1	**62,126**	-
	92,333	20,588

10.1 Represents margin held as security by commercial banks against performance guarantee issued in favor of different cases.

11. OTHER RECEIVABLES

	2023	2022
	----------(Rupees '000)----------	
Export rebate receivable	**1,550**	538
Receivable from Saqr Al-Keetan - notes 11.1 & 11.2	**503,492**	361,018
Due from related parties - note 11.3	**995**	1,922
Others	**111,848**	46,992
	617,885	410,470

11.1 This amount represents various expenses incurred by the Company for its Iraq project that were recoverable from the subsidiary. The Company has entered into a share purchase agreement to dispose off its investment in SAKCPCL as disclosed in note - 14 to these unconsolidated financial statements and the receivable is to be adjusted on the completion of each tranche.

11.2 The maximum amount due from Saqr Al Keetan at the end of any month was Rs. 503.49 million (2022: Rs. 361.02 million).

11.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 4.99 million (2022: Rs. 2.22 million).

	2023	2022
	----------(Rupees '000)----------	
12. SHORT - TERM INVESTMENTS		
Investments - Fair value through profit or loss 12.1	**1,804,815**	-

12.1 Investments - Fair value through profit or loss

2023	2022		**2023**		2022	
---------- Number of units ----------			**Cost**	**Market Value**	Cost	Market Value
			(Rupees'000')			
2,971,977	-	HBL Islamic Money Market Fund	**300,000**	**300,688**	-	-
30,118,987	-	ABL Islamic Cash Fund	**300,000**	**301,190**	-	-
3,047,799	-	Alfalah GHP Money Market Fund	**300,000**	**301,234**	-	-
2,000,000	-	Meezan Rozana Amdani Fund	**100,000**	**100,000**	-	-
5,953,369	-	MCB-Pakistan Cash Management Fund	**300,000**	**299,952**	-	-
30,171,677	-	Nafa Money Market Fund	**300,000**	**301,104**	-	-
973,331	-	JS Cash Fund	**100,000**	**100,477**	-	-
1,953,804	-	AKD Cash Fund	**100,000**	**100,170**	-	-
			1,800,000	**1,804,815**	-	-

	2023	2022
	----------(Rupees '000)----------	
13. CASH AND BANK BALANCES		
Cash at bank		
Conventional		
- On savings accounts		
Local currency - notes 13.1 & 13.2	**265,737**	298,644
Foreign currency - note 13.3	**795**	793
	266,532	299,437
- On current accounts		
Local currency	**253,843**	310,125
Foreign currency - note 13.4	**109,822**	44,628
	363,665	354,753
- Term deposit receipts - note 13.5	**275,000**	70,000
	905,197	724,190
Islamic		
- On savings accounts		
Local currency - notes 13.1	**254**	379
- On current accounts		
Local currency	**8,118**	33,441
Foreign currency - note 13.6	**607**	135,951
	8,725	169,392
- Term deposit receipts - note 13.5	**100,000**	30,000
	108,725	199,392
Cash in hand	**840**	837
	1,015,016	924,798

13.1 During the year, the mark-up / profit rates on savings accounts range from 12.25% to 19.5% (2022: 7.51% to 13.5%) per annum.

13.2 This includes deposits of Rs. 224.68 million (2022: Rs. 221.87 million) obtained from customers and creditors which are kept in a separate bank account in compliance with the Section 217 of the Companies Act, 2017.

13.3 This represents foreign currency account having a balance of AED 0.010 million (2022: AED 0.014 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.

13.4 This represents foreign currency account having a balance of US$ 0.36 million (2022: US$ 0.22 million) placed in MCB Bank Limited, I.I. Chundrigar Branch.

13.5 These carry mark up / profit which range from 14% to 15% per annum (2022: 6.5% to 7% per annum) payable at maturity. The maturity dates of term deposits receipts (TDRs) amounting to Rs. 275 million and Rs. 100 million are due to mature within a year. These TDRs are held under lien against the guarantees issued by bank on behalf of the Company.

13.6 This represents foreign currency account having a balance of US$. 0.002 million (2022: US$ 0.66 million) and US$. 0.03 million (2022: US$. Nil) placed in Meezan Bank Limited, - PNSC Branch and Bank of Punjab, - DHA Branch respectively.

14. INVESTMENT IN SUBSIDIARY HELD FOR SALE - DIVESTMENT

	2023	2022
	----------(Rupees '000)----------	
Investment in subsidiary company		
Saqr Al-Keetan for Cement Production Company Limited		
- at cost - note 14.1 & 14.2	**1,823,001**	-
	1,823,001	-

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

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

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

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

14.2 The adverse impact of COVID-19 led to multiple logistical and administrative issues with operations in Iraq, and it became extremely difficult for the Company to control the business operations of the subsidiary. Besides, the prevailing import constraints emanating from the pressure of local manufacturers led to the shortage of imported clinker which is crucial for proper performance of the grinding unit of the subsidiary.

Accordingly, on April 27, 2023, the Board of Directors of the Company resolved to divest 100% shareholding in the subsidiary to Mr. Abdul Lateef Mohsin Al Geetan and M/s. Lamassu Babylon General Trading at the agreed price subject to compliance with all the applicable legal provisions in this regard and in accordance with section 183(3)(b) of the Companies Act, 2017, the requirement of obtaining approval of the members of the Company, an Extra Ordinary General Meeting (EOGM) was held on May 25, 2023 in which members authorized the company to divest the investment in subsidiary.

The Company entered into a Share Purchase Agreement (SPA) dated May 26, 2023 for the divestment of its entire shareholding of 18,000,000 shares in subsidiary SAKCPCL to Mr. Abdul Lateef Mohsin Al Geetan and M/s. Lamassu Babylon General Trading (Buyers) at a total consideration of US$ 23.4 million.

The divestment of the entire shareholding of 18 million shares is agreed to occur in the following three tranches:

(i) 9,000,000 shares constituting a total of 30% shareholding of the seller in the company for a total sale consideration of US$ 11,700,000. Completion of this tranche shall be achieved not later than 3 months of signing of agreement.

(ii) 4,500,000 shares constituting a total of 15% shareholding of the seller in the company for a total sale consideration of US$ 5,850,000. Completion of this tranche shall be achieved with in 15 months of closing of first deadline.

(iii) 4,500,000 shares constituting a total of 15% shareholding of the seller in the company for a total sale consideration of US$ 5,850,000. Completion of this tranche shall be achieved with in 3 months of closing of second deadline.

The first tranche of US$ 11.7 million was received in equal installments of US$ 5.85 million each on 12 June 2023 and 21 June 2023 respectively. The transfer of shares was completed with the Registrar office in Baghdad, Iraq on 27 July 2023 on which date revised Memorandum of Association along with revised shareholding certificate of SAKCPCL were issued.

The Company has allowed SAKCPCL the full legal power and right to use the trademark of Falcon Cement in the territory of Iraq and is an integrated part of the SPA.

	2023	2022
	----------(Rupees '000)----------	
15. SHARE CAPITAL		
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2022: 200,000,000 ordinary shares of Rs. 10 each)	**2,000,000**	2,000,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each

2023	2022		**2023**	2022
----------(No of shares)----------			**----------(Rupees '000)----------**	
29,747,965	29,747,965	Shares allotted for consideration paid in cash	**297,480**	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	**41,325**	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	**1,035,465**	1,035,465
137,426,961	137,426,961		**1,374,270**	1,374,270

15.1 As at June 30, 2023, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2022: 115,526,349) ordinary shares of Rs. 10 each.

16. LONG - TERM LOANS

	2023	2022
	----------(Rupees '000)----------	
Balance at the beginning of the year	**7,960,737**	2,710,113
Long-Term Finance - secured		
- under Temporary Economic Refinance Facility - note 16.2	**1,251,766**	2,684,629
- under Long - Term Finance Facility - note 16.3	**711,514**	3,602,076
- under Renewable Energy Financing Scheme - note 16.4	**-**	27,500
	1,963,280	6,314,205
Interest expense including impact of unwinding	**580,927**	270,378
Less:		
- Deferred government grant - note 17	**(614,578)**	(944,567)
- Repayment made during the year	**(2,198,628)**	(389,392)
	(2,813,206)	(1,333,959)
Less: Current portion of long - term loan - note 24	**(1,256,211)**	(748,882)
	6,435,527	7,211,855

16.1

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

16.1.1 The above facilities are secured against joint pari passu hypothecation / mortgage charges on the Company's present and future fixed assets excluding land and building to cover the facility amount along with a 25% margin.

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

16.2 Temporary Economic Refinance Facility

	2023	2022
	----------(Rupees '000)----------	
Balance at beginning of the year	**2,317,080**	477,870
Disbursements during the year	**1,251,766**	2,684,629
Deferred grant - note 17	**(614,578)**	(940,339)
Interest expense including impact of unwinding	**340,309**	120,322
Repayment during the year	**(66,966)**	(25,402)
	3,227,611	2,317,080
Current portion of long-term loan	**(576,443)**	(210,989)
Balance at end of the year	**2,651,168**	2,106,091

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

	2023	2022
	----------(Rupees '000)----------	

16.3 Long - Term Finance Facility

	2023	2022
Balance at beginning of the year	**4,297,872**	693,515
Disbursements during the year	**711,514**	3,602,076
Interest expense including impact of unwinding	**148,565**	47,435
Repayment during the year	**(1,805,148)**	(45,154)
	3,352,803	4,297,872
Current portion of long - term loan	**(418,065)**	(269,417)
Balance at end of the year	**2,934,738**	4,028,455

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

	2023	2022
	----------(Rupees '000)----------	

16.4 Renewable Energy Financing Scheme

	2023	2022
Balance at beginning of the year	**1,142,735**	1,075,461
Disbursements during the year	**-**	27,500
Deferred grant - note 17	**-**	(4,228)
Interest expense including impact of unwinding	**88,444**	85,738
Repayment during the year	**(119,855)**	(41,736)
	1,111,324	1,142,735
Current portion of long - term loan	**(261,703)**	(65,426)
Balance at end of the year	**849,621**	1,077,309

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

	2023	2022
	----------(Rupees '000)----------	

16.5 Payroll Refinance Scheme

	2023	2022
Balance at beginning of the year	**203,050**	463,267
Interest expense including impact of unwinding	**3,609**	16,883
Repayment during the year	**(206,659)**	(277,100)
	-	203,050
Current portion of long-term loan	**-**	(203,050)
Balance at end of the year	**-**	-

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

17. DEFERRED INCOME - GOVERNMENT GRANT

	2023	2022
	----------(Rupees '000)----------	
Balance at beginning of the year	**1,245,543**	431,407
Deferred grant recorded:		
- under Temporary Economic Refinance Facility	**614,578**	940,339
- under Renewable Energy Financing Scheme	**-**	4,228
	614,578	944,567
Less:		
- Government grant deducted from borrowing cost - note 3.2.1	**(272,328)**	(93,136)
- Government grant recognised in income - note 31	**(58,541)**	(37,295)
	(330,869)	(130,431)
Less: Current portion of deferred income - Government grant - note 21	**(330,965)**	(248,304)
	1,198,287	997,239

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

18. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

18.1 Set out below is the carrying amount of lease liabilities and the movements during the year:

	2023	2022
	----------(Rupees '000)----------	
Balance at beginning of the year	**60,714**	63,732
Addition	**-**	19,513
Accretion of interest	**5,918**	7,315
Payments	**(27,677)**	(29,846)
Balance at end of the year	**38,955**	60,714
Current portion	**22,080**	22,150
Non-current portion	**16,875**	38,564
	38,955	60,714

18.2 The maturity analysis of lease liabilities is as follows:

	2023			2022
	Future Minimum lease payments	**Interest**	**Present value of minimum lease**	Present value of future minimum lease
	(Rupees in '000)			
Less than one year	**26,158**	**4,078**	**22,080**	22,150
Between one and five years	**17,817**	**942**	**16,875**	38,564
	43,975	**5,020**	**38,955**	60,714

18.3 Finance charge ranges between 6.01% to 21.26% per annum has been used for discounting factor.

19. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use-assets	Provision for slow moving and obsolte stores and spares	Lease liabilities	Minimum tax	Alternate corporate tax	Employee benefit obligations	Investment in Mutual Funds	Total
	(Rupees '000)								
July 01, 2022	**2,347,945**	**14,815**	**(20,200)**	**(14,111)**	**(115,342)**	**(363,058)**	**-**	**-**	**1,850,049**
Impact on statement of financial position	**-**	**-**	**-**	**-**	**115,342**	**363,058**	**-**	**-**	**478,400**
Charge / (credit) to unconsolidated statement of									**-**
- profit or loss for the year	**371,437**	**(4,911)**	**(29,705)**	**3,280**	**-**	**-**	**26,722**	**1,339**	**368,162**
- other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**64,335**	**-**	**64,335**
June 30, 2023	**2,719,382**	**9,904**	**(49,905)**	**(10,831)**	**-**	**-**	**91,057**	**1,339**	**2,760,946**
July 01, 2021	1,722,834	11,491	(11,916)	(11,489)	(115,342)	(361,763)	-	-	1,233,815
Charge / (credit) to unconsolidated statement of									
- profit or loss for the year	625,111	3,324	(8,284)	(2,622)	-	(1,295)	-	-	616,234
June 30, 2022	2,347,945	14,815	(20,200)	(14,111)	(115,342)	(363,058)	-	-	1,850,049

19.1 Deferred tax liability is restricted to 71.29% (2022: 70.43%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

19.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, companies are liable to pay super tax at 10% for tax year 2023 and onwards for income more than Rs. 500 million. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

20. EMPLOYEE BENEFIT OBLIGATIONS

20.1 Staff retirement benefits

20.1.1 As stated in note 2.14 the Company operates approved funded gratuity and pension schemes for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

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

20.1.3 Risks on account of defined benefit plan

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

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

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

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

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

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

20.1.4 The latest actuarial valuations of the Plans as at June 30, 2023 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2023		2022	
	Pension Funds	**Gratuity Funds**	Pension Funds	Gratuity Funds
	------------------ (Rupees in '000) ------------------			
20.1.5 Balance sheet reconciliation as at June 30				
Present value of defined benefit obligation	**527,063**	**670,197**	637,681	617,168
Fair value of plan assets	**(541,332)**	**(595,297)**	(472,322)	(507,401)
(Surplus) / Deficit	**(14,269)**	**74,900**	165,359	109,767
20.1.6 Movement in the defined benefit obligation				
Obligation as at July 01	**637,681**	**617,168**	630,131	551,249
Service cost	**34,274**	**50,108**	21,655	33,686
Interest expense	**84,967**	**80,099**	62,929	54,215
Remeasurement on obligation	**(161,980)**	**(22,328)**	(23,520)	22,228
Benefits paid	**(67,879)**	**(54,850)**	(53,514)	(44,210)
Obligation as at June 30	**527,063**	**670,197**	637,681	617,168
20.1.7 Movement in the fair value of plan assets				
Fair value as at July 01	**472,322**	**507,401**	412,186	461,237
Interest income	**62,868**	**66,433**	41,377	45,634
Remeasurement on plan assets	**22,537**	**24,544**	(826)	(6,499)
Employer contributions	**51,484**	**51,769**	73,099	51,239
Benefits paid	**(67,879)**	**(54,850)**	(53,514)	(44,210)
Fair value as at June 30	**541,332**	**595,297**	472,322	507,401
20.1.8 Expense recognised in unconsolidated statement of profit or loss				
Service cost	**34,274**	**50,108**	21,655	33,686
Interest expense - net	**22,099**	**13,666**	21,552	8,581
	56,373	**63,774**	43,207	42,267

		2023		2022	
		Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
		------------------ (Rupees in '000) ------------------			
20.1.9	**Remeasurement recognised in other comprehensive income**				
	Experience loss	10,961	1,970	71,270	44,161
	Financial assumptions gain	(172,941)	(24,298)	(94,790)	(21,933)
	Remeasurement of fair value of plan assets	(22,537)	(24,544)	826	6,499
	Remeasurement (gain) / loss	(184,517)	(46,872)	(22,694)	28,727
20.1.10	**Net recognised liability**				
	Balance as at July 01	165,359	109,767	217,945	90,012
	Expense for the year	56,373	63,774	43,207	42,267
	Employer contributions	(51,484)	(51,769)	(73,099)	(51,239)
	Remeasurement recognised in other comprehensive (income) / loss	(184,517)	(46,872)	(22,694)	28,727
	Balance as at June 30	(14,269)	74,900	165,359	109,767

20.1.11 Composition of plan assets:

	2023		2022		2023		2022	
	Pension Funds				Gratuity Funds			
	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%	(Amount in '000)	%
Market Treasury Bills	207,004	38.24	89,592	18.97	241,446	40.56	76,882	15.15
Term Finance Certificates	62,101	11.47	38,568	8.17	52,323	8.79	28,699	5.66
Open-ended Mutual Funds	271,954	50.24	364,759	77.22	302,897	50.88	416,165	82.02
Others (including bank balance)	273	0.05	(20,597)	(4.36)	(1,369)	(0.23)	(14,345)	(2.83)
	541,332	100.00	472,322	100.00	595,297	100.00	507,401	100.00

20.1.12 Actuarial assumptions

	2023				2022			
	First	Second	Third	Fourth & onwards	First	Second	Third	Fourth & onwards
	---------- year ----------							
Expected rate of increase in salaries								
- Management staff								
Senior management	12.00%	10.00%	12.00%	14.50%	9.00%	9.00%	11.50%	11.50%
Junior management	12.00%	10.00%	12.00%	14.50%	9.00%	9.00%	11.50%	11.50%
- Non-management staff	12.50%	10.00%	12.50%	14.50%	9.00%	9.00%	11.50%	11.50%

The discount factor used for pension and gratuity funds is 16.25% (2022: 13.25%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 13.17% (2022: 10.58%). This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

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

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

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

20.1.16 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees '000)			
At June 30, 2023					
Discount rate	**0.5%**	**(25,453)**	**27,299**	**(25,870)**	**27,718**
Future salary increases	**0.5%**	**10,574**	**(10,057)**	**21,258**	**(20,082)**
At June 30, 2022					
Discount rate	0.5%	(36,513)	39,651	(24,538)	26,363
Future salary increases	0.5%	(70,537)	(100,639)	22,612	(21,365)

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

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

20.1.17 Historical information

	2023	2022	2021	2020	2019
	(Rupees in '000)				
Pension Funds As at June 30					
Present value of defined benefit obligation	**527,063**	637,681	630,131	621,233	479,580
Fair value of plan assets	**(541,332)**	(472,322)	(412,186)	(354,898)	(317,858)
Deficit	**(14,269)**	165,359	217,945	266,335	161,722
Experience adjustments					
(Loss) / gain on obligation	**(10,961)**	23,520	26,219	(110,962)	107,274
Gain / (loss) on plan assets	**22,537**	(826)	64	(4,526)	(8,852)
	11,576	22,694	26,283	(115,488)	98,422
Gratuity Funds As at June 30					
Present value of defined benefit obligation	**670,197**	617,168	551,249	511,669	474,803
Fair value of plan assets	**(595,297)**	(507,401)	(461,237)	(418,361)	(369,647)
Deficit	**74,900**	109,767	90,012	93,308	105,156
Experience adjustments					
(Loss) / gain on obligation	**(1,970)**	(22,228)	(7,240)	14,400	(18,744)
Gain / (loss) on plan assets	**24,544**	(6,499)	2,486	(3,498)	(9,875)
	22,574	(28,727)	(4,754)	10,902	(28,619)

20.1.18 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 56.90 million in 2023 (2022: Rs. 52.34 million).

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

	Pension Fund	Gratuity Fund
	No. of years	
Management	**10.44**	**8.01**
Non-management	**8.53**	**7.86**

20.1.20 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	(Rupees '000)					
At June 30, 2023						
Pension Funds	**14,461**	**19,991**	**103,974**	**389,424**	**715,907**	**1,243,757**
Gratuity Funds	**60,403**	**94,553**	**249,421**	**637,811**	**1,142,602**	**2,184,790**
At June 30, 2022						
Pension Funds	15,164	18,425	105,415	370,662	642,705	1,152,371
Gratuity Funds	60,466	55,395	191,381	521,505	722,043	1,550,790

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

21. TRADE AND OTHER PAYABLES

	2023	2022
	(Rupees '000)	
Creditors - note 21.1	**621,418**	572,026
Accrued liabilities - note 21.1	**3,430,120**	2,507,039
PSI marking fee payable- note 21.2	**307,518**	274,388
Royalty payable - note 21.3	**-**	658,704
Electricity charges payable - note 21.4	**507,431**	631,529
Excise duty payable on sales	**232,180**	233,341
Infrastructure Cess - note 21.5	**257,616**	177,091
Excise duty payable on extraction - note 21.6	**42,915**	30,934
Workers' Welfare Fund - note 21.7	**327,513**	280,767
Workers' Profits Participation Fund - note 21.8	**154,478**	104,129
Current portion of deferred income - government grant - note 17	**330,965**	248,304
Contract Liability - advances from customers - note 21.10	**456,888**	622,180
Security deposits - note 13.2	**224,675**	221,865
Retention money	**62,639**	49,762
Payable to provident fund - note 21.9	**7,918**	-
Taxes deducted at source and payable to statutory authorities	**6,868**	1,015
Others - note 21.1	**5,761**	7,298
	6,976,903	6,620,372

21.1 Creditors, accrued liabilities and other liabilities include Rs. 30.26 million, Rs. 1.6 million and Rs. Nil (2022: Rs. Nil, Rs. 43.05 million and Rs. 5.76 million) in respect of amounts due to related parties.

21.2 This includes provision amounting to Rs. 307.52 million (2022: 274.39 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Company is under an industry-wide dispute on the basis of calculation of marking fee.

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

The Company had filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the court, the Company has furnished a bank guarantee of Rs. Nil (2022: Rs 236.18 million) for the additional portion of royalty.

