Power Cement
مضبوطی ۔ چٹانوں جیسی

Our Cemented Commitment to Progress:
Forging a Sustainable Future

2023
Annual Report

Cover Story

Chronicles our journey from humble beginnings to becoming industry leaders in innovation and sustainability. It reflects our dedication to responsible manufacturing, eco-friendly practices, and ethical principles. This cover story celebrates our legacy of excellence and our vision for a brighter, more sustainable tomorrow.


41930KG

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Navigating Opportunities in a Dynamic World:
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Organization Overview and External Environment

Company Profile

It all started in 1981 when Power Cement Limited (the Company) was founded with it's factory site being located at motorway M9, Nooriabad, Sindh, strategically ideal location for the cement factory. Previously known as Al-Abbas Cement Limited until it's acquisition in 2010 by the Arif Habib Group, a prominent financial and industrial conglomerate.

The Company engaged in the manufacturing, sale, and marketing of cement of the utmost quality. The company has competently established a strong market presence in the Southern Region of Pakistan. With the company's scope beyond national borders, the company exports clinker and cement to destinations including Middle East, Sri Lanka, and East African countries.

Presently, the Company manufacturing lines, collectively yielding a nameplate clinker production capacity of 10,700 Tons Per Day (TPD). This translates to an impressive annual capacity of 3.21 million tons of clinker. In fact, the Company solidifies it's stature as a regional leader, possessing an annual cement production capacity of 3.37 million tons (11,235 TPD).

In a strategic leap forward, the company invested heavily in the installation of a cutting-edge European plant procured from FLSmidth, a renowned European cement plant manufacturer. This modern state-of-the-art facility, seamlessly integrated into operations during the past years reflects our unwavering commitment to enhancing production capacity and maintaining global standards.

As one of the leading cement producers in the industry, we are proud of our achievements and innovations in the past year and throughout our journey. We have expanded our production capacity, improved our product quality, and reduced our environmental impact. We are committed to deliver excellence to our customers, shareholders, employees, and communities. We thank you for your continued support and trust in our company. We look forward to another year of growth and success.

Mission Vision & Values

Vision

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

Mission

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

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

Code of Business Conduct and Ethical Principles

The ensuing set of principles establishes the ethical framework by which all Directors and personnel of Power Cement Limited are obliged to abide in their daily endeavors and uphold in the execution of the Company's operations. While the Company is committed to ensure comprehensive awareness of these principles among its employees, it remains the responsibility of each individual to enact the Company's policies. Violation of this code will be regarded as misconduct. The code underscores the imperative of maintaining a high standard of honesty and integrity, pivotal for the prosperity of any business entity.

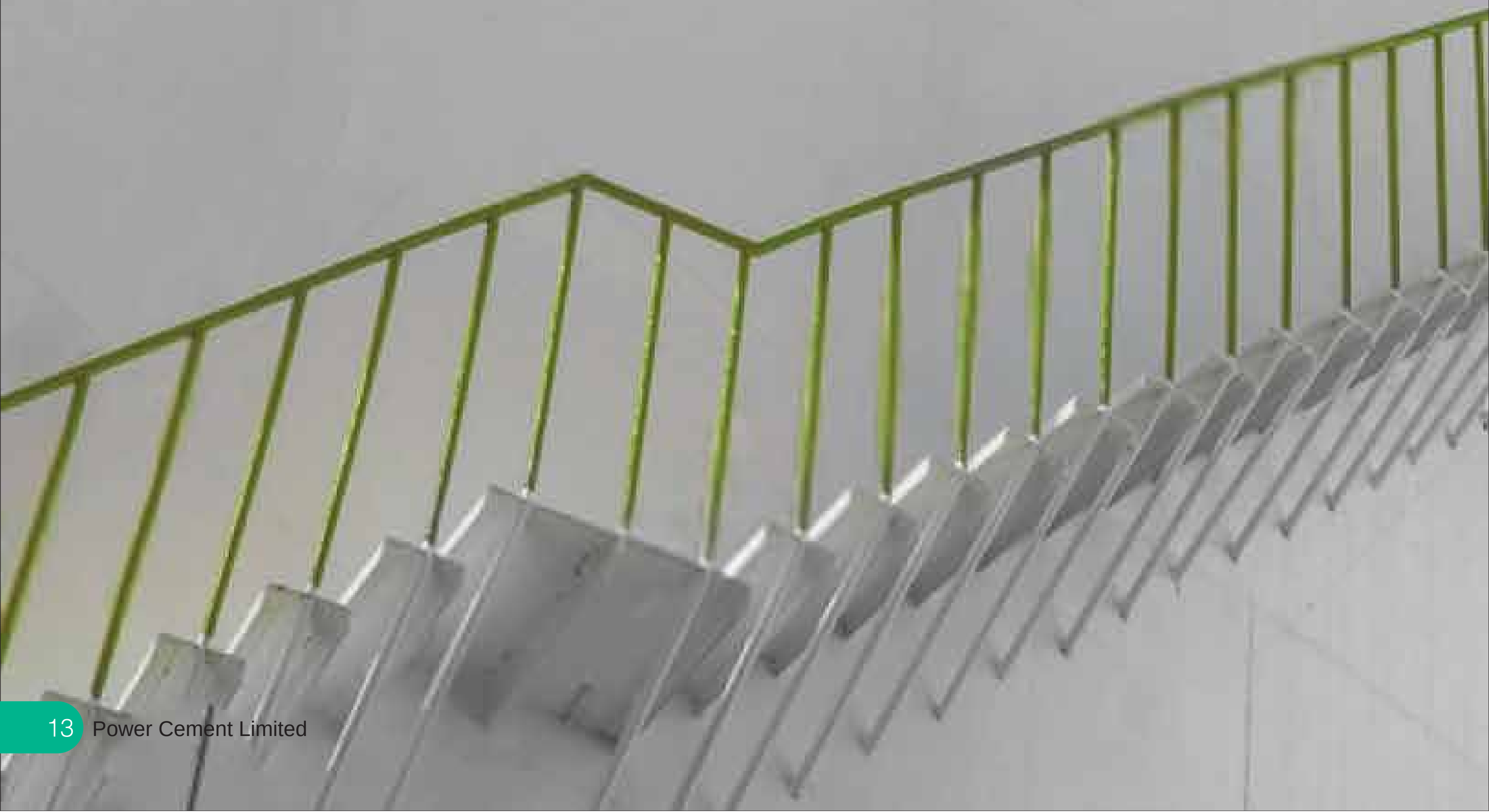
Ethical Principles

1. **CONFLICT OF INTEREST**

   Directors and employees are expected to refrain from engaging in any activities that might lead to conflicts between their personal interests and the Company's interests. This encompasses affiliations with organizations supplying goods or services to the Company or purchasing its products. Should such a relationship exist, it must be disclosed to the management.

2. **THIRD PARTIES ENGAGEMENTS**

   Interactions with third parties, including government officials, suppliers, buyers, agents, and consultants, should consistently safeguard the Company's integrity and reputation. Directors and employees are prohibited from accepting favors or kickbacks from any entity involved in transactions with the Company.



3. CONFIDENTIALITY

Confidential information pertaining to the Company is not to be divulged to unauthorized parties. When communicating publicly on matters concerning Company affairs, individuals should only do so if they are certain that their expressions align with the Company's views and objectives, and if it is, the Company's intention for those views to be publicly shared.