During the year the High Court of Balochistan issued an order on April 17, 2023 for enhancement of rates from February 1, 2022 prospectively. Consequently the company has reversed the provision recorded for the payment of additional portion of royalty till the month of January 2022.

21.4 This includes Rs. 179.86 million (2022: Rs. 179.86 million), Rs. 2 million (2022: Rs. 248 million) and Rs. 57.91 million (2022: Rs. Nil) in respect of industry support package adjustment, fuel charge adjustment and additional surcharge respectively.

In respect of additional surcharge, the Company has challenged the levy before the High Court of Sindh which is pending adjudication. Consequently, on the directions of the court, the Company has furnished a bank guarantee of Rs. 57.91 million (2022: Rs Nil) for the additional surcharge.

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

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

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

21.7 This includes provision of Rs. 46.75 million, Rs. 20.31 million, Rs. 31.43 million, Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 respectively. The Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

	2023	2022
	----------(Rupees '000)----------	
21.8 Workers' Profits Participation Fund		
At beginning of the year	**104,129**	82,702
Charge for the year - note 30	**154,478**	104,129
	258,607	186,831
Interest on funds utilised in Company's business - note 32	**211**	496
	258,818	187,327
Less: Amount paid to the Fund	**(104,340)**	(83,198)
	154,478	104,129

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

21.10 Contract liability - advances from customers

Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.24 is satisfied.

	2023	2022
	----------(Rupees '000)----------	
Opening balance	**622,180**	451,972
Advance received during the year	**20,210,249**	13,838,049
Revenue recognised during the year	**(20,375,541)**	(13,667,841)
Closing balance	**456,888**	622,180

22. CONSIDERATION RECEIVED AGAINST DIVESTMENT OF SUBSIDIARY

This pertains to the consideration received US$. 11.7 million against the divestment of 9,000,000 shares held in Saqr Al - Keetan as described in note - 14.2 to these unconsolidated financial statements.

23. ACCRUED MARK-UP

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

24. SHORT - TERM BORROWINGS

	2023	2022
	----------(Rupees '000)----------	
Conventional		
Short - term running finance - notes 24.1 & 24.2	**-**	1,395,709
Export refinance facility - note 24.1 & 24.3	**2,153,000**	1,653,000
Islamic		
Short - term running finance - notes 24.1 & 24.2	**49,442**	-
Short - term finance under running musharakah - note 24.4	**250,000**	850,000
Current maturity of long - term loan - note 16	**1,256,211**	748,882
	3,708,653	4,647,591

24.1 The facilities available from various banks amount to Rs. 17.65 billion (2022: Rs. 12.66 billion). The arrangements are secured by way of joint pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2023 and 2024.

24.2 The rates of mark-up ranged between one month KIBOR plus 0% and three months KIBOR plus 1% (June 30, 2022: one-month KIBOR plus 0% to one-month KIBOR plus 1%) per annum.

24.3 The export refinance facilities available from different banks are secured by way of joint pari-passu charge against hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.5% to 1% (2022: 0.5% to 1%).

24.4 The facility is for short term finance under running musharakah available from different banks are secured by way of joint pari-passu charge against hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 1% (2022: 0.75% to 1%).

24.5 The facilities for opening letters of credit and guarantee as at June 30, 2023 amounted to Rs. 10.70 billion (2022: Rs. 9.50 billion) of which unutilised balance at year end amounted to Rs. 10.21 billion (2022: Rs. 9.35 billion).

24.6 The above facilities are secured by way of joint pari-passu charge and ranking charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 15.82 billion and Rs. 5 billion respectively.

25. CONTINGENCIES AND COMMITMENTS

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

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

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

25.2 SALES TAX MATTERS

25.2.1 In 2019, the Deputy Commissioner Inland Revenue (DCIR) has passed an order against the Company in relation to its filed sales tax returns for the months of July 2015 through August 2017 alleging that Company has not charged sales tax on supply of cement and diesel to its contractors for use in construction of its new cement production facility and created a demand of Rs 392 million along with a penalty of Rs. 19.6 million in respect of Sales tax and Federal Excise Duty (FED). Commissioner Inland

Revenue - Appeals (CIRA) has also confirmed the order of the DCIR in relation to appeal filed by the Company. The Company filed an appeal at the Appellate Tribunal Inland Revenue (ATIR) against the judgment of the CIRA which is pending adjudication.

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

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

25.3 Commitments for capital expenditure outstanding as at June 30, 2023 amounted to Rs. 3.69 billion (2022: Rs. 6.83 billion).

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	----------(Rupees '000)----------	
Local sale of goods	**25,276,924**	22,478,669
Sales tax	**(4,084,444)**	(3,616,738)
Federal excise duty	**(2,249,932)**	(2,381,398)
	(6,334,376)	(5,998,136)
Rebates and discounts	**(758,908)**	(643,302)
Net local sale of goods	**18,183,640**	15,837,231
Export sales - note 26.2	**7,853,167**	5,632,400
Freight	**(559,452)**	(990,489)
	7,293,715	4,641,911
	25,477,355	20,479,142

26.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, one of the Company's customer contributed towards 17.26% (2022: 10.95%) of the net revenue during the year amounting to Rs. 4.39 billion (2022: Rs. 2.24 billion).

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

	2023	2022
	----------(Rupees '000)----------	
Africa and Middle East Asia	**369,469**	423,248
Sri Lanka	**2,927,086**	4,215,325
Bangladesh	**4,398,415**	676,750
Others	**158,197**	317,077
	7,853,167	5,632,400

	2023	2022
	----------(Rupees '000)----------	

27. COST OF SALES

	2023	2022
Raw materials consumed	**1,222,558**	1,382,116
Packing materials consumed	**1,094,504**	1,089,300
Cement packaging and loading charges	**24,700**	27,982
Salaries, wages and benefits - note 27.1	**2,260,719**	2,166,132
Fuel	**10,772,366**	7,642,143
Electricity and water	**2,341,864**	2,508,019
Stores and spares consumed	**537,102**	522,721
Repairs and maintenance	**82,036**	123,623
Insurance	**90,339**	64,552
Vehicle running and maintenance	**254,912**	188,193
Security expenses	**183,748**	163,990
Depreciation	**878,110**	834,647
Other expenses - note 27.2	**113,026**	34,666
	19,855,984	16,748,084
Add: Opening semi - finished goods and work-in-process	**579,167**	667,289
Less: Closing semi - finished goods and work-in-process	**(581,297)**	(579,167)
Cost of goods manufactured	**19,853,854**	16,836,206
Add: Opening stock of finished goods	**220,310**	160,887
Less: Closing stock of finished goods	**(270,854)**	(220,310)
	19,803,310	16,776,783

27.1 Salaries, wages and benefits include Rs. 12.38 million and Rs. 44.41 million (2022: Rs. 65.86 million and Rs. 49.72 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

27.2 This includes provision for slow moving and obsolete items amounting to Rs. 92.58 million (2022: Rs. 20.81 million).

	2023	2022
	----------(Rupees '000)----------	

28. DISTRIBUTION COSTS

	2023	2022
Salaries, wages and benefits - note 28.1	**122,373**	119,171
Handling and other export related expenses	**856,735**	623,564
Commission on export sales	**63,636**	34,197
Carriage outward on local sales	**796,227**	480,956
PSI marking fee	**33,130**	28,111
Advertisement and sales promotion	**2,250**	3,231
Travelling and entertainment	**2,579**	1,086
Other expenses	**5,966**	4,341
	1,882,896	1,294,657

28.1 Salaries, wages and benefits include Rs. 18.33 million and Rs. 3.98 million (2022: Rs. 4.93 million and Rs. 3.3 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

	2023	2022
	----------(Rupees '000)----------	

29. ADMINISTRATIVE EXPENSES

	2023	2022
Salaries, wages and benefits - note 29.1	**483,406**	455,355
Depreciation	**39,104**	40,684
Rent, rates and taxes	**921**	756
Utilities	**9,684**	6,602
Insurance	**3,095**	3,049
Repairs and maintenance	**21,102**	14,824
Communication and printing	**31,698**	20,950
Travelling and entertainment	**12,074**	9,313
Legal and professional charges	**24,671**	29,862
Auditor's remuneration - note 29.2	**6,122**	5,381
Donations - note 29.3	**19,000**	11,153
Directors' fees	**11,565**	8,400
Other expenses - note 29.4	**64,664**	34,471
	727,106	640,800

29.1 Salaries, wages and benefits include Rs. 89.36 million and Rs. 15.65 million (2022: Rs. 14.68 million and Rs. 8.84 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

	2023	2022
	----------(Rupees '000)----------	

29.2 Auditor's remuneration

	2023	2022
Audit fee (including consolidation)	**3,500**	3,000
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	**1,150**	1,150
Taxation services	**350**	572
Other certifications, attestations and other services	**785**	345
Out-of-pocket expenses	**337**	314
	6,122	5,381

29.3 This represents donation given to The Citizens Foundation Rs. 9 million (2022: Rs. 11.15 million) and Rs. 10 million (2022: Rs Nil) to The Prime Minister's Flood Relief Fund. None of the directors or their spouses had any interest in the donee.

29.4 This includes license renewal charges and other expenses relating to Dubai Branch Office amounting to Rs. 20.22 million (2022: Rs Nil).

30. OTHER EXPENSES

	2023	2022
	----------(Rupees '000)----------	
Workers' Welfare Fund- note 21.7	**46,747**	20,306
Workers' Profits Participation Fund - note 21.8	**154,478**	104,129
	201,225	124,435

	2023	2022
	----------(Rupees '000)----------	
31. OTHER INCOME		
Income from financial assets		
Income on savings accounts under interest / markup arrangements	**17,269**	26,926
Dividend income from subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)	**-**	353,800
Dividend income on mutual funds	**2,161**	15,049
Unrealised gain on investments classified as fair value through profit or loss	**4,815**	-
Gain on disposal of open ended mutual fund units	**4,072**	6,459
Income on term deposit receipts	**44,561**	4,165
Exchange gain - net	**153,966**	443,000
Income from non-financial assets		
(Loss) / gain on disposal of operating assets	**(3,218)**	2,565
Others		
Export rebate	**3,263**	988
Scrap sales	**17,760**	29,611
Grant income	**58,541**	37,295
Others	**1,763**	757
	304,953	920,615
32. FINANCE COST		
Conventional		
Mark-up on:		
Long-term loans	**93,667**	60,348
Short-term borrowings	**102,962**	108,585
	196,629	168,933
Islamic		
Short-term finance under running musharakah	**48,300**	46,490
Bank charges and commission	**38,177**	34,720
Interest on Workers' Profits Participation Fund - note 21.8	**211**	496
Finance charges on finance lease	**5,918**	7,315
	289,235	257,954
33. INCOME TAX EXPENSE		
Current	**703,894**	427,236
Super tax - note 33.1	**244,727**	146,876
Prior year	**55,488**	-
Deferred	**368,162**	616,234
	1,372,271	1,190,346

33.1 As per Finance Act, 2023, companies having taxable income of more than Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards.

		2023	2022
		----------(Rupees '000)----------	
33.2	**Relationship between tax expense and accounting profit**		
	Profit before income tax	**2,888,333**	2,311,937
	Tax at the applicable rate of 29% (2022: 29%)	**837,617**	670,462
	Prior year	**55,488**	-
	Effect of final tax regime	**(145,207)**	(77,473)
	Effect of income taxable at lower rate	**(672)**	(52,705)
	Effect of super tax	**244,727**	146,876
	Others	**380,318**	503,186
		1,372,271	1,190,346
	Effective tax rate	**47.51%**	51.49%

34. BASIC AND DILUTED EARNINGS PER SHARE

	2023	2022
Profit for the year	**1,516,062**	1,121,591
Weighted average number of outstanding shares at the end of year (in thousands)	**137,427**	137,427
Basic and diluted earnings per share	**Rs. 11.03**	Rs. 8.16

34.1 Diluted earnings per share has not been presented as the Company did not have any potential dilutive instruments in issue as at June 30, 2023 and 2022 which would have any effect on the earnings per share.

35. CASH GENERATED FROM OPERATIONS

	2023	2022
	----------(Rupees '000)----------	
Profit before income tax	**2,888,333**	2,311,937
Add / (less): adjustments for non-cash charges and other items		
Depreciation	**917,214**	875,331
Loss / (gain) on disposal of property, plant and equipment	**3,218**	(2,565)

	2023	2022
	----------(Rupees '000)----------	
Dividend income	**(2,161)**	(368,849)
Unrealised gain on investments classified as fair value through profit or loss	**(4,815)**	-
Gain on sale of open ended mutual fund units	**(4,072)**	(6,459)
Provision for stores, spares and loose tools	**92,577**	20,812
Income on savings accounts under interest / markup arrangements	**(17,269)**	(26,926)
Income on term deposit receipts	**(44,561)**	(4,165)
Finance cost	**250,847**	222,738
Employee benefit obligations	**120,147**	85,474
Government grant recognised in income	**(58,541)**	(37,295)
Share of net income of associate accounted for using the equity method	**(9,797)**	(6,809)
Profit before working capital changes	**4,131,120**	3,063,224
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets		
Inventories	**1,496,591**	(1,782,629)
Trade receivables	**(436,099)**	679,553
Loans and advances	**(728)**	38,529
Short term deposits and prepayments	**(71,745)**	4,767
Tax refunds due from Government - sales tax	**108,726**	(87,255)
Other receivables	**(186,302)**	(90,434)
	910,443	(1,237,469)
Increase / (decrease) in current liabilities		
Trade and other payables	**273,870**	(188,928)
	1,184,313	(1,426,397)
Cash generated from operations	**5,315,433**	1,636,827

36. CASH AND CASH EQUIVALENTS

	2023	2022
Cash and bank balances - note 13 (excluding TDR having term of more than 3 months)	**640,016**	824,798
Short-term running finance - note 24	**(49,442)**	(1,395,709)
Export refinance facility - note 24.1 & 24.3	**(2,153,000)**	(1,653,000)
Short - term finance under running musharakah - notes 24.4	**(250,000)**	(850,000)
	(1,812,426)	(3,073,911)

37. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	(Rupees '000)					
Managerial remuneration	**45,411**	44,304	**25,911**	23,310	**270,710**	233,506
Housing allowance	**12,385**	12,083	**7,272**	6,768	**93,735**	77,090
Utility allowance	**5,504**	5,370	**2,480**	1,504	**20,830**	17,131
Bonus	**23,494**	22,376	**14,400**	12,532	**173,583**	125,668
Retirement benefits	**-**	-	**6,194**	5,764	**79,841**	48,532
Others - note 37.2	**10,619**	10,427	**14,482**	11,932	**53,442**	5,427
	97,413	94,560	**70,739**	61,810	**692,141**	507,354
	1	1	**5**	5	**93**	77

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

37.2 This includes fee paid to non-executive directors for attending 5 (2022: 5) Board of Directors meetings during the year amounted to Rs. 7.7 million (2022: Rs. 5.6 million).

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel.

There are no transactions with key management personnel other than their terms of employment / entitlement. Amounts due to related parties are shown under respective note to the unconsolidated financial statements. Details of transactions / balances with related parties other than those disclosed elsewhere in the unconsolidated financial statements are as follows:

	2023	2022
	----------(Rupees '000)----------	
38.1 Transactions with related parties		
Holding company		
Dividend paid	**173,290**	693,158
Recovery of expenses	**382**	877
Subsidiary company		
Dividend income	**-**	353,800
Group companies		
Purchase of goods	**658,070**	493,457
Reimbursement of expenses	**4,720**	3,222
Recovery of expenses	**14,196**	4,372
Sale of goods	**828**	667
Other related parties		
Payments made to retirement benefit funds	**103,275**	180,625
Key management personnel		
Loans and advances recovered during the year	**4,320**	5,760
Salaries and other short-term employee benefits	**154,259**	145,006
Post-employment benefits	**6,194**	5,764
Sale of goods	**-**	62

The related party status of outstanding balances as at June 30, 2023 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

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

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Parent / Holding Company	Lebanon	84.06%
2.	Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)	Subsidiary Company	Iraq	60.00%

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
3.	Attock Petroleum Limited	Group Company / Common directorship	Pakistan	N/A
4.	Attock Refinery Limited	Group Company / Common directorship	Pakistan	N/A
5.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	Pakistan	N/A
6.	National Refinery Limited	Group Company / Common directorship	Pakistan	N/A
7.	Pakistan Oilfields Limited	Group Company / Common directorship	Pakistan	N/A
8.	The Attock Oil Company Limited	Group Company / Common directorship	England	N/A
9.	Pharaon Commercial Investment Group Limited	Group Company / Common directorship	Saudi Arabia	N/A
10.	Attock Cement Pakistan Limited - Management Employees Gratuity Fund	Other related party	Pakistan	N/A
11.	Attock Cement Pakistan Limited - Non Management Employees Gratuity Fund	Other related party	Pakistan	N/A
12.	Attock Cement Pakistan Limited - Management Employees Pension Fund	Other related party	Pakistan	N/A
13.	Attock Cement Pakistan Limited - Non Management Employees Pension Fund	Other related party	Pakistan	N/A

39. NUMBER OF EMPLOYEES

	2023	2022
	----------(Numbers)----------	
Number of employees at June 30		
- Regular	**929**	948
- Contractual	**32**	50
	961	998
Average number of employees during the year		
- Regular	**938**	953
- Contractual	**34**	40
	972	993

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

Risk Management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

40.1 Financial assets and liabilities by category and their respective maturities

	2023			2022		
	Maturity up to one year	**Maturity after one year**	**Total**	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	**10,700**	**152,948**	**163,648**	10,627	164,747	175,374
Trade receivables	**1,387,948**	**-**	**1,387,948**	951,849	-	951,849
Other receivables	**617,885**	**-**	**617,885**	410,470	-	410,470
Bank balances	**1,014,176**	**-**	**1,014,176**	923,961	-	923,961
Cash in hand	**840**	**-**	**840**	837	-	837
At fair value through profit or loss						
Short - term investments	**1,804,815**	**-**	**1,804,815**	-	-	-
	4,836,364	**152,948**	**4,989,312**	2,297,744	164,747	2,462,491

	2023			2022		
	Maturity up to one year	**Maturity after one year**	**Total**	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial liabilities						
Long term finance	**1,256,211**	**6,435,527**	**7,691,738**	748,882	7,211,855	7,960,737
Trade and other liabilities	**5,955,333**	**-**	**5,955,333**	5,134,391	-	5,134,391
Unclaimed dividend	**11,275**	**-**	**11,275**	11,422	-	11,422
Short term borrowings	**2,202,442**	**-**	**2,202,442**	3,048,709	-	3,048,709
Lease liabilities	**38,955**	**-**	**38,955**	60,714	-	60,714
Accrued markup	**145,589**	**-**	**145,589**	78,375	-	78,375
	9,609,805	**6,435,527**	**16,045,332**	9,082,493	7,211,855	16,294,348
On statement of financial position date gap	**(4,773,441)**	**(6,282,579)**	**(11,056,020)**	(6,784,749)	(7,047,108)	(13,831,857)
Net financial (liabilities) / asset						
Interest bearing	**(2,856,871)**	**(6,435,527)**	**(9,292,398)**	(3,459,661)	(7,211,855)	(10,671,516)
Non-interest bearing	**(1,916,570)**	**152,948**	**(1,763,622)**	(3,325,088)	164,747	(3,160,341)
	(4,773,441)	**(6,282,579)**	**(11,056,020)**	(6,784,749)	(7,047,108)	(13,831,857)

40.2 Market Risk

(a) Interest rate risk

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

At June 30, 2023, the Company has variable interest bearing financial liabilities of Rs. 9.5 billion (2022: Rs. 11.24 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 190.05 million (2022: Rs. 224.7 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

(b) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprise mainly due to receivables, payables and bank balances maintained in foreign currency account. At June 30, 2023, trade and other payables of Rs. 722.29 million (2022: Rs. 38.90 million), trade debts of Rs. 973.36 million (2022: Rs. 578.25 million) and bank balance of Rs. 111.39 million (2022: Rs. 136.46 million) are exposed to foreign currency risk.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 7.23 million (2022: Rs. 15.03 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil million (2022: Rs. 0.03 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.02 million (2022: Rs. 0.02 million), mainly as a result of foreign exchange gains / losses on translation of AED denominated bank balances.

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

(c) Price risk

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

The Company has fair value investment in mutual funds of Rs. 1.805 million (2022: Rs. Nil) as a result of changes in the levels of net asset value of units held by the Company. As at June 30, 2023, had there been increase / decrease in net asset value by 2%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs. 0.04 million (2022: Rs. Nil).

40.3 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 4,989 million (2022: Rs. 2,462 million) the financial assets exposed to the credit risk amounts to Rs. 3,184 million (2022: Rs. 2,461 million). The carrying values of financial assets are as under:

	2023	2022
	----------(Rupees '000)----------	
Trade receivables	**1,387,948**	951,849
Deposits, loans, advances and other receivables	**781,533**	585,844
Bank balances	**1,014,176**	923,961
	3,183,657	2,461,654

Trade receivables of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2023, secured and unsecured trade receivables amounted to Rs. 1,323.52 million and Rs. 64.42 million (2022: Rs. 855.98 million and Rs. 95.87 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2022: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 140.39 million (2022: Rs. 162.37 million) are secured against their retirement benefits.

Bank balance is held only with reputable banks with high quality external rating assessed by external rating agency. Following are the credit ratings of banks within which balances are held or credit lines available:

	Rating		
Banks	**Rating Agency**	**Short Term**	**Long Term**
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Al-Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	VIS	A1+	AA+
MCB Bank Limited	VIS	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Industrial and Commercial Bank of China Limited	Fitch Ratings	F1+	A

40.4 Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
As at June 30, 2023						
Financial liabilities						
Long term financing	**7,691,738**	**(9,915,088)**	**(718,722)**	**(712,668)**	**(5,388,056)**	**(3,095,642)**
Short-term borrowings	**2,452,442**	**(2,452,442)**	**(2,452,442)**	**-**	**-**	**-**
Accrued mark-up	**145,589**	**(145,589)**	**(145,589)**	**-**	**-**	**-**
Trade and other payables	**6,976,903**	**(6,976,903)**	**(6,976,903)**	**-**	**-**	**-**
Lease liabilities	**38,955**	**(43,975)**	**(13,890)**	**(20,800)**	**(9,285)**	**-**
Unclaimed dividend	**11,275**	**(11,275)**	**(11,275)**	**-**	**-**	**-**
	17,316,902	**(19,545,272)**	**(10,318,821)**	**(733,468)**	**(5,397,341)**	**(3,095,642)**
As at June 30, 2022						
Financial liabilities						
Long term financing	7,960,737	(10,039,329)	(303,925)	(650,511)	(5,598,820)	(3,486,073)
Short-term borrowings	3,898,709	(3,898,709)	(3,898,709)	-	-	-
Accrued mark-up	78,375	(78,375)	(78,375)	-	-	-
Trade and other payables	6,620,372	(6,620,372)	(6,620,372)	-	-	-
Lease liabilities	60,714	(69,389)	(11,601)	(15,713)	(42,075)	-
Unclaimed dividend	11,422	(11,422)	(11,422)	-	-	-
	18,630,329	(20,717,596)	(10,924,404)	(666,224)	(5,640,895)	(3,486,073)

40.5 Fair values of the financial instruments

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

As at June 30, 2023, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 2 of fair value hierarchy.

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

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

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

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

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

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

- changes in market and trading activity (e.g. significant increases / decreases in activity)

- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

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

The table below analyses financial instruments carried at fair value by valuation method.

	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------			
As at June 30, 2023				
Investments - Fair value through profit or loss	**-**	**1,804,815**	**-**	**1,804,815**
As at June 30, 2022				
Investments - Fair value through profit or loss	-	-	-	-

40.6 Capital Risk Management

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

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

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

	2023	2022
	----------(Rupees '000)----------	
Total borrowings - note 16 & 24	**10,144,180**	11,859,446
Cash and bank - note 13	**(1,015,016)**	(924,798)
Net debt	**9,129,164**	10,934,648
Equity	**18,968,514**	17,491,538
Total capital	**28,097,678**	28,426,186
Debt to capital ratio	**32%**	38%

41. CAPACITY AND PRODUCTION

	2023	2022
	-----------(Metric tons)-----------	
Production capacity		
- Clinker	**2,883,000**	2,883,000
- Cement	**3,027,150**	3,027,150
Actual production		
- Clinker	**1,971,426**	2,180,178
- Cement	**1,503,714**	1,797,723

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

42. GENERAL

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

43. SUBSEQUENT EVENTS

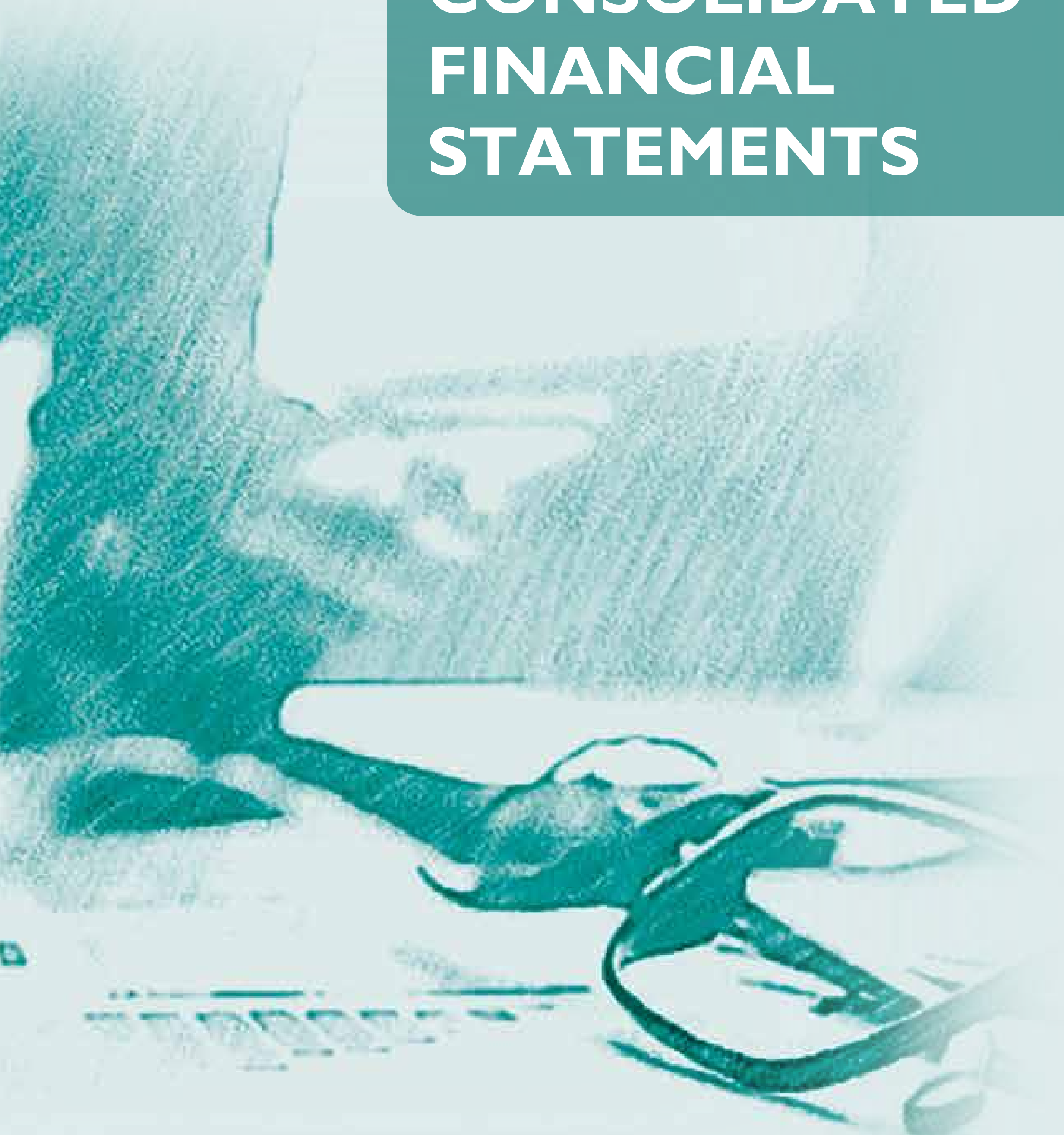
The Board of Directors in their meeting held on August 29, 2023 has proposed cash dividend of Rs. 6.0 per share (2022: Rs. 1.5 per share) amounting to Rs. 825 million (2022: Rs. 206 million) subject to the approval of the members of the Company in the forthcoming annual general meeting.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on August 29, 2023

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

CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the members of Attock Cement Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Attock Cement Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

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Following is the Key audit matter:

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

Information other than the Financial Statements and Auditor's Reports thereon

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 25, 2023

UDIN: AR202310073vi7TyFlNe

Consolidated Statement of Financial Position

As at June 30, 2023

	Note	2023	2022
		----------- (Rupees '000) -----------	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	31,068,301	32,340,244
Investment in associate	4	57,348	47,551
Long - term loans and advances - considered good	5	53,008	64,807
Long - term deposits	6	99,940	99,940
		31,278,597	32,552,542
Current assets			
Inventories	7	3,815,145	8,493,495
Trade receivables - considered good	8	1,387,948	1,028,524
Loans and advances - considered good	9	106,128	809,676
Short - term deposits and prepayments	10	92,333	30,201
Other receivables	11	114,393	49,452
Taxation - payments less provisions		1,726,400	2,555,250
Tax refunds due from Government - Sales tax		-	106,686
Short - term investments	12	1,804,815	-
Cash and bank balances	13	1,015,016	1,590,090
		10,062,178	14,663,374
Assets classified as held for sale - Divestment	14	16,059,427	-
Total assets		57,400,202	47,215,916
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	15	1,374,270	1,374,270
Unappropriated profit		19,584,740	17,754,248
Exchange revaluation reserve		4,528,592	2,107,169
Attributable to owners of Attock Cement Pakistan Limited - Holding company		25,487,602	21,235,687
Non-controlling interests		5,275,522	3,711,433
		30,763,124	24,947,120
LIABILITIES			
Non-current liabilities			
Long - term loans	16	6,435,527	7,211,855
Deferred income - Government grant	17	1,198,287	997,239
Long - term lease liabilities	18	16,875	38,564
Deferred tax liabilities	19	2,760,946	1,850,049
Employee benefit obligations	20	60,631	275,126
		10,472,266	10,372,833
Current liabilities			
Trade and other payables	21	6,976,903	7,136,425
Consideration received against divestment of subsidiary	22	3,359,948	-
Unclaimed dividend		11,275	11,422
Accrued mark-up	23	145,589	78,375
Short - term borrowings	24	3,708,653	4,647,591
Sales tax payable		2,040	-
Current portion of long - term lease liabilities	18	22,080	22,150
		14,226,488	11,895,963
Liabilities classified as held for sale - Divestment	14	1,938,324	-
Total liabilities		26,637,078	22,268,796
Contingencies and commitments	25		
Total equity and liabilities		57,400,202	47,215,916

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

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

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2023

	Note	2023	2022
		----------- (Rupees '000) -----------	
Continuing operations:			
Revenue from contracts with customers	26	25,477,355	20,479,142
Cost of sales	27	(19,803,310)	(16,776,783)
Gross profit		5,674,045	3,702,359
Distribution costs	28	(1,882,896)	(1,294,657)
Administrative expenses	29	(727,106)	(640,800)
Other expenses	30	(201,225)	(124,435)
Other income	31	304,953	566,815
Profit from operations		3,167,771	2,209,282
Finance cost	32	(289,235)	(257,954)
Share of net income of associate accounted for using the equity method	4	9,797	6,809
Profit before income tax		2,888,333	1,958,137
Income tax expense	33	(1,372,271)	(1,190,346)
Profit from continuing operations		1,516,062	767,791
Discontinued operations:			
Profit from discontinued operations	34	589,194	586,728
Profit for the year		2,105,256	1,354,519
Profit attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		1,869,578	1,119,828
Non-controlling interests		235,678	234,691
		2,105,256	1,354,519
Other comprehensive income / (loss) :			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations - net of tax		167,054	(6,033)
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		3,749,834	2,123,667
Total comprehensive income for the year		6,022,144	3,472,153
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		4,458,055	2,516,829
Non-controlling interests		1,564,089	955,324
		6,022,144	3,472,153
Basic and diluted earnings per share - note 35			
Discontinued operations	34	Rs. 2.57	Rs. 2.56
Continuing operations		Rs. 11.03	Rs. 5.59
		Rs. 13.60	Rs. 8.15

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

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

Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Attributable to the owners of the Holding Company					
		Revenue Reserve				
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	Total Equity
	(Rupees '000)					
Balance as at July 01, 2021	1,374,270	17,465,015	704,135	18,169,150	2,996,826	22,540,246
Profit for the year ended June 30, 2022:						
Continuing operations	-	767,791	-	767,791	-	767,791
Discontinued operations	-	352,037	-	352,037	234,691	586,728
Other comprehensive income / (loss) for the year ended June 30, 2022:						
Continuing operations	-	(6,033)	-	(6,033)	-	(6,033)
Discontinued operations	-	-	1,403,034	1,403,034	720,633	2,123,667
Total comprehensive income for the year ended June 30, 2022	-	1,113,795	1,403,034	2,516,829	955,324	3,472,153
Transaction with owners in their capacity as owners						
Dividend:						
- Final dividend for the year ended June 30, 2021 @ Rs. 4.0 per share	-	(549,708)	-	(549,708)	-	(549,708)
- Interim dividend for the year ended June 30, 2022 @ Rs. 2.0 per share	-	(274,854)	-	(274,854)	-	(274,854)
- Dividends paid to non-controlling interests of subsidiary	-	-	-	-	(240,717)	(240,717)
Balance as at July 01, 2022	1,374,270	17,754,248	2,107,169	19,861,417	3,711,433	24,947,120
Profit for the year ended June 30, 2023:						
Continuing operations	-	1,516,062	-	1,516,062	-	1,516,062
Discontinued operations	-	353,516	-	353,516	235,678	589,194
Other comprehensive income for the year ended June 30, 2023:						
Continuing operations	-	167,054	-	167,054	-	167,054
Discontinued operations	-	-	2,421,423	2,421,423	1,328,411	3,749,834
Total comprehensive income for the year ended June 30, 2023	-	2,036,632	2,421,423	4,458,055	1,564,089	6,022,144
Transaction with owners in their capacity as owners						
Dividend						
- Final dividend for the year ended June 30, 2022 @ Rs. 1.5 per share	-	(206,140)	-	(206,140)	-	(206,140)
Balance as at June 30, 2023	1,374,270	19,584,740	4,528,592	24,113,332	5,275,522	30,763,124

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

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

Consolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		----------(Rupees '000)----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	(3,437,695)	594,985
Finance cost paid - conventional		(534,228)	(167,118)
Finance cost paid - islamic		(111,817)	(42,847)
Income tax refund / (paid)		303,141	(270,020)
Decrease in long-term loans and advances		11,799	3,157
Employee benefit obligations paid		(103,253)	(124,338)
Net cash used in operating activities		(3,872,053)	(6,181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		2,753,600	(8,282,749)
Advance against divestment of subsidiary		3,359,948	-
Proceeds from disposal of operating assets		11,482	3,843
Purchase of open ended mutual fund units		(2,700,231)	(1,924,301)
Proceeds from sale of open ended mutual fund units		904,303	3,845,647
Placement in term deposit receipts (TDRs)		(275,000)	(10,000)
Dividend income on mutual funds		2,161	15,049
Interest received		40,717	31,091
Net cash generated / (used in) investing activities		4,096,980	(6,321,420)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to owners of the Holding Company		(206,287)	(823,814)
Dividend paid to Non-controlling interests		-	(240,717)
Proceeds from long - term loan - net		1,963,280	6,314,205
Repayment of long - term loan		(1,636,631)	(275,000)
Lease rentals paid		(27,677)	(29,846)
Net cash generated from financing activities		92,685	4,944,828
Net increase / (decrease) in cash and cash equivalents		317,612	(1,382,773)
Cash and cash equivalents at beginning of the year		(2,408,619)	(1,441,736)
Effects of exchange rate changes in cash and cash equivalents		278,581	415,890
Cash and cash equivalents at end of the year	37	(1,812,426)	(2,408,619)

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

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

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

1.1 Holding Company - Attock Cement Pakistan Limited

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

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

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

- The registered office of the Holding Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Holding Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The Company also has a representative / liaison offices at:

    - Office No. 106, Pharoo Business Centre, Dubai Investment Park, UAE;
    - Plot No. D-69, Block-4, Kehkashan-5, Clifton, Karachi; and
    - Plot No. D-46, Block-4, Kehkashan-5, Clifton, Karachi.

1.1.1 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be US$ 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP as disclosed in note 16.2 and 16.3 respectively. However, during the year the Holding Company also utilized its short term borrowings and own cash flows to finance the project due to discontinuance of subsidized financing. The project is under construction.

1.1.2 The Board of Directors in their meeting held on October 25, 2022 approved extension of Captive Solar Power Plant Capacity by 1.12 MW. However, during the prior year, the project of 20MW Captive Solar Power Plant has been commissioned with effect from January 1, 2022. This was financed through Renewable Energy Finance Facility of the State Bank of Pakistan (SBP) as disclosed in note 16.4.

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

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

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

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

- The registered office of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.
- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

The Holding Company held 60% (2022: 60% holding) shares of SAKCPCL as at June 30 2023.

1.2.1 During the year the Board of Directors in their meeting held on April 27, 2023 authorised the management to enter into a Share Purchase Agreement for the divestment of its entire shareholding (18,000,000 shares) in its subsidiary SAKCPCL to Mr Abdul Lateef Mohsin Al Geetan and M/s Lamassu Babylon General Trading Company subject to all legal compliances as disclosed in note 34 - Profit From Discontinued Operations to these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.1.2 Critical accounting estimates and judgements

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

(i) Fixed assets - property, plant and equipment

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

(ii) Inventories

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

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

(iii) Income tax

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

(iv) Staff retirement benefits

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

(v) Provisions

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

(vi) Future estimation of export sales

Deferred tax calculation is based on estimate of future ratio of export and local sales.

(vii) Contingencies

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

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

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

2.1.3 Changes in accounting standards, interpretations and pronouncements

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

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

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or not to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.2 Overall valuation policy

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

2.3 Basis of consolidation

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

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

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

The consolidated financial statements of the Group have been prepared with the financial statements of the Holding Company presented on line by line basis and the financial statements of the Subsidiary

Company being accounted for as held for sale as a separate line of assets and liabilities as disclosed in note 14 to these consolidated financial statements.

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

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

2.4 Fixed assets - property, plant and equipment

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

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

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

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

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

2.5 Long-term investment

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

2.6 Loans, advances, deposits and prepayments

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

Interest free loans to employees are stated at amortised cost.

2.7 Inventories

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

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

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

2.8 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.22 for a description of the Group's impairment policies.

2.9 Cash and cash equivalents

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

2.10 Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable. The Group measures its non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

2.11 Share Capital

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

2.12 Borrowings and their cost

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

2.13 Government grants

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

2.14 Income tax

Current

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

Deferred

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

2.15 Staff retirement benefits

Defined benefit plans

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2023 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to other comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

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

Defined contribution plan

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

2.16 Trade and other payables

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

2.17 Provisions

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

2.18 Lease liability and right-of-use asset

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

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

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

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

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

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

2.19 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.20 Contingent Liabilities

Contingent liability is disclosed when:

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

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

A contingent liability is disclosed unless the possibility of an outflow is remote.

2.21 Foreign currencies

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

2.21.2 The results and financial position of subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

- income and expenses for each consolidated statement of profit or loss account and other comprehensive income are translated at average exchange rates; and

- all resulting exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income.

2.22 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

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

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

Classification of financial assets

The Group classifies its financial instruments in the following categories:

- at amortised cost,

- at fair value through other comprehensive income (“FVTOCI”), or

- at fair value through profit and loss (“FVTPL”).

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

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

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

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

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

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

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

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

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at amortised cost, or

- at fair value through profit and loss ("FVTPL").

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

Subsequent measurement

i) Financial assets and liabilities at amortised cost

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

ii) Financial assets at FVTOCI

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

iii) Financial assets and liabilities at FVTPL

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

2.23 Impairment

2.23.1 Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group 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 debt securities and bank balance 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.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2023 or July 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Group has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group 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 Group is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Group 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 Group 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 Group's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

2.23.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

2.24 Off-setting of financial assets and liabilities

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

2.25 Revenue recognition

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

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

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

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

2.26 Other Income

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

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

2.27 Dividend

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

3. FIXED ASSETS - property, plant and equipment

	2023	2022
	------------(Rupees '000)------------	
Operating assets - note 3.1	**15,751,603**	21,704,121
Capital work-in-progress - note 3.2	**14,447,916**	9,724,024
Stores held for capital expenditure - note 3.3	**868,782**	912,099
	31,068,301	32,340,244

3.1 Operating assets

	Freehold land - note 3.5	Buildings and roads on freehold land 3.5	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Right of use- assets - note 3.4	Total
	(Rupees '000)								
Year ended 30 June 2023									
Opening net book value	38,068	6,309,616	15,146,586	40,238	5,693	35,720	68,761	59,439	21,704,121
Additions	-	4,227	173,995	-	1,522	7,398	40,903	-	228,045
Disposals	-	-	-	-	-	-	(3,119)	-	(3,119)
Transfers to stores	-	-	(30,715)	-	-	-	-	-	(30,715)
Depreciation charge	-	(361,880)	(751,756)	(7,346)	(3,816)	(17,032)	(25,483)	(23,816)	(1,191,129)
Net exchange differences	-	1,738,061	255,143	5,059	1,380	8,754	2,499	-	2,010,896
Transfer to asset held for sale note. 14	-	(6,036,059)	(875,753)	(15,899)	(4,002)	(28,308)	(6,475)	-	(6,966,496)
Closing net book value	38,068	1,653,965	13,917,500	22,052	777	6,532	77,086	35,623	15,751,603
At 30 June 2023									
Cost	38,068	3,272,240	22,733,409	235,627	30,051	131,122	206,545	133,127	26,780,189
Accumulated depreciation	-	(1,618,275)	(8,815,909)	(213,575)	(29,274)	(124,590)	(129,459)	(97,504)	(11,028,586)
Net book value	38,068	1,653,965	13,917,500	22,052	777	6,532	77,086	35,623	15,751,603
Year ended 30 June 2022									
Opening net book value	38,068	5,555,235	13,949,720	44,224	7,620	34,782	64,236	63,742	19,757,627
Additions	-	7,384	1,788,658	-	312	11,644	26,084	19,513	1,853,595
Disposals	-	-	-	(313)	-	-	(965)	-	(1,278)
Transfers to stores	-	-	(56,039)	-	-	-	-	-	(56,039)
Depreciation charge	-	(314,007)	(694,143)	(7,440)	(3,555)	(16,987)	(22,866)	(23,816)	(1,082,814)
Net exchange differences	-	1,061,004	158,390	3,767	1,316	6,281	2,272	-	1,233,030
Closing net book value	38,068	6,309,616	15,146,586	40,238	5,693	35,720	68,761	59,439	21,704,121
At 30 June 2022									
Cost	38,068	8,281,180	23,331,676	280,340	46,571	191,800	188,199	133,127	32,490,961
Accumulated depreciation	-	(1,971,564)	(8,185,090)	(240,102)	(40,878)	(156,080)	(119,438)	(73,688)	(10,786,840)
Net book value	38,068	6,309,616	15,146,586	40,238	5,693	35,720	68,761	59,439	21,704,121
Rate of depreciation %	-	5%	3.33% - 5%	10%	20%	25%	20%	23% - 37%	

3.2 Movement in capital work-in-progress

	2023						2022				
	Balance as at July 1, 2022	Additions during the year	Transfers during the year	Net exchange differences	Transfers to asset held for sale - Note 14	Balance as at June 30, 2023	Balance as at July 1, 2021	Additions during the year	Transfers during the year	Net exchange differences	Balance as at June 30, 2022
Captive Solar Power Project - note 1.1.2											
Civil works	-	114,343	(114,343)	-	-	-	169,572	142,970	(312,542)	-	-
Plant and machinery	-	-	-	-	-	-	1,318,023	2,449	(1,320,472)	-	-
Others	-	-	-	-	-	-	31,719	27,062	(58,781)	-	-
	-	114,343	(114,343)	-	-	-	1,519,314	172,481	(1,691,795)	-	-
Installation of Line 4 - note 1.1.1											
Civil works	1,051,363	2,380,027	-	-	-	3,431,390	12,568	1,038,795	-	-	1,051,363
Plant and machinery	7,898,090	1,934,774	-	-	-	9,832,864	-	7,898,090	-	-	7,898,090
Advances to suppliers	222,564	(83,649)	-	-	-	138,915	1,399,792	(1,177,228)	-	-	222,564
Others - note 3.2.1	140,970	902,731	-	-	-	1,043,701	9,803	131,167	-	-	140,970
	9,312,987	5,133,883	-	-	-	14,446,870	1,422,163	7,890,824	-	-	9,312,987
Others											
Civil works	393,589	1,865,153	(282)	461,658	(2,720,097)	21	65,052	275,054	(1,849)	55,332	393,589
Plant and machinery	8,951	61,547	(69,473)	-	-	1,025	22,542	90,017	(103,608)	-	8,951
Vehicles	8,497	(8,497)	-	-	-	-	-	8,497	-	-	8,497
	411,037	1,918,203	(69,755)	461,658	(2,720,097)	1,046	87,594	373,568	(105,457)	55,332	411,037
Total	9,724,024	7,166,429	(184,098)	461,658	(2,720,097)	14,447,916	3,029,071	8,436,873	(1,797,252)	55,332	9,724,024

3.2.1 This includes directly attributable expenditure for the development construction and operation of Line 4 to their existing site as disclosed in note 1.1.1. Furthermore, the borrowing cost net of deferred grant amounting to Rs.472.17 million was capitalized at the internal rate of return of 3.92% per annum on specific borrowings and the borrowing cost of Rs.394.34 million was capitalized at the internal rate of return of 13.5% per annum on general borrowing obtained for financing of this project.

3.3 Stores held for capital expenditure

	2023	2022
	(Rupees '000)	
Balance at beginning of the year	**912,099**	930,120
Additions during the year	**194,161**	766,876
Transfers / disposal made during the year - note 3.3.1	**(237,478)**	(784,897)
Balance at end of the year	**868,782**	912,099

3.3.1 The details of stores held for capital expenditure disposed-off during the year having aggregate amount of written-down value greater than Rs. 500,000 each are as follows:

	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Loss	Mode of disposal	Particulars of the purchaser	Location
	(Rupees '000)							
Stores - Pfister weigh feeder	11,581	-	11,581	7,542	4,039	Negotiation	M/s. Askari Cement	Rawalpindi

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

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

Location	Usage of immovable property	Total area	Covered area
		(acres)	
Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	669	669
Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al- Zubair, Basra, Iraq	Cement grinding unit	60	60

	2023	2022
	------------(Rupees '000)------------	

4. INVESTMENT IN ASSOCIATE

Investment in associated company accounted for using equity method

	2023	2022
Attock Information Technology Services (Private) Limited (AITSL) - 450,000 (2022: 450,000) fully paid ordinary shares of Rs. 10 each - notes 4.1 & 4.2	57,348	47,551

4.1 The Group has a siginificant influence over the board composition of AITSL and also holds 10% (2022:10%) of the total equity. Accordingly, the Group has accounted this as investment in associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 4.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

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

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

	2023	2022
	------------(Rupees '000)------------	
Opening balance	47,551	40,742
Share of net income of associate accounted for using the equity method	9,797	6,809
	57,348	47,551

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

	2023	2022
	------------(Rupees '000)------------	
Revenue	193,399	161,769
Profit after taxation	97,977	68,088
Non-current assets	77,910	86,994
Current assets	529,425	413,770
Non-current liabilities	(9,406)	(6,334)
Current liabilities	(24,447)	(18,925)
Net assets	573,482	475,505
Carrying value	57,348	47,551

	2023	2022
	------------(Rupees '000)------------	

5. LONG - TERM LOANS AND ADVANCES – considered good

	2023	2022
Director - notes 5.2 & 5.3	-	4,320
Employees - note 5.1	140,204	158,052
	140,204	162,372
Recoverable within one year - note 9	(87,196)	(97,565)
Long - term portion	53,008	64,807

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

5.2 This represents housing advance given to Alternate Director with the prior approval of Securities and Exchange Commission of Pakistan as required under Section 182 of Companies Act, 2017. The maximum amount due at the end of any month is Rs. 4.32 million (2022: Rs. 9.60 million).

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

	2023	2022
	------------(Rupees '000)------------	
Opening	4,320	10,079
Repayment	(4,320)	(5,759)
Closing	-	4,320

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

6. LONG-TERM DEPOSITS

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

	2023	2022
	------------(Rupees '000)------------	

7. INVENTORIES

	2023	2022
Stores, spares and loose tools - note 7.1	2,490,767	4,352,603
Raw materials	207,507	3,020,280
Packing materials	264,720	278,889
Semi - finished goods	544,212	540,425
Work-in-process	37,085	38,742
Finished goods - note 7.2	270,854	262,556
	3,815,145	8,493,495

		2023	2022
		------------(Rupees '000)------------	
7.1	**Stores, spares and loose tools**		
	Coal	1,337,330	3,143,627
	Stores and spares - note 7.1.1	1,139,581	1,146,052
	Bricks	190,462	147,171
	Loose tools	2,885	2,667
		2,670,258	4,439,517
	Less: Provision for slow moving and obsolete items	(179,491)	(86,914)
		2,490,767	4,352,603

7.1.1 This includes stores and spares in transit amounting to Rs. 33.41 million (2022: Rs. 19.33 million).

7.2 This includes cement held at port for export amounting to Rs. Nil (2022: Rs. 31.64 million).

7.3 These are subject to joint pari-passu charge against Holding Company's short term running finance and export refinance facilities.

		2023	2022
		------------(Rupees '000)------------	
8.	**TRADE RECEIVABLES – considered good**		
	Secured	1,323,524	855,984
	Unsecured	64,424	172,540
		1,387,948	1,028,524
8.1	The age analysis of trade receivables is as follows:		
	Not yet due	1,148,500	514,012
	1 to 30 days	206,673	138,886
	31 to 90 days	27,198	355,286
	91 to 180 days	3,651	20,340
	181 to 365 days	1,926	-
		1,387,948	1,028,524
9.	**LOANS AND ADVANCES – considered good**		
	Current portion of long - term loans and advances - note 5	87,196	97,565
	Advances to suppliers	18,747	712,049
	Other advances - employees	185	62
		106,128	809,676
10.	**SHORT-TERM DEPOSITS AND PREPAYMENTS**		
	Deposits - considered good	10,515	10,565
	Prepayments	19,692	19,636
	Margin against bank guarantee - note 10.1	62,126	-
		92,333	30,201

10.1 Represents margin held as security by commercial banks against performance guarantee issued in favor of different cases.

11. OTHER RECEIVABLES

	2023	2022
	------------(Rupees '000)------------	
Export rebate receivable	**1,550**	538
Due from related parties - note 11.1	**995**	1,922
Others	**111,848**	46,992
	114,393	49,452

11.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 4.99 million (2022: Rs. 2.22 million).

12. SHORT - TERM INVESTMENTS

	2023	2022
	------------(Rupees '000)------------	
Investments - Fair value through profit or loss	**1,804,815**	-

12.1 Investments - Fair value through profit or loss

2023	2022		2023		2022	
Number of units			Cost	Market Value	Cost	Market Value
			(Rupees '000)			
2,971,977	-	HBL Islamic Money Market Fund	**300,000**	**300,688**	-	-
30,118,987	-	ABL Islamic Cash Fund	**300,000**	**301,190**	-	-
3,047,799	-	Alfalah GHP Money Market Fund	**300,000**	**301,234**	-	-
2,000,000	-	Meezan Rozana Amdani Fund	**100,000**	**100,000**	-	-
5,953,369	-	MCB-Pakistan Cash Management Fund	**300,000**	**299,952**	-	-
30,171,677	-	Nafa Money Market Fund	**300,000**	**301,104**	-	-
973,331	-	JS Cash Fund	**100,000**	**100,477**	-	-
1,953,804	-	AKD Cash Fund	**100,000**	**100,170**	-	-
			1,800,000	**1,804,815**	-	-

13. CASH AND BANK BALANCES

	2023	2022
	------------(Rupees '000)------------	
Cash at bank		
Conventional		
- On savings accounts		
Local currency - notes 13.1 & 13.2	**265,737**	298,644
Foreign currency - notes 13.3	**795**	793
	266,532	299,437
- On Current accounts		
Local Currency	**253,843**	310,125
Foreign currency - note 13.4	**109,822**	694,376
	363,665	1,004,501
- Term deposit receipt - note 13.5	**275,000**	70,000
	905,197	1,373,938
Islamic		
- On savings accounts		
Local currency - notes 13.1	**254**	379
- On Current accounts		
Local currency	**8,118**	33,441
Foreign currency - note 13.6	**607**	135,951
	8,725	169,392
- Term deposit receipt - note 13.5	**100,000**	30,000
	108,725	199,392
Cash in hand	**840**	16,381
	1,015,016	1,590,090

13.1 During the year, the mark-up / profit rates on savings accounts range from 12.25% to 19.5% (2022: 7.5% to 13.5%) per annum.

13.2 This includes deposits of Rs. 224.68 million (2022: Rs. 221.87 million) obtained from customers and creditors which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

13.3 This represents foreign currency account having a balance of AED 0.010 million (2022: AED 0.014 million) placed in United Bank Limited, Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the SBP.

13.4 This represents foreign currency account having a balance of US$ 0.36 million (2022: US$ 0.22 million) placed in MCB Bank Limited, I.I. Chundrigar Branch.

13.5 These carry mark up / profit which range from 14% to 15% per annum (2022: 6.5% to 7% per annum) payable at maturity. The maturity dates of term deposits receipts (TDRs) amounting to Rs. 275 million and Rs. 100 million are due to mature within a year. These TDRs are held under lien against the guarantees issued by bank on behalf of the Holding Company.

13.6 This represents foreign currency account having a balance of US$ 0.002 million (2022: US$ 0.66 million) and US$ 0.03 million (2022: US$ Nil) placed in Meezan Bank Limited, PNSC Branch and Bank of Punjab, DHA Branch respectively.

14. ASSETS / (LIABILITIES) CLASSIFIED AS HELD FOR SALE - DIVESTMENT

This represents assets and liabilities pertaining to subsidiary Saqr Al Keetan which are being classified as held for divestment as disclosed in note - 34 to these consolidated financial statements.

	2023	2022
	(Rupees '000)	
Assets		
Property plant and equipment	9,686,593	-
Inventories	5,083,184	-
Trade receivables	230,685	-
Advances	388	-
Prepayments	13,398	-
Cash and bank balances	1,045,179	-
	16,059,427	-
Liabilities		
Trade and other payables	(1,938,324)	-
	(1,938,324)	-
	14,121,103	-

15. SHARE CAPITAL

Authorised share capital

	2023	2022
200,000,000 ordinary shares of Rs. 10 each (2022: 200,000,000 ordinary shares of Rs. 10 each)	2,000,000	2,000,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each

2023	2022		2023	2022
No. of shares			(Rupees '000)	
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
103,546,486	103,546,486	Shares allotted as bonus shares	1,035,465	1,035,465
137,426,961	137,426,961		1,374,270	1,374,270

15.1 As at June 30, 2023, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 115,526,349 (2022: 115,526,349) ordinary shares of Rs. 10 each.

16. LONG - TERM LOANS

	2023	2022
	(Rupees '000)	
Balance at the beginning of the year	7,960,737	2,710,113
Long - Term Finance - secured		
- under Temporary Economic Refinance Facility - note 16.2	1,251,766	2,684,629
- under Long - Term Finance Facility - note 16.3	711,514	3,602,076
- under Renewable Energy Financing Scheme - note 16.4	-	27,500
	1,963,280	6,314,205
Interest expense including impact of unwinding	580,927	270,378
Less:		
- Deffered government grant - note 17	(614,578)	(944,567)
- Repayment made during the year	(2,198,628)	(389,392)
	(2,813,206)	(1,333,959)
Less: Current portion of long term loan - note 24	(1,256,211)	(748,882)
	6,435,527	7,211,855

16.1

Facility	Loan Type	Repayment terms - Principal	Mark-up Payable basis	Mark-up Rate (per annum)	Effective Rate (%) 2023	Facility Amount (Rs. In 000)	Date of drawdown	Last Repayment date
Temporary Economic Refinance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.5%	1.50%	4,700,000	April-21	March-31
Long Term Finance Facility	Term-loan	32 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.40%	2.40%	5,000,000	June-21	March-31
Renewable Energy Financing Scheme	Term-loan	20 Quarterly (2 years grace period)	Quarterly	SBP Rate + 0.25%	3.25%	1,700,000	February-21	February-28

16.1.1 The above facilities are secured against joint pari passu hypothecation / mortgage charges on the Holding Company's present and future fixed assets excluding land and building to cover the facility amount along with a 25% margin.

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

		2023	2022
		------------(Rupees '000)------------	
16.2	**Temporary Economic Refinance Facility**		
	Balance at beginning of the year	2,317,080	477,870
	Disbursements during the year	1,251,766	2,684,629
	Deferred grant - note 17	(614,578)	(940,339)
	Interest expense including impact of unwinding	340,309	120,322
	Repayment during the year	(66,966)	(25,402)
		3,227,611	2,317,080
	Current portion of long - term loan	(576,443)	(210,989)
	Balance at end of the year	2,651,168	2,106,091

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

		2023	2022
		------------(Rupees '000)------------	
16.3	**Long - Term Finance Facility**		
	Balance at beginning of the year	4,297,872	693,515
	Disbursements during the year	711,514	3,602,076
	Interest expense including impact of unwinding	148,565	47,435
	Repayment during the year	(1,805,148)	(45,154)
		3,352,803	4,297,872
	Current portion of long - term loan	(418,065)	(269,417)
	Balance at end of the year	2,934,738	4,028,455

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

		2023	2022
		------------(Rupees '000)------------	
16.4	**Renewable Energy Financing Scheme**		
	Balance at beginning of the year	1,142,735	1,075,461
	Disbursements during the year	-	27,500
	Deferred grant - note 17	-	(4,228)
	Interest expense including impact of unwinding	88,444	85,738
	Repayment during the year	(119,855)	(41,736)
		1,111,324	1,142,735
	Current portion of long - term loan	(261,703)	(65,426)
	Balance at end of the year	849,621	1,077,309

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

	2023	2022
	------------(Rupees '000)------------	
16.5 Payroll Refinance Scheme		
Balance at beginning of the year	**203,050**	463,267
Interest expense including impact of unwinding	**3,609**	16,883
Repayment during the year	**(206,659)**	(277,100)
	-	203,050
Current portion of long - term loan	**-**	(203,050)
Balance at end of the year	**-**	-

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

	2023	2022
	------------(Rupees '000)------------	
17. DEFERRED INCOME - GOVERNMENT GRANT		
Balance at beginning of the year	**1,245,543**	431,407
Deferred grant recorded:		
- under Temporary Economic Refinance Facility	**614,578**	940,339
- under Renewable Energy Financing Scheme	**-**	4,228
	614,578	944,567
Less:		
- Government grant deducted from borrowing cost - notes 3.2.1	**(272,328)**	(93,136)
- Government grant recognised in income - note 31	**(58,541)**	(37,295)
	(330,869)	(130,431)
Less: Current portion of deffered income government grant - note - 21	**(330,965)**	(248,304)
	1,198,287	997,239

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

18. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Holding Company and lessor. Wherever practicable, the Holding Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

18.1 Set out below the carrying amount of lease liabilities and the movements during the year:

	2023	2022
	(Rupees '000)	
Balance at beginning of the year	60,714	63,732
Addition	-	19,513
Accretion of interest	5,918	7,315
Payments	(27,677)	(29,846)
Balance at end of the year	38,955	60,714
Current portion	22,080	22,150
Non-current portion	16,875	38,564
	38,955	60,714

18.2 Lease liabilities payable are as follows:

	2023			2022
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees '000)			
Less than one year	26,158	4,078	22,080	22,150
Between one and five years	17,817	942	16,875	38,564
	43,975	5,020	38,955	60,714

18.3 Finance charge ranges between 6.01% to 21.26% per annum has been used for discounting factor.

19. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Right of use-assets	Provision for slow moving and obsolte stores and spares	Lease liabilities	Minimum tax	Alternate corporate tax	Employee benefit obligations	Investments in Mutual Funds	Total
	(Rupees '000)								
July 01, 2022	2,347,945	14,815	(20,200)	(14,111)	(115,342)	(363,058)	-	-	1,850,049
Impact on statement of financial position	-	-	-	-	115,342	363,058	-	-	478,400
Charge / (credit) to unconsolidated statement of profit or loss for the year	371,437	(4,911)	(29,705)	3,280	-	-	26,722	1,339	- 368,162
Other comprehensive income for the year	-	-	-	-	-	-	64,335	-	64,335
June 30, 2023	2,719,382	9,904	(49,905)	(10,831)	-	-	91,057	1,339	2,760,946
July 01, 2021	1,722,834	11,491	(11,916)	(11,489)	(115,342)	(361,763)	-	-	1,233,815
Charge / (credit) to unconsolidated statement of profit or loss for the year	625,111	3,324	(8,284)	(2,622)	-	(1,295)	-	-	616,234
June 30, 2022	2,347,945	14,815	(20,200)	(14,111)	(115,342)	(363,058)	-	-	1,850,049

19.1 Deferred tax liability is restricted to 71.29% (2022: 70.43%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

19.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, companies are liable to pay super tax at 10% for tax year 2023 and onwards for income more than Rs. 500 million. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

20. EMPLOYEE BENEFIT OBLIGATIONS

20.1 Staff retirement benefits

20.1.1 As stated in note 2.15, the Holding Company operates approved funded gratuity and pension schemes for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

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

20.1.3 Risks on account of defined benefit plan

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

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

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

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

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

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

20.1.4 The latest actuarial valuations of the Plans as at June 30, 2023 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2023		2022	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	---------------------------- (Rupees '000)	----------------------------		
20.1.5 Balance sheet reconciliation as at June 30				
Present value of defined benefit obligation	527,063	670,197	637,681	617,168
Fair value of plan assets	(541,332)	(595,297)	(472,322)	(507,401)
(Surplus) / Deficit	(14,269)	74,900	165,359	109,767
20.1.6 Movement in the defined benefit obligation				
Obligation as at July 01	637,681	617,168	630,131	551,249
Service cost	34,274	50,108	21,655	33,686
Interest expense	84,967	80,099	62,929	54,215
Remeasurement on obligation	(161,980)	(22,328)	(23,520)	22,228
Benefits paid	(67,879)	(54,850)	(53,514)	(44,210)
Obligation as at June 30	527,063	670,197	637,681	617,168

	2023		2022	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	(Rupees '000)			
20.1.7 Movement in the fair value of plan assets				
Fair value as at July 01	472,322	507,401	412,186	461,237
Interest income	62,868	66,433	41,377	45,634
Remeasurement on plan assets	22,537	24,544	(826)	(6,499)
Employer contributions	51,484	51,769	73,099	51,239
Benefits paid	(67,879)	(54,850)	(53,514)	(44,210)
Fair value as at June 30	541,332	595,297	472,322	507,401
20.1.8 Expense recognised in consolidated statement of profit or loss				
Service cost	34,274	50,108	21,655	33,686
Interest expense - net	22,099	13,666	21,552	8,581
	56,373	63,774	43,207	42,267
20.1.9 Remeasurement recognised in other comprehensive income				
Experience loss	10,961	1,970	71,270	44,161
Financial assumptions gain	(172,941)	(24,298)	(94,790)	(21,933)
Remeasurement of fair value of plan assets	(22,537)	(24,544)	826	6,499
Remeasurements	(184,517)	(46,872)	(22,694)	28,727
20.1.10 Net recognised liability				
Balance as at July 01	165,359	109,767	217,945	90,012
Expense for the year	56,373	63,774	43,207	42,267
Employer contributions	(51,484)	(51,769)	(73,099)	(51,239)
Remeasurement recognised in other comprehensive income	(184,517)	(46,872)	(22,694)	28,727
Balance as at June 30	(14,269)	74,900	165,359	109,767

20.1.11 Composition of plan assets:

	2023		2022		2023		2022	
	Pension Funds				Gratuity Funds			
	Amount in '000	%	Amount in '000	%	Amount in '000	%	Amount in '000	%
Market Treasury Bills	207,004	38.24	89,592	18.97	241,446	40.56	76,882	15.15
Term Finance Certificates	62,101	11.47	38,568	8.17	52,323	8.79	28,699	5.66
Open Ended Mutual Funds	271,954	50.24	364,759	77.22	302,897	50.88	416,165	82.02
Others (including bank balance)	273	0.05	(20,597)	(4.36)	(1,369)	(0.23)	(14,345)	(2.83)
	541,332	100.00	472,322	100.00	595,297	100.00	507,401	100.00

20.1.12 Actuarial assumptions

	2023				2022			
	First	Second	Third	Fourth & onwards	First	Second	Third	Fourth & onwards
	Year							
Expected rate of increase in salaries								
- Management staff								
Senior management	12.00%	10.00%	12.00%	14.50%	9.00%	9.00%	11.50%	11.50%
Junior management	12.00%	10.00%	12.00%	14.50%	9.00%	9.00%	11.50%	11.50%
- Non-management staff	12.50%	10.00%	12.50%	14.50%	9.00%	9.00%	11.50%	11.50%

The discount factor used for pension and gratuity funds is 16.25% (2022: 13.25%), however, discount rate used for commutation factor in case of Management Pension Fund is based on average of last three years, which is 13.17% (2022: 10.58%). This is in contrast to the last year where the discount rate as at the valuation date was used for commutation calculation through out the financial year. The practice has been changed due to significant volatility in the long term discount rate in order to ensure fair and equitable commutation amounts to fund members.

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

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

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

20.1.16 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	(%)	(Rupees '000)			
At June 30, 2023					
Discount rate	**0.5%**	**(25,453)**	**27,299**	**(25,870)**	**27,718**
Future salary increases	**0.5%**	**10,574**	**(10,057)**	**21,258**	**(20,082)**
At June 30, 2022					
Discount rate	0.5%	(36,513)	39,651	(24,538)	26,363
Future salary increases	0.5%	(70,537)	(100,639)	22,612	(21,265)

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

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

20.1.17 Historical information

	2023	2022	2021	2020	2019
	(Rupees '000)				
Pension Funds as at June 30					
Present value of defined benefit obligation	**527,063**	637,681	630,131	621,233	479,580
Fair value of plan assets	**(541,332)**	(472,322)	(412,186)	(354,898)	(317,858)
Deficit	**(14,269)**	165,359	217,945	266,335	161,722
Experience adjustments					
(Loss) / gain on obligation	**(10,961)**	23,520	26,219	(110,962)	107,274
Gain / (loss) on plan assets	**22,537**	(826)	64	(4,526)	(8,852)
	11,576	22,694	26,283	(115,488)	98,422

	2023	2022	2021	2020	2019
	(Rupees '000)				
Gratuity Funds As at June 30					
Present value of defined benefit obligation	670,197	617,168	551,249	511,669	474,803
Fair value of plan assets	(595,297)	(507,401)	(461,237)	(418,361)	(369,647)
Deficit	74,900	109,767	90,012	93,308	105,156
Experience adjustments					
(Loss) / gain on obligation	(1,970)	(22,228)	(7,240)	14,400	(18,744)
Gain / (loss) on plan assets	24,544	(6,499)	2,486	(3,498)	(9,875)
	22,574	(28,727)	(4,754)	10,902	(28,619)

20.1.18 As per actuarial advice, the Holding Company is expected to recognise a service cost of Rs. 56.90 million in 2023 (2022: Rs. 52.34 million).

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

	Pension Funds	Gratuity Funds
	No. of years	
Management	10.44	8.01
Non-management	8.53	7.86

20.1.20 Expected maturity analysis of undiscounted retirement benefit plan.

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	(Rupees '000)					
At June 30, 2023						
Pension Funds	14,461	19,991	103,974	389,424	715,907	1,243,757
Gratuity Funds	60,403	94,553	249,421	637,811	1,142,602	2,184,790
At June 30, 2022						
Pension Funds	15,164	18,425	105,415	370,662	642,705	1,152,371
Gratuity Funds	60,466	55,395	191,381	521,505	722,043	1,550,790

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

21. TRADE AND OTHER PAYABLES

	2023	2022
	(Rupees '000)	
Creditors - note 21.1	621,418	572,026
Accrued liabilities - note 21.1	3,430,120	3,009,298
PSI marking fee payable- note 21.2	307,518	274,388
Royalty payable - note 21.3	-	658,704
Electricity charges payable - note 21.4	507,431	631,529
Excise duty payable on sales	232,180	233,341
Infrastructure Cess - note 21.5	257,616	177,091
Excise duty payable on extraction - note 21.6	42,915	30,934
Workers' Welfare Fund - note 21.7	327,513	280,767
Workers' Profits Participation Fund - note 21.8	154,478	104,129
Current portion of deferred income - government grant - note 17	330,965	248,304
Contract liability - advances from customers - note 21.9	456,888	622,180
Security deposits - note 13.2	224,675	221,865
Retention money	62,639	62,550
Payable to provident fund - note 21.10	7,918	-
Taxes deducted at source and payable to statutory authorities	6,868	1,015
Others - note 21.1	5,761	8,304
	6,976,903	7,136,425

21.1 Creditors, accrued liabilities and other liabilities include Rs. 30.26 million, Rs. 1.6 million and Rs. Nil (2022: Rs. Nil, Rs. 43.05 million and Rs. 5.76 million) in respect of amounts due to related parties.

21.2 This includes provision amounting to Rs. 307.52 million (2022: 274.39 million) recorded in respect of marking fee under Pakistan Standards and Quality Control Authority (PSQCA) Act, 1996. The Holding Company is under a industry-wide dispute on the basis of calculation of marking fee.

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

The Holding Company had filed a constitutional petition against the Government of Balochistan in respect of the increase in rates of royalty before the High Court of Balochistan (High Court). Consequently, on the directions of the Court, the Holding Company has furnished a bank guarantee of Rs. Nil (2022: Rs 236.18 million) for the additional portion of royalty.

During the year, the High Court of Balochistan issued an order on April 17, 2023 for enhancement of rates from February 1, 2022 prospectively. Consequently the Holding Company has reversed the provision recorded for the payment of additional portion of royalty till the month of January 2022.

21.4 This includes Rs. 179.86 million (2022: Rs. 179.86 million), Rs. 2 million (2022: Rs. 248 million) and Rs. 57.91 million (2022: Rs. Nil) in respect of industry support package adjustment, fuel charge adjustment and additional surcharge respectively.

In respect of additional surcharge, the Holding Company has challenged the levy before the High Court of Sindh which is pending adjudication. Consequently, on the directions of the Court, the Holding Company has furnished a bank guarantee of Rs. 57.91 million (2022: Rs Nil) for the additional surcharge.

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

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

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

21.7 This includes provision of Rs. 46.75 million, Rs. 20.31 million, Rs. 31.43 million , Rs. 11 million, Rs. 22.03 million, Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 respectively. The Holding Company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal Government or Provincial Government.

	2023	2022
	------------(Rupees '000)------------	
21.8 Workers' Profits Participation Fund		
At beginning of the year	**104,129**	82,702
Charge for the year - note 30	**154,478**	104,129
	258,607	186,831
Interest on funds utilised in Holding Company’s business - note 32	**211**	496
	258,818	187,327
Less: amount paid to the Fund	**(104,340)**	(83,198)
	154,478	104,129

21.9 Contract liability - advances from customers

Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.25 is satisfied.

	2023	2022
	------------(Rupees '000)------------	
Opening balance	**622,180**	451,972
Advance received during the year	**20,210,249**	13,838,049
Revenue recognised during the year	**(20,375,541)**	(13,667,841)
Closing balance	**456,888**	622,180

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

22. CONSIDERATION RECEIVED AGAINST DIVESTMENT OF SUBSIDIARY

This pertains to the consideration received of US$. 11.7 million against the divestment of 9,000,000 shares and other interests held in Saqr Al - Keetan as described in note - 34 to these consolidated financial statements.

23. ACCRUED MARK-UP

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

24. SHORT TERM BORROWINGS

	2023	2022
	------------(Rupees '000)------------	
Conventional		
Short term running finance - notes 24.1 & 24.2	**-**	1,395,709
Export refinance facility - note 24.1 & 24.3	**2,153,000**	1,653,000
Islamic		
Short term running finance - notes 24.1 & 24.2	**49,442**	-
Short - term finance under running musharakah - note 24.4	**250,000**	850,000
Current maturity of long-term loan - note 16	**1,256,211**	748,882
	3,708,653	4,647,591

24.1 The facilities available from various banks amount to Rs. 17.65 billion (2022: Rs. 12.66 billion). The arrangements are secured by way of joint pari-passu charge against hypothecation of Holding Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2023 and 2024.

24.2 The rates of mark-up ranged between one month KIBOR plus 0% and three months KIBOR plus 1% (June 30, 2022: one-month KIBOR plus 0% to one-month KIBOR plus 1%) per annum.

24.3 The export refinance facilities available from different banks are secured by way of joint pari-passu charge against hypothecation of Holding Company's stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 0.5% to 1% (2022: 0.5% to 1%).

24.4 The facility is for short term finance under running musharakah available from Meezan Bank Limited, secured by way of joint pari-passu charge against hypothecation of Holding Company's stock-in-trade and book debts and carry mark up SBP export refinance rate plus 1% (2022: 0.75% to 1%).

24.5 The facilities for opening letters of credit and guarantee as at June 30, 2023 amounted to Rs. 10.7 billion (2022: Rs. 9.50 billion) of which unutilised balance at year end amounted to Rs. 10.21 billion (2022: Rs. 9.35 billion).

24.6 The above facilities are secured by way of joint pari passu charge and ranking charge over current and future moveable assets of the Holding Company having aggregate charge amounting to Rs. 15.82 billion and Rs. 5 billion respectively.

25. CONTINGENCIES AND COMMITMENTS

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

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

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

25.2 SALES TAX MATTERS

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

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

25.2.3 Based on the advice of Holding Company's tax counsels, management is confident that the outcome of both the above appeals would be favorable, hence no provision has been made in these consolidated financial statements.

25.3 Commitments for capital expenditure outstanding as at June 30, 2023 amounted to Rs. 3.69 billion (2022: Rs. 6.83 billion).

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	(Rupees '000)	
Local sale of goods	25,276,924	22,478,669
Sales tax	(4,084,444)	(3,616,738)
Federal excise duty	(2,249,932)	(2,381,398)
	(6,334,376)	(5,998,136)
Rebates and discounts	(758,908)	(643,302)
Net local sale of goods	18,183,640	15,837,231
Export sales - note 26.2	7,853,167	5,632,400
Freight	(559,452)	(990,489)
	7,293,715	4,641,911
	25,477,355	20,479,142

26.1 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenue.

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

	2023	2022
	(Rupees '000)	
Africa and Middle East Asia	369,469	423,248
Sri Lanka	2,927,086	4,215,325
Bangladesh	4,398,415	676,750
Others	158,197	317,077
	7,853,167	5,632,400

		2023	2022
		------------(Rupees '000)------------	

27. COST OF SALES

	2023	2022
Raw materials consumed	1,222,558	1,382,116
Packing materials consumed	1,094,504	1,089,300
Cement packaging and loading charges	24,700	27,982
Salaries, wages and benefits - note 27.1	2,260,719	2,166,132
Fuel	10,772,366	7,642,143
Electricity and water	2,341,864	2,508,019
Stores and spares consumed	537,102	522,721
Repairs and maintenance	82,036	123,623
Insurance	90,339	64,552
Vehicle running and maintenance	254,912	188,193
Security expenses	183,748	163,990
Depreciation	878,110	834,647
Other expenses - note 27.2	113,026	34,666
	19,855,984	16,748,084
Add: Opening semi - finished goods and work-in-process	579,167	667,289
Less: Closing semi - finished goods and work-in-process	(581,297)	(579,167)
Cost of goods manufactured	19,853,854	16,836,206
Add: Opening stock of finished goods	220,310	160,887
Less: Closing stock of finished goods	(270,854)	(220,310)
	19,803,310	16,776,783

27.1 Salaries, wages and benefits include Rs. 12.38 million and Rs. 44.41 million (2022: Rs. 65.86 million and Rs. 49.72 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

27.2 This includes provision for slow moving and obsolete items amounting to Rs. 92.58 million (2022: Rs. 20.81 million).

28. DISTRIBUTION COSTS

	2023	2022
	------------(Rupees '000)------------	
Salaries, wages and benefits - note 28.1	122,373	119,171
Handling and other export related expenses	856,735	623,564
Commission on export sales	63,636	34,197
Carriage outward on local sales	796,227	480,956
PSI marking fee	33,130	28,111
Advertisement and sales promotion	2,250	3,231
Travelling and entertainment	2,579	1,086
Others expenses	5,966	4,341
	1,882,896	1,294,657

28.1 Salaries, wages and benefits include Rs. 18.33 million and Rs. 3.98 million (2022: Rs. 4.93 million and Rs. 3.3 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

29. ADMINISTRATIVE EXPENSES

	2023	2022
	(Rupees '000)	
Salaries, wages and benefits - note 29.1	483,406	455,355
Depreciation	39,104	40,684
Rent, rates and taxes	921	756
Utilities	9,684	6,602
Insurance	3,095	3,049
Repairs and maintenance	21,102	14,824
Communication and printing	31,698	20,950
Travelling and entertainment	12,074	9,313
Legal and professional charges	24,671	29,862
Auditor's remuneration - note 29.2	6,122	5,381
Donations - note 29.3	19,000	11,153
Others - note 29.4	76,229	42,871
	727,106	640,800

29.1 Salaries, wages and benefits include Rs. 89.36 million and Rs. 15.65 million (2022: Rs. 14.68 million and Rs. 8.84 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

29.2 Auditor's remuneration

	2023	2022
	(Rupees '000)	
Audit fee (including consolidation)	3,500	3,000
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	1,150	1,150
Taxation services	350	572
Other certifications, attestations and other services	785	345
Out-of-pocket expenses	337	314
	6,122	5,381

29.3 This represents donation given to The Citizens Foundation Rs. 9 million (2022: Rs. 11.15 million) and Rs. 10 million (2022: Rs Nil) to The Prime Minister's Flood Relief Fund. None of the directors or their spouses had any interest in the donee.

29.4 This includes license renewal charges and other expenses relating to Dubai Branch Office amounting to Rs. 20.22 million (2022: Rs Nil).

30. OTHER EXPENSES

	2023	2022
	(Rupees '000)	
Workers' Welfare Fund - note 21.7	46,747	20,306
Workers' Profits Participation Fund - note 21.8	154,478	104,129
	201,225	124,435

	2023	2022
	------------(Rupees '000)------------	

31. OTHER INCOME

	2023	2022
Income from financial assets		
Income on saving accounts under interest / markup arrangements	17,269	26,926
Dividend income on mutual funds	2,161	15,049
Unrealised gain on investments classified as fair value through profit or loss	4,815	-
Gain on sale of open ended mutual fund units	4,072	6,459
Income on term deposit receipts	44,561	4,165
Exchange gain - net	153,966	443,000
Income from non-financial assets		
(Loss) / gain on disposal of operating assets	(3,218)	2,565
Others		
Export rebate	3,263	988
Scrap sales	17,760	29,611
Grant income	58,541	37,295
Others	1,763	757
	304,953	566,815

32. FINANCE COST

	2023	2022
Conventional		
Mark-up on:		
Long - term loans	93,667	60,348
Short - term borrowings	102,962	108,585
	196,629	168,933
Islamic		
Short - term finance under running musharakah	48,300	46,490
Bank charges and commission	38,177	34,720
Interest on Workers' Profits Participation Fund - note 21.8	211	496
Finance charges on finance lease	5,918	7,315
	289,235	257,954

33. INCOME TAX EXPENSE

	2023	2022
Current	703,894	427,236
Super tax - note 33.1	244,727	146,876
Prior year	55,488	-
Deferred	368,162	616,234
	1,372,271	1,190,346

33.1 As per Finance Act, 2023, companies having taxable income of more than Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards.

33.2 Relationship between tax expense and accounting profit

	2023	2022
	(Rupees '000)	
Profit before income tax	3,477,527	2,544,865
Tax at the applicable rate of 29% (2022: 29%)	1,008,483	738,011
Prior year	55,488	-
Effect of final tax regime	(145,207)	(77,473)
Effect of exempt income	(170,866)	(166,684)
Effect of super tax	244,727	146,876
Others	379,646	549,616
	1,372,271	1,190,346
Effective tax rate	39.46%	46.77%

34. PROFIT FROM DISCONTINUED OPERATIONS

34.1 During the year the Group decided to discontinue its operations in its subsidiary Saqr Al- Keetan due to the adverse impact of COVID-19 which led to multiple logistical and administrative issues with operations in Iraq, and it became extremely difficult for the Holding Company to control the business operations of the subsidiary. Besides, the prevailing import constraints emanating from the pressure of local manufacturers led to the shortage of imported clinker which is crucial for proper performance of the grinding unit of the subsidiary.

34.2 Accordingly, on April 27, 2023, the Board of Directors of the Holding Company resolved to sell 100% shareholding in the subsidiary to Mr. Abdul Lateef Mohsin Al Geetan and M/s. Lamassu Babylon General Trading at the agreed price subject to compliance with all the applicable legal provisions. In this regard and in accordance with section 183(3)(b) of the Companies Act, 2017, the requirement of obtaining approval of the members of the Holding Company, an Extra Ordinary General Meeting (EOGM) was held on May 25, 2023 in which members authorized the Holding Company to divest the investment in subsidiary.

34.3 The Holding Company entered into a Share Purchase Agreement (SPA) dated May 26, 2023 to divest its entire shareholding of 18,000,000 shares in subsidiary SAKCPCL to Mr. Abdul Lateef Mohsin Al Geetan and M/s. Lamassu Babylon General Trading (Buyers) at a total consideration of US$ 23.4 million.

34.4 The divestment of the entire shareholding of 18,000,000 shares is agreed to occur in the following three tranches:

(i) 9,000,000 shares constituting a total of 30% shareholding of the seller in the company for a total divestment consideration of US$ 11,700,000. Completion of this tranche shall be achieved not later than 3 months of signing of agreement.

(ii) 4,500,000 shares constituting a total of 15% shareholding of the seller in the company for a total divestment consideration of US$ 5,850,000. Completion of this tranche shall be achieved within 15 months of closing of first deadline.

(iii) 4,500,000 shares constituting a total of 15% shareholding of the seller in the company for a total divestment consideration of US$ 5,850,000. Completion of this tranche shall be achieved within 3 months of closing of second deadline.

34.5 The first tranche of US$ 11.7 million was received in equal installments of US$ 5.85 million each on 12 June 2023 and 21 June 2023 respectively. The transfer of shares was completed with the Registrar office in Baghdad, Iraq on 26 July 2023 on which date revised Memorandum of Association alongwith revised shareholding certificate of SAKCPCL were issued.

34.6 The Holding Company has allowed SAKCPCL the full legal power and right to use the trademark of Falcon Cement in the territory of Iraq and not compete in that business is an integral part of the SPA.

34.7 The subject investment has been disclosed as Investment in subsidiary held for divestment in the unconsolidated financial statements and has been disclosed as discontinued operations in the consolidated financial statements of the Group. Accordingly, the comparatives have been re-presented in accordance with paragraph 34 of IFRS 5 - Non current assets held for sale and disconitnued operations.

	2023	2022
	------------(Rupees '000)------------	
34.8 Results of discontinued operation		
Revenue from contracts with customers	11,766,710	7,607,888
Cost of sales	(10,255,596)	(6,828,743)
Gross profit	1,511,114	779,145
Distribution costs	(67,640)	(39,170)
Administrative expenses	(169,611)	(95,863)
Profit from operations	1,273,863	644,112
Finance cost	(684,669)	(57,384)
Profit for the year	589,194	586,728
Earning per share - basic and diluted	Rs. 2.57	Rs. 2.56
34.9 Allocation of profit between owners of the parent and NCI		
Profit from discontinued operations		
Equity holders of the Holding Company	353,516	352,037
Non-controlling interests	235,678	234,691
	589,194	586,728

	2023	2022
	------------(Rupees '000)------------	
34.10 Cash flows from discontinued operation		
Net cash generated from operating activities	1,978,646	(1,013,133)
Net cash used in investing activities	(1,877,339)	(902,104)
	101,307	(1,915,237)

35. BASIC AND DILUTED EARNINGS PER SHARE

	2023	2022
Profit attributable to owners of the Holding Company	1,869,578	1,119,828
Weighted average number of outstanding shares at the end of year (in thousands)	137,427	137,427
Basic and diluted earnings per share	Rs. 13.60	Rs. 8.15

35.1 Diluted earnings per share has not been presented as the Group did not have any potential dilutive instruments in issue as at June 30, 2023 and 2022 which would have any effect on the earnings per share.

36. CASH GENERATED FROM OPERATIONS

	2023	2022
	------------(Rupees '000)------------	
Profit before income tax from:		
Continuing Operations	2,888,333	1,958,137
Discontinued Operations	589,194	586,728
Profit before income tax including discontinued operations	3,477,527	2,544,865
Add / (less): Adjustments for non-cash charges and other items		
Depreciation of fixed assets	1,167,313	1,058,998
Depreciation of right-of-use asset	23,816	23,816
Dividend income on mutual funds	(2,161)	(15,049)
Unrealised gain on investments classified as fair value through profit or loss	(4,815)	-
Loss / (gain) on disposal of property, plant and equipment	3,218	(2,565)
Gain on sale of open ended mutual fund units	(4,072)	(6,459)
Provision for stores, spares and loose tools	92,577	20,812
Interest income	(61,830)	(31,091)
Finance cost	244,929	215,423
Interest on lease liability	5,918	7,315
Employee benefit obligations	120,147	85,474
Government grant recognised in income	(58,541)	(37,295)
Share of net income of associate accounted for using the equity method	(9,797)	(6,809)
Profit before working capital changes	4,994,229	3,857,435

	2023	2022
	------------(Rupees '000)------------	
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Inventories	5,911,810	(3,199,447)
Trade receivables	(311,749)	658,911
Loans and advances	842,236	(360,369)
Short-term deposits and prepayments	(58,347)	4,767
Tax refunds due from Government - Sales tax	108,726	(87,255)
Other receivables	(43,828)	(6,636)
Assets / (liabilities) held for divestment	(14,121,103)	-
	(7,672,255)	(2,990,029)
Decrease in current liabilities:		
Trade and other payables	(759,669)	(272,421)
	(8,431,924)	(3,262,450)
Cash (used in) / generated from operations	(3,437,695)	594,985

37. CASH AND CASH EQUIVALENTS

	2023	2022
Cash and bank balances - note 13 (excluding TDRs having term of more than 3 months)	640,016	1,490,090
Short term running finance - note 24	(49,442)	(1,395,709)
Export refinance facility - note 24.1 & 24.3	(2,153,000)	(1,653,000)
Short - term finance under running musharakah - notes 24.4	(250,000)	(850,000)
	(1,812,426)	(2,408,619)

38. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees '000)					
Managerial remuneration	45,411	44,304	25,911	23,310	307,849	264,703
Housing allowance	12,385	12,083	7,272	6,768	93,735	77,090
Utility allowance	5,504	5,370	2,480	1,504	20,830	17,131
Bonus	23,494	22,376	14,400	12,532	173,583	125,668
Retirement benefits	-	-	6,194	5,764	79,841	48,532
other note - 38.2	10,619	10,427	14,482	11,932	53,442	5,427
	97,413	94,560	70,739	61,810	729,280	538,551
	1	1	5	5	99	84

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

38.2 This includes fee paid to non-executive directors for attending 5 (2022: 5) Board of Directors meetings during the year amounted to Rs. 7.7 million (2022: Rs. 5.6 million).

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Group, staff retirement benefit funds and key management personnel. The Group carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel.

There are no transactions with key management personnel other than their terms of employment / entitlement. Amounts due to related parties are shown under respective note to the unconsolidated financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the consolidated financial statements are as follows:

	2023	2022
	------------(Rupees '000)------------	
39.1 Transactions with related parties		
Holding company		
Dividend paid	173,290	693,158
Recovery of expenses	382	877
Group companies		
Purchase of goods	658,070	493,457
Reimbursement of expenses	4,720	3,222
Recovery of expenses	14,196	4,372
Sale of goods	828	667
Other related parties		
Payments made to retirement benefit funds	103,275	180,625
Key management personnel		
Loans and advances recovered during the year	4,320	5,760
Salaries and other short-term employee benefits	154,259	145,006
Post-employment benefits	6,194	5,764
Sale of goods	-	62

The related party status of outstanding balances as at June 30, 2023 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

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

S.No.	Company Name	Basis of relationship	Country of Incorporation	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL)	Ultimate Holding Company	Lebanon	84.06%
2.	Attock Petroleum Limited	Group Company / Common directorship	Pakistan	N/A
3.	Attock Refinery Limited	Group Company / Common directorship	Pakistan	N/A
4.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	Pakistan	N/A
5.	National Refinery Limited	Group Company / Common directorship	Pakistan	N/A
6.	Pakistan Oilfields Limited	Group Company / Common directorship	Pakistan	N/A
7.	The Attock Oil Company Limited	Group Company / Common directorship	England	N/A
8.	Pharaon Commercial Investment group Limited	Group Company / Common directorship	Saudi Arabia	N/A
9.	Attock Cement Pakistan Limited - Management Employees Gratuity Fund	Other related party	Pakistan	N/A
10.	Attock Cement Pakistan Limited - Non Management Employees Gratuity Fund	Other related party	Pakistan	N/A
11.	Attock Cement Pakistan Limited - Management Employees Pension Fund	Other related party	Pakistan	N/A
12.	Attock Cement Pakistan Limited - Non Management Employees Pension Fund	Other related party	Pakistan	N/A

	2023	2022
	------------- Number -------------	
40. NUMBER OF EMPLOYEES		
Number of employees at June 30		
- Regular	**957**	978
- Contractual	**120**	140
	1,077	1,118
Average number of employees during the year		
- Regular	**957**	975
- Contractual	**73**	83
	1,030	1,058

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Group has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has exposure to the following risks from its use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

Risk Management framework

The Board meets frequently throughout the year for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

41.1 Financial assets and liabilities by category and their respective maturities

	2023			2022		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Loans, advances and deposits	10,700	152,948	163,648	108,192	164,747	272,939
Trade receivables	1,387,948	-	1,387,948	1,028,524	-	1,028,524
Other receivables	114,393	-	114,393	49,452	-	49,452
Bank balances	1,014,176	-	1,014,176	1,573,709	-	1,573,709
Cash in hand	840	-	840	16,381	-	16,381
At fair value through profit or loss						
Short term investments	1,804,815	-	1,804,815	-	-	-
	4,332,872	152,948	4,485,820	2,776,258	164,747	2,941,005
Financial liabilities						
Long term finance	1,256,211	6,435,527	7,691,738	748,882	7,211,855	7,960,737
Trade and other liabilities	5,756,061	-	5,756,061	5,205,355	-	5,205,355
Unclaimed dividend	11,275	-	11,275	11,422	-	11,422
Short term borrowings	2,202,442	-	2,202,442	3,048,709	-	3,048,709
Lease Liabilities	38,955	-	38,955	60,714	-	60,714
Accrued markup	145,589	-	145,589	78,375	-	78,375
	9,410,533	6,435,527	15,846,060	9,153,457	7,211,855	16,365,312
On statement of financial position date gap	(5,077,661)	(6,282,579)	(11,360,240)	(6,377,199)	(7,047,108)	(13,424,307)
Net financial liabilities						
Interest bearing	(2,856,617)	(6,435,527)	(9,292,144)	(3,459,282)	(7,211,855)	(10,671,137)
Non-interest bearing	(2,221,044)	152,948	(2,068,096)	(2,917,917)	164,747	(2,753,170)
	(5,077,661)	(6,282,579)	(11,360,240)	(6,377,199)	(7,047,108)	(13,424,307)

41.2 Market Risk

(a) Interest rate risk

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

At June 30, 2023, the Group has variable interest bearing financial liabilities of Rs. 9.5 billion (2022: Rs. 11.46 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 190.05 million (2022: Rs. 229.19 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

(b) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Group's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2023, trade and other payables of Rs. 721.03 million (2022: Rs. 552.87 million), trade debts of Rs. 973.36 million (2022: Rs. 658.51 million) and bank balance of Rs. 111.39 million (2022: Rs. 785.53 million) are exposed to foreign currency risk.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 7.26 million (2022: Rs. 17.84 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. Nil (2022: Rs. 0.48 million), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables, and trade debts.

As at June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 0.02 million (2022: Rs. 0.02 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

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

c) Price risk

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

The Group has fair value investment in mutual funds of Rs. 1.805 million (2022: Rs. Nil) as a result of changes in the levels of net asset value of units held by the Group. As at June 30, 2023, had there been increase / decrease in net asset value by 2%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs. 0.04 million (2022: Rs. Nil).

41.3 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 4,485.82 million (2022: Rs. 2,941 million) the financial assets exposed to the credit risk amounts to Rs. 2,767.36 million (2022: Rs. 2,924.62 million). The carrying values of financial assets are as under:

	2023	2022
	------------(Rupees '000)------------	
Trade receivables	1,387,948	1,028,524
Deposits, loans, advances and other receivables	365,237	322,391
Bank balances	1,014,176	1,573,709
	2,767,361	2,924,624

Trade receivables of the Group are not exposed to significant credit risk as the Group trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2023, secured and unsecured trade receivables amounted to Rs. 1,323.52 million and Rs. 64.42 million (2022: Rs. 855.98 million and Rs. 172.54 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade receivables relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2022: Rs. 99.94 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 140.39 million (2022: Rs. 162.43 million) are secured against their retirement benefits.

Bank balance is held only with reputable banks with high quality external rating assessed by external rating agency. Following are the credit ratings of banks within which balances are held or credit lines available:

Banks	Rating Agency	Rating Short Term	Rating Long Term
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Al-Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	VIS	A1+	AA+
MCB Bank Limited	VIS	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Industrial and Commercial Bank of China Limited	Fitch Ratings	F1+	A

41.4 Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Six months or less	Six to twleve months	One to five years	More than five years
	(Rupees '000)					
As at June 30, 2023						
Financial liabilities						
Long-term financing	7,691,738	(9,915,088)	(718,722)	(712,668)	(5,388,056)	(3,095,642)
Short-term borrowings	2,452,442	(2,452,442)	(2,452,442)	-	-	-
Accured mark up	145,589	(145,589)	(145,589)	-	-	-
Trade & other payables	6,976,903	(6,976,903)	(6,976,903)	-	-	-
Lease liabilities	38,955	(43,975)	(13,890)	(20,800)	(9,285)	-
Unclaimed dividend	11,275	(11,275)	(11,275)	-	-	-
	17,316,902	(19,545,272)	(10,318,821)	(733,468)	(5,397,341)	(3,095,642)

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
As at June 30, 2022						
Financial liabilities						
Long term financing	7,960,737	(10,039,329)	(303,925)	(650,511)	(5,598,820)	(3,486,073)
Short-term borrowings	3,898,709	(3,898,709)	(3,898,709)	-	-	-
Accrued mark-up	78,375	(78,375)	(78,375)	-	-	-
Trade and other payables	7,136,425	(7,136,425)	(7,136,425)	-	-	-
Lease liabilities	60,714	(69,389)	(11,601)	(15,713)	(42,075)	-
Unclaimed dividend	11,422	(11,422)	(11,422)	-	-	-
	19,146,382	(21,233,649)	(11,440,457)	(666,224)	(5,640,895)	(3,486,073)

41.5 Fair values of the financial instruments

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

As at June 30, 2023, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments (Note 12) which are carried at level 2 of fair value hierarchy.

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

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

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

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

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

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

- changes in market and trading activity (e.g. significant increases / decreases in activity)

- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

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

The table below analyses financial instruments carried at fair value by valuation method.

	Level 1	Level 2	Level 3	Total
	(Rupees '000)			
As at June 30, 2023				
Investments - Fair value through profit or loss	**-**	**1,804,815**	**-**	**1,804,815**
As at June 30, 2022				
Investments - Fair value through profit or loss	-	-	-	-

41.6 Capital Risk Management

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

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

The debt to capital ratio at June 30, 2023 was as follows:

	2023	2022
	(Rupees '000)	
Total borrowings - note 16 & 24	**10,144,180**	11,859,446
Cash and bank - note 13	**(1,015,016)**	(1,590,090)
Net debt	**9,129,164**	10,269,356
Equity	**25,487,602**	21,235,687
Total capital	**34,616,766**	31,505,043
Debt to capital ratio	**26%**	33%

42. OPERATING SEGMENT

42.1 These consolidated financial statements have been prepared on the basis of a single reportable segment.

42.2 All non-current assets of the Holding Company as at June 30, 2023 are located in Pakistan.

43. CAPACITY AND PRODUCTION

43.1 Holding Company - Attock Cement Pakistan Limited

	2023	2022
	---------- (Metric tons) ----------	
Production capacity		
- Clinker	**2,883,000**	2,883,000
- Cement	**3,027,150**	3,027,150
Actual production		
- Clinker	**1,971,426**	2,180,178
- Cement	**1,503,714**	1,797,723

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

43.2 Subsidiary Company - SAKCPCL

	2023	2022
	---------- (Metric tons) ----------	
Production capacity		
- Cement	**540,000**	540,000
Actual production		
- Cement	**677,370**	687,889

44. DETAILS OF SUBSIDIARY COMPANY

Name of Subsidiary	**Financial year end**
Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL)	**June 30**

Set out below is summarised financial information of subsidiary that has NCI:

	2023	2022
	(Rupees '000)	
Percentage Holding	**40.00%**	40.00%
Total Assets	**16,059,427**	10,155,653
Total Liabilities	**1,938,324**	877,071
Total Comprehensive Income	**589,194**	586,728
Allocated to NCI	**235,678**	234,691
Accumulated NCI	**5,275,522**	3,711,433
Cash and Cash Equivalent	**1,045,180**	665,292
Cash generated / (utilized) from		
- operating activities	**1,978,646**	(1,013,133)
- investing activities	**(1,877,339)**	(902,104)

45. GENERAL

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

46. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 29, 2023 has proposed cash dividend of Rs.6.0 per share (2022: Rs. 1.5 per share) amounting to Rs.825 million (2022: Rs. 206 million) subject to the approval of the members of the Holding Company in the forthcoming annual general meeting.

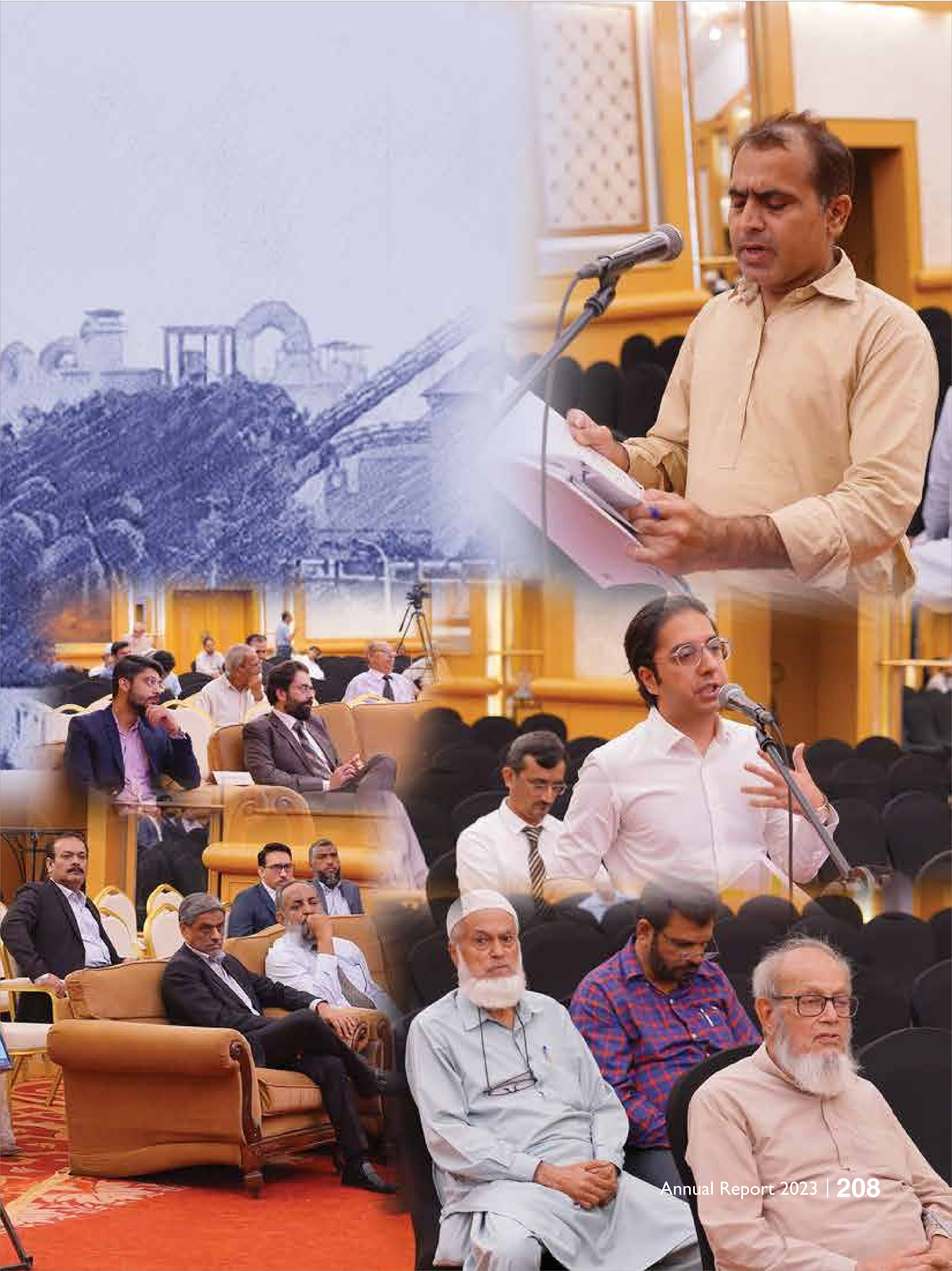
47. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors on August 29, 2023.

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

EVENTS

General Meetings



Long Service Award


LONG SERVICE
30th LONG SERVICE

Happy Independence Day


Attock Cement Pakistan Limited
FALCON CEMENT

Annual Picnic


AIG
adidas
JG 8434

اس کے علاوہ انتظامیہ لاگت میں کمی کے لئے مختلف اقدامات بھی آزما رہی ہے، جن میں سب سے اہم درآمدی کوئلے کی جگہ مقامی کوئلے کا استعمال اور پلانٹ آپریشنز میں ہر ممکن حد تک متبادل ایندھن کے استعمال کو بڑھانا ہے۔ مزید برآں، کمپنی ہر ممکن حد تک قومی گرڈ پر اپنا انحصار کم کرنے کے طریقے اور ذرائع کی تلاش میں ہے اور پہلے قدم کے طور پر کمپنی پہلے ہی تقریباً 21 میگاواٹ کی گنجائش کا ایک سولر پارک قائم کر چکی ہے۔ کمپنی سستی بجلی کے لئے دیگر قابل عمل اور عملیاتی طریقوں کا بھی جائزہ لے رہی ہے۔

انتظامیہ مذکورہ بالا اقدامات کے ذریعے کمپنی کو ان مشکل حالات میں بھی منافع بخش رکھنے کی بھرپور کوشش جاری رکھے گی۔

اظہار تشکر

کمپنی وفاقی اور صوبائی حکومت، ریگیولیٹری اداروں، اپنے معزز صارفین، بینکرز اور سپلائرز کے تعاون کا تہہ دل سے اعتراف کرتے ہوئے ان کا بھرپور شکریہ ادا کرتی ہے۔

بحکم بورڈ

بابر بشیر نواز
چیف ایگزیکٹو

عبدالستار
ڈائریکٹر

29 اگست 2023

راولپنڈی، پاکستان

- بورڈ کو ہیومن ریسورس مینجمنٹ کی پالیسیوں کی تجاویز دینا،
- بورڈ کو کمپنی کے چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، جانچ، ترقی، معاوضوں (بشمول ریٹائرمنٹ کے فوائد) کی تجاویز دینا،
- اہم انتظامی عہدوں پر تقرریوں کے لئے، جو براہ راست چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو جوابدہ ہوں، چیف ایگزیکٹو آفیسر کی تجاویز پر غور وخوض اور ان کی منظوری دینا، اور
- اگر ہیومن ریسورس اور ریمونریشن کنسلٹنٹس کا تقرر کیا گیا ہو تو ان کے کوائف کا کمیٹی کو علم ہونا اور ان کی جانب سے ایک بیان دیا جانا کہ آیا ان کا کمپنی کے ساتھ کوئی اور تعلق بھی ہے۔

مستقبل کی توقعات

مالی سال 24-2023 کا آغاز مثبت انداز سے ہوا اور پاکستان نے آئی ایم ایف کے ساتھ کامیاب مذاکرات کے بعد 9 ماہ کے لئے 3 ارب ڈالر کے معاہدہ پر دستخط کئے، جس کی پہلی قسط وصول ہو چکی ہے۔ اس قسط کے ساتھ سعودی عرب اور متحدہ عرب امارات سے ڈپازٹس کی وصولی نے ملکی زرمبادلہ کے کمزور ذخائر کو وہ مدد فراہم کی ہے جس کی اسے اشد ضرورت تھی۔ ایک عام تاثر یہ ہے کہ پاکستان کم از کم اسٹینڈ بائی فیسلیٹی کی مدت کے دوران ڈیفالٹ کے خطرے سے نکل آیا ہے۔

نگران سیاسی حکومت کی تقرری بھی خوش اسلوبی سے ہوگئی ہے اور ایسا لگتا ہے کہ ملک عام انتخابات کی جانب بڑھ رہا ہے جس سے ملک میں سیاسی استحکام آ سکتا ہے جس کی اسے انتہائی ضرورت ہے۔ تاہم ملک کے معاشی منتظمین کو انتہائی بلند افراط زر کو قابو میں لانے کے لئے اشد محنت کرنی ہوگی جو اس وقت تقریباً 28 فیصد کی سطح تک پہنچ چکی ہے۔ ایسا نظر آتا ہے کہ مختصر سے درمیانی مدت میں افراط زر کی شرح بلند رہے گی کیونکہ بجلی اور گیس کے نرخوں میں زبردست ایڈجسٹمنٹ کے علاوہ عالمی سطح پر تیل کی قیمتوں میں اضافے سے مجموعی افراط زر پر منفی اثرات مرتب ہوں گے۔ افراط زر کی بلند شرح کے باعث مرکزی بینک کو شرح سود بھی زیادہ رکھنا پڑے گی جو ملک میں کاروباری لاگت میں اضافہ کا باعث بنے گی۔ گھٹتی ہوئی برآمدات اور ترسیلات زر میں کمی کی وجہ سے روپے اور ڈالر کے تناسب کو موجودہ سطح پر برقرار رکھنا بھی ایک چیلنج رہے گا۔ اس طرح کے ناسازگار ماحول میں سرمایہ کاروں کے لئے ملک کے تعمیراتی شعبہ میں اپنا سرمایہ لگانا مشکل ہوگا اور اسی لئے توقع کی جا رہی ہے کہ سال 24-2023 کے دوران سیمنٹ کی طلب بدستور کم رہے گی۔ بجلی اور ڈیزل کی قیمتوں جیسے پیداواری اخراجات میں مسلسل اضافے کا رجحان منافعوں میں کمی کا باعث بنا رہے گا۔

بڑھتے ہوئے معاشی مسائل ملک میں صنعتی استحکام کے لئے مسلسل چیلنج بنے رہیں گے اور معیشت کی رفتار کو سست کر دیں گے۔ کمپنی کی انتظامیہ موجودہ حالات کا بخوبی ادراک رکھتی ہے اور اپنی حکمت عملی اس انداز سے مرتب کر رہی ہے کہ کمپنی کو رواں اور منافع بخش رکھنے کو یقینی بنایا جائے تاکہ کاروباری چیلنجز پر قابو پایا جا سکے۔ لہٰذا کمپنی سیمنٹ کی فروخت کے لئے شمالی امریکہ اور مغربی افریقہ جیسی غیر روایتی اور دور دراز مارکیٹوں کو بھی تلاش کر رہی ہے۔

15- بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ کسی بھی مسئلہ یا معاملہ کو زیرِ غور لانا۔

16- ایکسٹرنل آڈیٹرز

- ایکسٹرنل آڈیٹرز کے تقرر کے لئے تجاویز دینا۔
- ایکسٹرنل آڈیٹرز کے استعفوں اور سبکدوشی کے امور کا جائزہ لینا۔
- آڈٹ فیس کا تعین۔
- ایکسٹرنل آڈیٹرز کی جانب سے کمپنی کو ہر قسم کی خدمات، بشمول مالیاتی حساب کے آڈٹ کی فراہمی کو یقینی بنانا اور
- ایکسٹرنل آڈیٹرز کو ہر قسم کا تعاون فراہم کرنا اور عبوری اور حتمی محاسبہ کے بعد سامنے آنے والے اہم مشاہدات یا دیگر امور جن کی آڈیٹرز نشاندہی کرنا چاہیں، ان پر گفت و شنید کرنا۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ایک ہیومن ریسورس کمیٹی تشکیل دی ہے جو درج ذیل ارکان پر مشتمل ہے:

نمبر شمار	ارکان کے نام	عہدہ
1	جناب شمیم احمد خان	چیئرمین/ نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر
3	جناب محمد ہارون	نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر

اغراض و مقاصد

بورڈ کی اس کمیٹی کے وسیع تر اغراض و مقاصد درج ذیل ہیں:

- ڈائریکٹرز (ایگزیکٹیو اور نان ایگزیکٹو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران) کے مشاہرے کے تعین کے لئے ایک پالیسی فریم ورک بورڈ کے غور و خوض اور منظوری کے لئے تجویز کرنا۔ سینئر مینجمنٹ لیول کی وضاحت بورڈ کی جانب سے متعین کی جائے گی جو عمومی طور پر چیف ایگزیکٹو آفیسر کی سطح کے بعد مینجمنٹ کی پہلی پرت پر مشتمل ہوتی ہے۔
- بحیثیت مجموعی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے سالانہ جائزے کی کارروائی منعقد کرنا چاہے براہِ راست ہو یا بیرونی آزاد کنسلٹنٹ کی تقرری کے ذریعے، اور اگر ایسی تقرری کی جائے تو اس مقصد کے لئے ڈائریکٹرز رپورٹ میں ایک بیان شامل کیا جائے جس میں کنسلٹنٹ کا کام، اہلیت اور تقرری کی اہم شرائط بیان کی گئی ہوں،

- فیصلہ کاری سے متعلقہ امور؛
- آڈٹ کے نتیجہ میں اہم توافق (Adjustments)؛
- معمول کی کارگزاری کی تفہیم؛
- اکاؤنٹنگ پالیسیوں اور معمولات میں کسی قسم کی تبدیلی؛
- قابلِ اطلاق اکاؤنٹنگ معیارات کی پیروی؛
- درج شدہ قوانین اور دیگر قانونی ضوابط کی ضروریات کی تعمیل؛ اور
- متعلقہ پارٹی سے لین دین۔

4- ایکسٹرنل آڈٹ کی معاونت کرنا اور عبوری اور حتمی آڈٹس کے نتیجہ میں سامنے آنے والے اہم مشاہدات پر آڈیٹرز سے تبادلہ خیال کرنا یا کوئی بھی دیگر معاملات جن کی آڈیٹرز نشاندہی کرنا چاہتے ہوں، جہاں ضروری ہو، انتظامیہ کی عدم موجودگی میں بھی ایسا کیا جاسکتا ہے۔

5- ایکسٹرنل آڈیٹرز کی جانب سے جاری کردہ مینجمنٹ لیٹر کا جائزہ اور اس پر انتظامیہ کے ردِعمل کا جائزہ لینا۔

6- انٹرنل اور ایکسٹرنل آڈیٹرز کے درمیان ہم آہنگی اور روابط کو یقینی بنانا۔

7- انٹرنل آڈٹ کے دائرہ کار اور حدود کا جائزہ لینا اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ کو مناسب وسائل دستیاب ہیں اور اسے درست انداز میں مقرر کیا گیا ہے۔

8- اندرونی تفتیش کے بعد دھوکہ دہی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے کیسز کو زیرِغور لانا اور ان پر انتظامیہ کے ردِعمل کا جائزہ لینا۔

9- اس بات کو یقینی بنانا کہ داخلی ضبط کا نظام (Internal Control System) مالیاتی اور کارگزاری شعبوں میں قائم ہے، خرید وفروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے ریکارڈ مرتب کرنے کے لئے اکاؤنٹنگ کا نظام فعال ہے اور رپورٹنگ کا ڈھانچہ بھی موزوں اور مؤثر ہے۔

10- داخلی ضبط کے نظام پر بیان کا بورڈ آف ڈائریکٹرز کی تصدیق سے قبل جائزہ لینا۔

11- چیف ایگزیکٹو سے مشاورت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے واضح کردہ خصوصی منصوبے، روپے کی قدر کے مطالعے اور دیگر امور کا آغاز اور ان پر اقدامات کرنا اور ایسے کسی معاملے کو ایکسٹرنل آڈیٹرز یا کسی دوسرے بیرونی ادارے کو منتقل کرنے پر غور کرنا۔

12- ضروری قانونی تقاضوں سے مطابقت کو یقینی بنانا۔

13- ان قوانین پر عمل درآمد کا جائزہ لینا اور اس کی نمایاں خلاف ورزیوں کی نشاندہی کرنا۔

14- اسٹاف اور انتظامیہ کے لئے ایسے انتظامات کا جائزہ لینا کہ جن میں مالیاتی اور دیگر معاملات میں کسی خرابی کی صورت میں آڈٹ کمیٹی کو مکمل رازداری کے ساتھ رپورٹ کرسکیں اور اس کے انسداد اور تخفیف کے لئے اقدامات بروئے کار لانا۔

ہولڈنگ کمپنی

میسرز فراؤن انویسٹمنٹ گروپ لمیٹڈ ہولڈنگ S.A.L، لبنان (PIGL)، لبنان میں قائم شدہ ایک کمپنی ہے جس کا رجسٹرڈ دفتر بیروت میں واقع ہے۔ PIGL اٹک سیمنٹ پاکستان لمیٹڈ کے 84.06 فیصد حصص کی مالک ہے۔

حصص یافتگی کا خاکہ

30 جون، 2023 کو کمپنی کی حصص یافتگی کا خاکہ صفحہ نمبر 52 پر دیا گیا ہے۔

آڈیٹرز

44 ویں سالانہ اجلاس عام کے اختتام پر کمپنی کے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی تجویز پیش کی ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ایک آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان درج ذیل ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ
1	جناب شمیم احمد خان	چیئرمین / نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر

اغراض و مقاصد (Terms of Reference)

بورڈ کی اس کمیٹی کے وسیع تر اغراض و مقاصد درج ذیل ہیں:

1- کمپنی کے اثاثوں کی حفاظت کے لئے مناسب اقدامات کا تعین کرنا۔

2- نتائج کے ابتدائی اعلانات کا بیرونی ابلاغ اور اشاعت سے قبل جائزہ لینا۔

3- بورڈ آف ڈائریکٹرز کی منظوری سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی رپورٹس کا جائزہ لینا، جس میں درج ذیل نکات پر خصوصی توجہ مرکوز کرنا:

i) زیر جائزہ سال میں کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگز منعقد ہوئیں۔ ڈائریکٹرز اور چیف ایگزیکٹو کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر/ چیف ایگزیکٹو کا نام	عہدہ	حاضریوں کی تعداد
1	جناب لیث غیث فراؤن	چیئر مین/ نان ایگزیکٹو ڈائریکٹر	5
2	جناب وائل غیث فراؤن	نان ایگزیکٹو ڈائریکٹر	5
3	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	5
4	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
5	جناب شمیم احمد خان	نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹر	5
6	جناب محمد ہارون	نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹر	5
7	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر اور چیف ایگزیکٹو	5

j) زیر جائزہ سال میں آڈٹ کمیٹی کی 04 میٹنگز منعقد ہوئیں، ڈائریکٹرز کی حاضری کی تفصیلات درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	حاضریوں کی تعداد
1	جناب شمیم احمد خان	چیئر مین/ نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹر	4
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	4
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	4

k) ڈائریکٹرز، ایگزیکٹیوز، ان کی ازواج اور نابالغ بچوں کی جانب سے سال 23-2022 کے دوران کی جانے والی حصص کی لین دین کی تفصیلات صفحہ نمبر 52 پر دی گئی ہیں؛ اور

l) گزشتہ 06 سالوں کے بنیادی آپریٹنگ اور مالیاتی اعداد و شمار کی تفصیلات صفحہ نمبر 60 پر موجود ہیں۔

ڈائریکٹرز کے مشاہرہ کی پالیسی

کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ میٹنگز میں شرکت کے لئے ڈائریکٹرز کے اعزازیہ/ مشاہرہ کی پالیسی کی منظوری دی ہے۔ بورڈ میٹنگز میں شرکت کے لئے میٹنگ فیس مقرر کی گئی ہے جبکہ بورڈ میٹنگز میں شرکت کے لئے ہونے والے اخراجات کی ادائیگی (Reimbursement) کے لئے بھی پالیسی وضع کی گئی ہے۔ ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لئے مشاہرہ کی پالیسی یکساں ہے۔

کمپنی نے صقر الکیطان میں سرمایہ کاری کی درجہ بندی "Held for sale" کے طور پر کی ہے، جیسا کہ مالیاتی نکات کے نوٹ نمبر 14 میں بیان کیا گیا ہے۔ کمپنی کو وصول شدہ قیمت فروخت مالیاتی نکات کے نوٹ 14 میں ظاہر کی گئی ہے۔

منصوبوں پر پیش رفت

لائن IV پروجیکٹ

لائن IV سے متعلق پلانٹ اور مشینری کی مکمل شپمنٹ کمپنی کی سائٹ پر پہنچ چکی ہے۔ تمام سول، میکینکل اور الیکٹریکل کنٹریکٹرز متحرک کیے جا چکے ہیں اور پروجیکٹ پر کام زور و شور سے جاری ہے۔ توقع ہے کہ پلانٹ کی تعمیر سال 2024 کی پہلی سہ ماہی تک مکمل ہو جائے گی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

ڈائریکٹرز بذریعہ ہذا تصدیق کرتے ہیں کہ:

a) منسلکہ مالی حسابات کمپنی کے حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کا راست جائزہ پیش کرتے ہیں؛

b) کمپنی نے کھاتوں کی کتابیں باقاعدہ مرتب کی ہیں؛

c) مالیاتی حسابات مرتب کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا باقاعدہ اطلاق کیا گیا ہے اور کھاتوں کے تخمینہ جات کی معقول اور محتاط جانچ کی گئی ہے؛

d) مالیاتی حسابات بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جو کہ پاکستان میں قابل اطلاق ہیں، کے مطابق مرتب کئے گئے ہیں؛

e) داخلی ضبط (Internal control) کا نظام مستحکم ہے اور اس کی موثر انداز سے نگرانی اور اطلاق کو یقینی بنایا جاتا ہے؛

f) کمپنی کی معمول کے انداز سے کارگزار رہنے کی صلاحیت پر کوئی شکوک و شبہات نہیں ہیں؛

g) کاروباری انتظام کی بجا آوری کے حوالے سے درج شدہ ضوابط کے مطابق کوئی خصوصی اخراج نہیں ہے؛

h) میعادی بینیفٹ اسکیموں میں سرمایہ کاری کی قدر ان کے متعلقہ حالیہ کھاتوں کے مطابق درج ذیل ہے:

	روپے ملین میں	اختتامی سال
پروویڈنٹ فنڈ (غیر آڈٹ شدہ)	1,005	30 جون، 2023
گریجویٹی فنڈز (غیر آڈٹ شدہ)	597	30 جون، 2023
پنشن فنڈز (غیر آڈٹ شدہ)	541	30 جون، 2023

تعلیم کے شعبہ میں تعاون کی فراہمی کے لئے اٹک سیمنٹ پاکستان لمیٹڈ نے اسکول جانے والے بچوں کے لئے اسٹیشنری، یونیفارم اور جوتے عطیہ کئے۔ اس کے علاوہ گورنمنٹ گرلز پرائمری اسکول کے لئے فرنیچر بھی عطیہ کیا۔

اٹک سیمنٹ پاکستان لمیٹڈ انفرااسٹرکچر ڈویلپمنٹ میں بھی سب سے آگے رہی ہے لہٰذا کمپنی نے ٹریفک کی روانی برقرار رکھنے کے لئے علاقے کی ذیلی اور مرکزی سڑکوں کی مرمت کروائی ہے۔

صحت، تحفظ اور ماحول (ہیلتھ، سیفٹی اور انوائرنمنٹ)

21 میگاواٹ کے سولر پاور پلانٹ نے کام کا آغاز کر دیا ہے جس نے فوسل فیول کے ذریعے پیدا شدہ بجلی پر اٹک سیمنٹ پاکستان لمیٹڈ کے انحصار کو کم کر دیا ہے، جس سے سیمنٹ کی پیداوار کے لئے ممکنہ حد تک سب سے زیادہ ماحول دوست طریقے استعمال کرنے کے ہمارے عزم کو مزید تقویت ملتی ہے۔

کمپنی نے ISO 9001، ISO 14001 اور OHSAS 18001 کے تقاضوں پر عمل کرتے ہوئے معیار، ماحول، صحت اور تحفظ کا ایک مربوط مینجمنٹ سسٹم نافذ کیا ہے۔

اٹک سیمنٹ پاکستان لمیٹڈ اپنی فیکٹری کی حدود میں شجر کاری کی مختلف مہمات میں سرگرم رہتی ہے تاکہ فیکٹری کے اندر اور ارد گرد کے علاقہ کو زیادہ سے زیادہ سرسبز بنا سکے۔ اس سلسلے میں کمپنی نے اس سال فیکٹری کی حدود میں تقریباً 9,000 پودے لگائے ہیں اور آئندہ بھی یہ سلسلہ جاری رکھے گی۔

صقر الکیطان میں کمپنی کی ایکویٹی کا اختتام

کمپنی کے حصص یافتگان نے منعقدہ اجلاس مورخہ 25 مئی 2023 کمپنی کی انتظامیہ کو بصرہ، عراق میں قائم کمپنی ''صقر الکیطان فار سیمنٹ پروڈکشن کمپنی لمیٹڈ (SAKCPCL)'' کی تمام شیئر ہولڈنگ واپس نکال لینے کی منظوری دی ہے۔

صقر الکیطان کا قیام 03 نومبر 2014 کو عراقی قوانین کے تحت عمل میں آیا تھا، ذیلی کمپنی کا موجودہ منظور شدہ حصص کا سرمایہ 30,000,000 حصص ہے جس میں سے کمپنی 18,000,000 حصص کی مالک ہے، جو ذیلی کمپنی کے منظور شدہ حصص کے کل سرمائے کے 60 فیصد حصہ ہے۔

کمپنی کی مجموعی شیئر ہولڈنگ کو 11,700,000 امریکی ڈالر (ایک کروڑ ستر لاکھ امریکی ڈالر) فی کس کے حساب کے عوض دو خریداروں کو فروخت کیا جا رہا ہے، جس میں

(i) جناب عبداللطیف محسن الکیتان کو، جو کہ ایک عراقی شہری ہیں (''انفرادی خریدار'')، 50 فیصد یعنی 9,000,000 حصص فروخت کئے گئے ہیں، اور

(ii) M/s Lamassu Babylon General Trading Companys کو، جو دبئی، متحدہ عرب امارات کے قوانین کے تحت قائم کردہ کمپنی ہے (''کارپوریٹ خریدار'')، بقیہ 50 فیصد یعنی 9,000,000 حصص فروخت کئے گئے ہیں (ان دونوں کو مجموعی طور پر ''خریدار'' کہا جائے گا)۔

کمپنی نے 26 مئی، 2023 کو حصص کی خریداری کے معاہدے پر دستخط کئے۔ ماہ جون 2023 کے دوران کمپنی کو پہلی قسط کے طور پر 9,000,000 حصص کی فروخت سے مجموعی طور پر 11.7 ملین امریکی ڈالر وصول ہوئے، تاہم عراقی قوانین کے تحت حصص کی منتقلی رجسٹرار کی منظوری سے مشروط تھی جو 26 جولائی، 2023 کو حاصل کر لی گئی۔

ٹیلنٹ ایکویزیشن اور کارکردگی کی جانچ کے لئے ہمارے پروگرام اس انداز سے مرتب کئے جاتے ہیں کہ ہر ملازم کو وسیع مواقع کی فراہمی کے ذریعے مستقبل میں قائدانہ کردار کے لئے تیار کیا جا سکے۔ کمپنی میں ملازمین کی تنخواہیں اور دیگر مراعات مارکیٹ کے مسابقتی معیار کے مطابق ہیں اور ان کی انفرادی کارکردگی کے درست جائزے کے مطابق ہوتی ہیں۔ اس سلسلے میں معیار کی پیمائش اور اہم عہدوں کی ترقی کے لئے تسلسل کے ساتھ مارکیٹ سروے کئے جاتے ہیں۔ لہٰذا کمپنی کو فخر ہے کہ وہ اپنے ملازمین کو معاوضے کی ادائیگی اور کیریئر کی ترقی دونوں اعتبار سے بہترین مواقع فراہم کرتی ہے۔

کمپنی اپنے ملازمین کے ساتھ آزادانہ روابط پر یقین رکھتی ہے اور انہیں اپنی رائے اور خیالات کے اظہار کے آزادانہ مواقع فراہم کرتی ہے تاکہ ان کی صلاحیتوں کو بہتر انداز میں اجاگر کیا جا سکے۔

بین الادارہ جاتی روابط کے فروغ کے لئے ٹیم بلڈنگ سرگرمیوں اور دیگر ترقیاتی پرگراموں کا تسلسل سے انعقاد کیا جاتا ہے جو ملازمین کی استعداد میں اضافہ کا باعث بنتی ہیں۔ اس کے علاوہ ملازمین سے متعلق پالیسیوں، کمپنی کے مجموعی ماحول کو چیک کرنے اور ملازمین کو مزید سہولتوں کی فراہمی کے لئے مزید فیصلے کرنے کے حوالے سے ملازمین کے سروے اور فیڈ بیک سیشنز کا تسلسل کے ساتھ انعقاد کیا جاتا ہے۔ عمومی تحفظ، صحت اور پیشہ ورانہ صلاحیتوں کے نکھار اور ملازمین کی استعداد کار کو مزید وسعت دینے کے لئے تسلسل سے آگاہی نشستوں کا اہتمام کیا جاتا ہے۔

ملازمین کی صلاحیتوں کو مزید نکھارنے/نمایاں کرنے کے لئے کمپنی کے اندر سے تربیت دینے کی صلاحیت رکھنے والے افراد کی نشاندہی کی جاتی ہے، تاکہ عمومی تربیت کو فروغ دیا جا سکے اور اسی کے مطابق پروگرام ترتیب دیئے جا سکیں۔

کارپوریٹ سماجی ذمہ داری

ہمیشہ انسانیت کی خدمت کے تصور کے مطابق کمپنی مقامی کمیونٹی کی ایک فعال رکن رہی ہے اور زیر جائزہ سال کے دوران کمپنی نے اپنے کارپوریٹ سماجی ذمہ داری کے پروگرام کے تحت تعلیم، صحت، سماجی بہبود اور کمیونٹی ڈویلپمنٹ کے شعبوں میں متعدد اقدامات کئے ہیں۔

سال 2022 کے تباہ کن سیلاب کے بعد اٹک سیمنٹ پاکستان لمیٹڈ نے نقد رقم اور اشیا کی صورت میں تقریباً 12 ملین روپے خرچ کئے ہیں جن میں وزیراعظم کے فلڈ ریلیف فنڈ میں 10 ملین روپے کا عطیہ بھی شامل ہے، کہ پاکستان کے سیلاب سے متاثرہ لوگوں کی زیادہ سے زیادہ مدد کی جا سکے۔

اس کے علاوہ کمپنی پلانٹ کے اطراف میں موجود گاؤں گوٹھ کے نادار خاندانوں کو راشن اور چیریٹی پروگرام کے ذریعے مالی اعانت فراہم کرتی ہے، اور پانی کے فلٹریشن پلانٹ قائم کر کے اور ٹینکروں کے ذریعے انہیں پینے کا صاف پانی فراہم کرتی ہے۔

مزید برآں، کمپنی نے فیکٹری کے قریب واقع TCF اسکول میں مفت آئی کیمپ کا بھی انعقاد کیا۔ یہ کیمپ اختر آئی ہسپتال اور کمپنی کے اشتراک سے لگایا گیا تھا جس سے تقریباً 285 مریضوں نے استفادہ حاصل کیا۔ ڈاکٹر سے مشورہ، آنکھوں کے عام مسائل کے لئے ادویات اور بصارت کے مسائل سے دوچار مریضوں کے لئے چشمے مفت فراہم کئے گئے۔ اس کے ساتھ ساتھ موتیا بند کے 27 مریض سامنے آئے تاکہ ان مریضوں کا موتیا کا آپریشن اختر آئی ہسپتال میں مفت کیا جا سکے۔

بلاشبہ گزشتہ مالی سال 23-2022 پاکستان کی حالیہ معاشی تاریخ کا بدترین سال تھا، جس کے دوران پاکستان میں سیمنٹ کے شعبہ کو بہت زیادہ رکاوٹوں کا سامنا رہا، جن میں سیلاب کے انفرااسٹرکچر پر اثرات کی وجہ سے طلب میں کمی اور سیاسی غیر یقینی سے تعمیراتی سرگرمیوں میں سست روی جیسی رکاوٹیں شامل تھیں۔ مزید برآں، حکومت کی مالیاتی پابندیوں اور محدود عالمی امداد کی وجہ سے بحالی کی کوششیں تاخیر کا شکار ہوئیں، جس سے سیمنٹ کی طلب مزید متاثر ہوئی۔

مزید برآں، دنیا بھر میں معاشی سست روی کی صورتحال سے بھی سیمنٹ کی برآمدات میں کمی آئی، خاص طور پر سری لنکا اور بنگلہ دیش جیسے ممالک زیادہ متاثر ہوئے، جو کہ زرمبادلہ کے بحران سے دوچار رہے۔ مزید یہ کہ تعمیراتی مٹیریل کی قیمتوں میں نمایاں حد تک اضافہ نے سیمنٹ کی صنعت کو بری طرح متاثر کیا ہے۔

اٹک سیمنٹ پاکستان لمیٹڈ کی اہم برآمدی مارکیٹوں، سری لنکا اور بنگلہ دیش کو متعدد وجوہات کی بنا پر اہم چیلنجز درپیش رہے۔ روپے اور امریکی ڈالر کے تناسب کے حوالہ سے دیکھا جائے تو خاص طور پر سری لنکا کی مارکیٹ میں اس کی کرنسی کی یکا یک گراوٹ کی وجہ سے متاثر ہوئی، تاہم گزشتہ مالی سال کے آخری نصف حصہ میں کچھ بہتری دیکھنے میں آئی۔ دریں اثنا بنگلہ دیش کی مارکیٹ پاکستان سے نقل وحمل کے اخراجات نسبتاً زیادہ ہونے کی وجہ سے متاثر ہوئی۔ اس کے نتیجہ میں مالی سال 23-2022 میں سیمنٹ کی برآمدات گزشتہ سال کی 217,289 میٹرک ٹن برآمدات کے مقابلے میں کم ہوکر 150,470 میٹرک ٹن رہ گئیں۔ قابل ذکر بات یہ ہے کہ کل برآمدی حجم کا تقریباً 80 فیصد حصہ سری لنکا کو برآمدات پر مشتمل تھا۔

برآمدی نقل وحمل کے اخراجات میں اضافے اور ملکی معاشی عدم استحکام کے باوجود اٹک سیمنٹ پاکستان لمیٹڈ نے کلنکر کی برآمد میں گزشتہ سال کے مقابلے میں 8 فیصد کا اضافہ کیا۔ تاہم کمپنی نے زیر جائزہ سال کے دوران بنگلہ دیش اور سری لنکا کی علاقائی مارکیٹس میں اپنے اعلیٰ معیار کے کلنکر کی برآمدات کا سلسلہ جاری رکھا اور صومالی لینڈ کو بوری بند سیمنٹ کی برآمد کے ذریعے افریقہ کی مارکیٹ کو بھی بحال کیا، تاہم مذکورہ وجوہات کی بنا پر کمپنی 548,308 میٹرک ٹن کلنکر برآمد کرسکی (22-2021: 505,999 میٹرک ٹن)۔

افرادی قوت

ہم اس بات پر پختہ یقین رکھتے ہیں کہ ہمارے ملازمین ہمارا سب سے قیمتی اثاثہ ہیں، کمپنی اپنے ملازمین کی تربیت پر فراخ دلی سے سرمایہ خرچ کرتی ہے تاکہ ان کی پیشہ ورانہ صلاحیتوں میں اضافہ ہو۔

زیر جائزہ سال کے دوران ملازمین کی سافٹ اسکلز میں بہتری پر خصوصی توجہ دی گئی اور ساتھ ساتھ اچھی ساکھ کے حامل ماہر ٹرینرز کی زیر نگرانی منعقدہ ورکشاپس اور سیمینارز کے ذریعے کام کے لئے محفوظ ماحول کو فروغ دینے کی اہمیت اجاگر کرنے پر بھی خصوصی توجہ دی گئی۔

کمپنی اپنی افرادی قوت میں ترقی کی اہمیت کا ادراک رکھتی ہے لہٰذا انہیں کام کے لئے ایک سازگار ماحول کی فراہمی یقینی بناتی ہے جو مجموعی ادارہ جاتی کارکردگی میں اضافہ کا باعث بنتا ہے۔

اختصاص: 2021-22 کے لئے ادا کردہ حتمی نقد ڈیویڈنڈ		
1.50 روپے فی حصص نقد ڈیویڈنڈ (2020-21: 4.0 روپے فی حصص)	(206,140)	(549,708)
2022-23 کے لئے ادا کردہ عبوری نقد ڈیویڈنڈ 0 روپے فی حصص نقد ڈیویڈنڈ (2021-22: 2.0 روپے فی حصص)	-	(274,854)
غیر تخصیص شدہ منافع C/f	17,594,244	16,117,268

29 اگست، 2023 کو منعقدہ اجلاس میں بورڈ نے 30 جون، 2023 کو ختم ہونے والے سال کے لئے 6 روپے فی حصص (60 فیصد) کے اعتبار سے 825 ملین روپے حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔

قومی خزانے میں ادائیگی

زیرِ جائزہ سال کے دوران کمپنی نے سیلز ٹیکس، انکم ٹیکس، ایکسائز ڈیوٹی اور دیگر قانونی لیویز کی مد میں 7,213 ملین روپے قومی خزانے میں جمع کروائے ہیں۔ اس کے علاوہ کمپنی نے اپنے حصص یافتگان، ملازمین، ڈسٹری بیوٹرز، سپلائرز اور کنٹریکٹرز سے ودہولڈنگ انکم ٹیکس کی مد میں کٹوتی کر کے تقریباً 755 ملین روپے بھی قومی خزانے میں جمع کروائے ہیں۔ مزید برآں زیرِ جائزہ سال کے دوران آپ کی کمپنی نے برآمدات کے ذریعے تقریباً 29 ملین ڈالرز کا قیمتی زرِ مبادلہ بھی کمایا ہے۔

مارکیٹنگ

اپنے قیام سے اب تک کمپنی نے صارفین کا اعتماد حاصل کرنے کے لئے نمایاں سرمایہ کاری کی ہے۔ کمپنی کے اس عزم کا اظہار اعلیٰ معیار کے سیمنٹ/کلنکر کی تسلسل کے ساتھ فراہمی، صارفین تک فوری ترسیل اور اپنی خصوصی سیلز اور مارکیٹنگ ٹیم کے ذریعے صارفین کے ساتھ روابط برقرار رکھ کر ان کا اعتماد حاصل کرنے کی تگ ودو سے ہوتا ہے۔ مزید برآں، کمپنی پیش قدمی کے طور پر ایسی مارکیٹس میں نئے مارکیٹنگ ریسورسز بھی متعارف کراتی ہے جہاں طلب ورسد کی صورتحال نسبتاً سازگار رہتی ہے۔ اس کی بڑی مثال خالص منافع کی بلند شرح کے ساتھ کراچی کی منافع بخش مارکیٹ ہے، جہاں کمپنی نے سخت مسابقت کے باوجود اپنی قائدانہ حیثیت برقرار رکھی ہے۔

مالی سال 2022-23 غیر معمولی حد تک مشکل ثابت ہوا۔ سال 2022-23 کی پہلی سہ ماہی خاص طور پر کراچی اور سندھ کے علاقوں میں مون سون بارشوں اور سیلاب کی وجہ سے کاروبار کے لئے تقریباً بند رہی۔ بین الاقوامی مارکیٹ میں کوئلے کی قیمتیں تیزی سے بڑھیں اور ریچرڈ بے کوئلہ کی اوسط قیمت 276 امریکی ڈالر فی میٹرک ٹن (PMT) کے ساتھ سیمنٹ کی پیداواری لاگت میں نمایاں اضافہ ہوا جس کے نتیجے میں مالی سال 2022-23 کے پہلے چھ ماہ میں فروخت انتہائی کم رہی۔ تاہم مالی سال 2022-23 کے دوسرے نصف حصہ میں کوئلہ کی قیمتیں کم ہو کر 132 امریکی ڈالر فی میٹرک ٹن ہو گئیں، جس کی وجہ سے فروخت بحال ہوئی اور گزشتہ سال کے مقابلہ میں فروخت کے حجم میں قابل ذکر اضافہ دیکھنے میں آیا، جس نے سال کے پہلے نصف حصہ میں فروخت میں کمی کے اثرات کا کافی حد تک ازالہ کیا۔ یہ بات قابل ذکر ہے کہ اس پوری مدت کے دوران عالمی سطح پر سیمنٹ اور کلنکر کی قیمتیں جمود کا شکار رہیں۔

(ii) فائدہ مندی

کمپنی نے مالی سال23-2022 میں1,516 ملین روپے بعداز ٹیکس منافع حاصل کیا(سال22-2021: 1,122 ملین روپے) جوگزشتہ سال کے مقابلہ میں 394 ملین روپے(35 فیصد) زیادہ ہے۔زیر جائزہ سال میں خام منافع گزشتہ سال کے18 فیصد کے مقابلہ میں بہتر ہوکر22 فیصد ہو گیا۔

فروخت کے حجم میں اضافہ کی وجہ سے بہتر خالص منافع اور روپے کے مثبت شرح تبادلہ کی وجہ سے خام منافع میں اضافہ ہوا تاہم فی ٹن فروخت کی پیداواری لاگت میں گزشتہ سال کے مقابلہ میں تقریباً32 فیصد کا نمایاں اضافہ دیکھنے میں آیا۔

لاگت کے بنیادی پیمانوں میں اہم تغیرات،جن کے نتیجے میں مجموعی پیداواری لاگت متاثر ہوئی،درج ذیل ہیں:

- سال23-2022 کے پہلے نصف حصہ میں بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں زبردست اضافے کی وجہ سے کلنکر کی فی ٹن پیداواری لاگت میں گزشتہ سال کے مقابلہ میں 1,959 روپے فی میٹرک ٹن کا اضافہ دیکھنے میں آیا۔اگرچہ مالی سال کے اگلے نصف حصہ میں بین الاقوامی سطح پر کوئلہ کی قیمتیں کم ہونا شروع ہوئیں، تاہم امریکی ڈالر کے مقابلے میں روپے کی قدر میں نمایاں گراوٹ کی وجہ سے یہ کمی جزوی ثابت ہوئی،اور
- دوران سال اوزانی اوسط کی بنیاد پر بجلی کے نرخوں میں11.33روپے فی یونٹ(57فیصد) کا اضافہ ہوا۔اگرچہ کمپنی کے اپنے سولر پاور اور WHRS کے ذریعے بجلی کی پیداوار سے اس زبردست اضافے کے اثرات جزوی طور پر کچھ کم ہوئے تاہم بجلی کے نرخ میں اضافہ مجموعی پیداواری لاگت کو متاثر کرتا رہے گا۔

آپریٹنگ منافع اس سال بھی 12فیصد سالانہ کی سطح پر برقرار رہا۔جس کی بنیادی وجہ تقسیم کی لاگت میں اضافہ ہے جو مقامی اور بین الاقوامی سطح پر نقل وحمل کی اضافہ شدہ لاگت اور پورٹ ہینڈلنگ چارجز پر افراط زر کے اثرات کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں586 ملین روپے(45فیصد) بڑھ گئی۔

کمپنی نے 2,888 ملین روپے کا قبل از ٹیکس منافع (سال22-2021:2,312 ملین روپے) کمایا جو گزشتہ سال کے مقابلہ میں 576 ملین روپے(25فیصد) زیادہ ہے۔

فنانس ایکٹ 2023 میں حکومت نے کمپنیوں کے منافع پر10 فیصد کے حساب سے سپر ٹیکس عائد کیا ہے جس کی بنا پر کمپنی کے انکم ٹیکس واجبات پر نظر ثانی کی گئی۔

(iii) اختصاص

زیر جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

2021-22	2022-23	
.... روپے 000 میں		
1,121,591	1,516,062	بعداز ٹیکس منافع
(6,033)	167,054	جمع: دیگر مجموعی آمدنی
1,115,558	1,683,116	سال کی کل مجموعی آمدنی
15,826,272	16,117,268	غیر تخصیص شدہ منافع b/f
16,941,830	17,800,384	دستیاب منافع برائے اختصاص

جہاں تک بین الاقوامی مارکیٹس کا تعلق ہے، ان مارکیٹس میں علاقائی حریفوں کی جانب سے انتہائی مناسب قیمتوں کی پیشکش کی وجہ سے کمپنی نے زیادہ برآمدات پر زور نہیں دیا۔ لہٰذا انتظامیہ نے ایک دانشمندانہ فیصلہ کیا اور ان مارکیٹس کی جانب اپنی توجہ کم کر دی جہاں قیمتیں انتہائی کم تھیں۔ نتیجتاً کمپنی نے مقامی مارکیٹس میں 548,308 میٹرک ٹن کلنکر برآمد کیا۔ اگرچہ یہ گزشتہ سال کے مقابلے میں 8 فیصد زیادہ تھا، تاہم توقعات سے پھر بھی انتہائی کم تھا۔

مالیاتی کارکردگی

آپ کی کمپنی کے 30 جون، 2023 کو ختم ہونے والے مالی سال کے اہم مالیاتی نتائج، گزشتہ سال کی اسی مدت کے نتائج کے تقابل کے ساتھ درج ذیل ہیں:

	2022-23	2021-22	اضافہ	اضافہ
	.... روپے ملین میں			%
خالص فروخت	**25,477**	20,479	4,998	24
خام منافع	**5,674**	3,702	1,972	53
آپریٹنگ منافع	**3,168**	2,563	605	24
منافع قبل از ٹیکس	**2,888**	2,312	576	25
منافع بعد از ٹیکس	**1,516**	1,122	394	35
آمدنی فی حصص (روپے میں)	**11.03**	8.16	2.87	35

(i) فروخت کی کارکردگی

کمپنی کی فروخت سے حاصل ہونے والی مجموعی آمدنی میں گزشتہ سال کے مقابلے میں 4,998 ملین روپے (24 فیصد) کا اضافہ ہوا۔ مجموعی طور پر اوسط خالص منافع (سیمنٹ اور کلنکر) میں 3,509 روپے فی میٹرک ٹن (39 فیصد) اضافہ ہوا جس کی بنیادی وجہ مقامی سطح پر فروخت کی قیمت میں اضافہ اور برآمدی فروخت میں روپے کی مثبت شرح تبادلہ تھی۔ کمپنی نے پیداواری لاگت میں بے تحاشہ اضافہ کو جزوی طور پر مقامی مارکیٹ کے صارفین تک منتقل کرنے کے لئے ٹھوس اقدامات کئے جس کے نتیجے میں مقامی مارکیٹ میں سیمنٹ کی فروخت کے اوسط خالص منافع میں گزشتہ سال کے مقابلے میں 35 فیصد اضافہ ہوا۔ تاہم بین الاقوامی مارکیٹ میں قیمتیں مستقلاً دباؤ کا شکار رہیں اور ان میں اس تناسب سے اضافہ نہیں ہوا جتنا اضافہ دیگر اشیائے ضروریہ کی قیمتوں میں ہوا، لہٰذا انتظامیہ نے احتیاط کے ساتھ سیمنٹ اور کلنکر، دونوں کی برآمدی فروخت کو محدود رکھا۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مسرت کے ساتھ 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں:

پیداوار اور فروخت

30 جون، 2023 کو ختم ہونے والے مالی سال کے لئے پیداوار اور فروخت کے اعداد و شمار کی تفصیلات درج ذیل ہیں:

	2022-23	2021-22
	.... مقدار میٹرک ٹن میں	
کلنکر کی پیداوار	**1,971,426**	2,180,178
سیمنٹ کی پیداوار	**1,503,714**	1,797,723
سیمنٹ کی فروخت:		
مقامی	**1,356,828**	1,581,592
برآمدات	**150,470**	217,289
کُل	**1,507,298**	1,798,881
کلنکر کی فروخت۔ برآمدات	**548,308**	505,999
کُل فروخت	**2,055,606**	2,304,880

پاکستان اور علاقائی معیشتوں کو درپیش بڑے پیمانے کے معاشی بحران کے پیش نظر مقامی اور بین الاقوامی مارکیٹس میں مجموعی طلب کم رہی اور کمپنی نے اپنی حکمت عملی کے تحت اپنی کم فعال لائن نمبر 1 کو عارضی طور پر بند کر دیا جس کے نتیجے میں مجموعی پیداواری استعداد کا استعمال کم ہو کر گزشتہ سال کے 76 فیصد کے مقابلے میں زیر جائزہ مدت میں 68 فیصد رہ گیا۔

سال 2022-23 کے دوران کمپنی نے مقامی اور برآمدی مارکیٹ میں 1,507,298 میٹرک ٹن سیمنٹ فروخت کیا جو گزشتہ سال کے مقابلے میں 16 فیصد کمی کو ظاہر کرتا ہے۔ فروخت شدہ کل مقدار میں سے 1,356,828 میٹرک ٹن سیمنٹ (سال 2021-22: 1,581,592 میٹرک ٹن) مقامی مارکیٹ میں فروخت کیا گیا، جو گزشتہ سال کے مقابلہ میں 14 فیصد کمی کو ظاہر کرتا ہے۔ بڑھتی ہوئی سیاسی غیر یقینی، بلند شرح سود، روپے اور ڈالر کی قیمت میں نمایاں اتار چڑھاؤ اور افراط زر میں زبردست اضافہ نے مقامی سطح پر سیمنٹ کی طلب کو دباؤ میں رکھا اور مارکیٹ میں مجموعی طور پر 16 فیصد کی کمی واقع ہوئی۔

Form of Proxy

44th Annual General Meeting of Attock Cement Pakistan Limited

I/We ____
of____
being a member(s) of Attock Cement Pakistan Limited holding ____________________________
ordinary shares as per share register folio No. ______________________ or CDC participant ID No. and
sub-account No. _______________________________ hereby appoint ___________________________
of ____ or failing him / her _________________________of
____ as my / our Proxy in my / our absence to attend and
vote for me / us and on my / our behalf at the 44th Annual General Meeting of the Company to be held
on October 23, 2023 and at any adjournment thereof.

Signed this ______ day of October, 2023

____
Signature
(Signature must agree with the specimen signature registered with the Company)

Witness:

1. Name: __________________________________
   Address: ________________________________
   CNIC / Passport No. _______________________

2. Name: __________________________________
   Address: ________________________________
   CNIC / Passport No. _______________________

Important Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered office of the Company, D-70 Block-4, Kehkashan-5, Clifton, Karachi-75600, not less than 48 hours before the time of holding the meeting and must be duly witnessed.

2. A Proxy need not be a member of the Company.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

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

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

3. The proxy shall produce his / her original CNIC / Passport at the time of the meeting.

4. In case of Government of Pakistan, State Bank of Pakistan and Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

نمائندگی فارم

اٹک سیمنٹ پاکستان لمیٹڈ کا چوالیسواں سالانہ اجلاسِ عام

میں/ہم ______________ بحیثیت ممبر (ممبران) اٹک سیمنٹ پاکستان لمیٹڈ اور ______________
شیئر رجسٹر فولیو نمبر ______________ یا سی ڈی سی انویسٹر اکاؤنٹ نمبر/سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر ______________ اور ذیلی
اکاؤنٹ نمبر ______________ کے مطابق ______________ عمومی حصص کا/کے مالک، بذریعہ ہذا
______________ کو اوران کی عدم موجودگی میں ______________ ______________ کو

اپنا/ہمارا نمائندہ مقرر کرتا ہوں/کرتے ہیں اور اٹک سیمنٹ پاکستان لمیٹڈ کے ۲۳ اکتوبر، ۲۰۲۳ کو منعقد ہونے والے اجلاسِ عام یا اس کے ملتوی شدہ اجلاس میں شرکت کرنے اور اپنی جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتے ہیں۔

دستخط شدہ مورخہ ______ اکتوبر، ۲۰۲۳

____
دستخط

(دستخط کمپنی میں رجسٹرڈ شدہ دستخط کے مطابق ہونے چاہئیں)

گواہ:

1- نام ______________
پتہ ______________
کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ______________

2- نام ______________
پتہ ______________
کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ نمبر ______________

اہم نکات:

1- یہ نمائندگی فارم، مکمل طور پر پُر اور باقاعدہ دستخط شدہ، اجلاس کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر D-70، بلاک-4، کہکشاں-5، کلفٹن کراچی-75600 پر موصول ہو جانا چاہئے اور فارم تصدیق شدہ ہونا چاہئے۔

2- نامزد نمائندے کے لئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔

3- اگر کوئی ممبر ایک سے زائد افراد کو اپنا نمائندہ مقرر کرتا ہے اور اس کی جانب سے نمائندگی کے ایک سے زائد انسٹرومنٹ کمپنی کو جمع کروائے جاتے ہیں تو ایسی صورت میں تمام انسٹرومنٹس غیر مؤثر سمجھے جائیں گے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے:

1- نمائندگی فارم دو گواہان سے تصدیق شدہ ہونا چاہئے اور فارم پر ان افراد کا نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج ہونا چاہئے۔

2- نمائندگی فارم کے ہمراہ مستفید مالکان اور نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی نقول منسلک ہونی چاہئیں۔

3- نمائندے کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ پیش کرنا ہوگا۔

4- حکومتِ پاکستان، اسٹیٹ بینک آف پاکستان، کارپوریٹ ادارہ ہونے کی صورت میں نمائندگی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ دستخط کے نمونے اور پر اکسی فارم کے ہمراہ کمپنی کو جمع کروانے ہوں گے۔

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