4. FAIR & ETHICAL CONDUCT

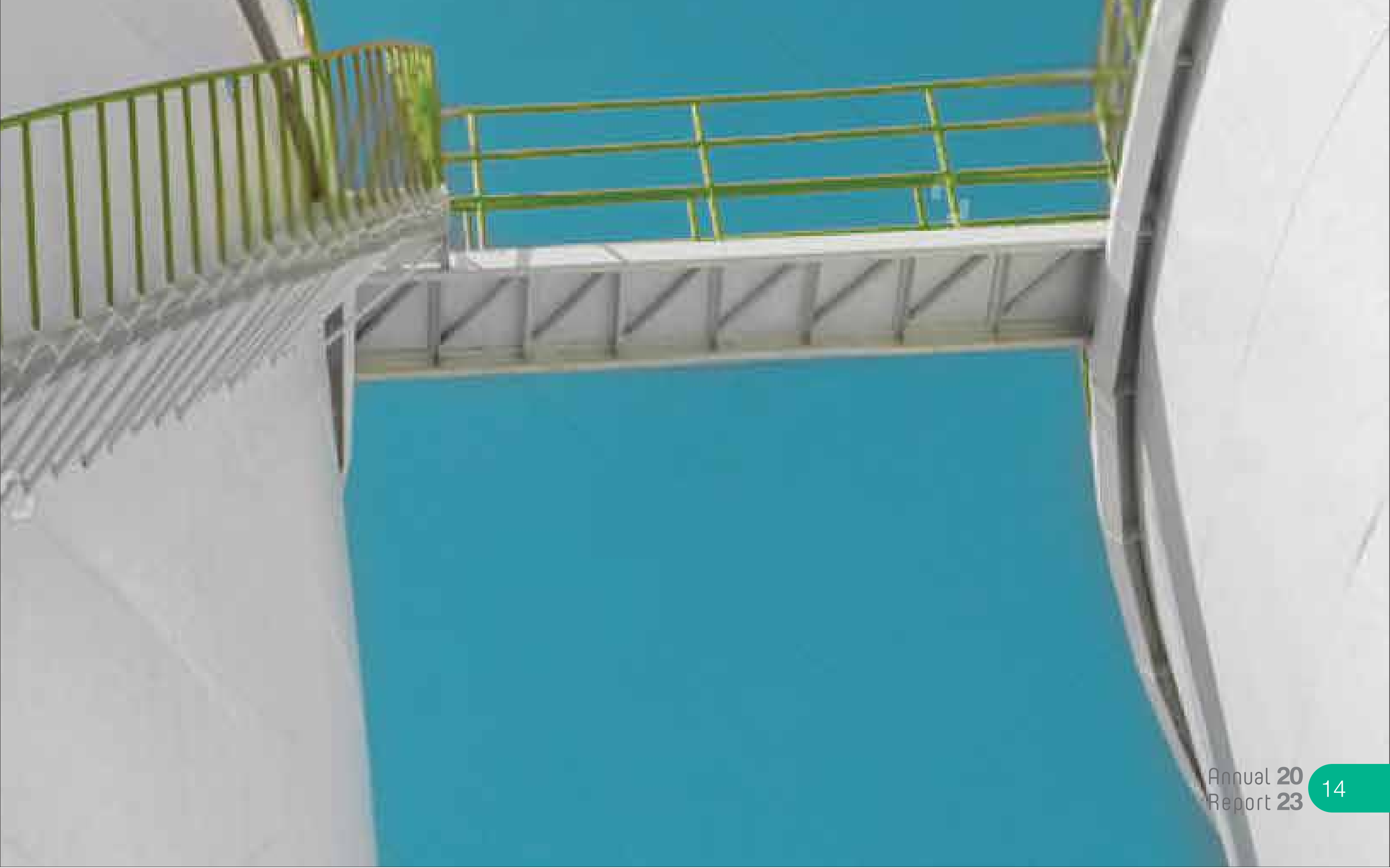
All employees shoulder the responsibility of fostering positive public relations, particularly within the community. Active involvement in religious, charitable, educational, and civic activities is encouraged, as long as it does not create obligations that impede commitment to the Company's best interests.

5. HEALTH AND SAFETY

The Company is unwavering in its commitment to the well-being of its employees and the preservation of the environment. Continuous enhancement of Health, Safety, and Environment (HSE) performance is a steadfast objective, encompassing the reduction of potential hazards, prevention of pollution, and increased awareness. Employees are mandated to operate Company facilities and processes with this commitment in mind.

6. COMMITMENT AND TEAM WORK

Dedication and teamwork are fundamental components for effective and efficient Company operations. All employees must be treated with equal respect, and behaviors such as workplace harassment and derogatory remarks based on gender, religion, race, or ethnicity are strictly prohibited.



Core Values

At Power Cement Limited, we are committed to upholding unwavering integrity in our pursuit of delivering top-quality products to our valued customers, while simultaneously maximizing returns for our shareholders and making substantial contributions to the National Exchequer.


Team Work
Ethics and Integrity
Customer Focus
CSR
Consistency
Excellence

Products

ORDINARY PORTLAND CEMENT

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

Brands

- POWER-53
- BLACK BULL-53
- BLACK HAWK
- POWER OPC

SULPHATE RESISTANT CEMENT

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

Brands

- POWER SRC-53

POWER BLOCK CEMENT

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

Brands

- POWER BLOCK

COMPOSITE CEMENT

Environment Friendly Cement requiring only 70% of clinker

Brands

- Qila Composite

Geographical Location

Geographically, the Company is located in the South Zone. Head Office is situated at Karachi and Site is at Nooriabad, District Jamshoro

Company Information

Board of Directors

Mr. Nasim Beg	Chairman, Non-Executive Director
Mr. Muhammad Kashif Habib	Chief Executive Officer
Mr. Samad A. Habib	Non-Executive Director
Syed Salman Rashid	Non-Executive Director
Mr. Anders Paludan-Müller	Non-Executive Director
Mr. Javed Kureishi	Independent Director
Mr. Khursheed Anwer Jamal	Independent Director
Ms. Zainab Kashif	Non-Executive Director

Audit Committee

Mr. Khursheed Anwer Jamal	Chairman
Syed Salman Rashid	Member
Mr. Samad A. Habib	Member

Human Resource & Remuneration Committee

Mr. Javed Kureishi	Chairman
Syed Salman Rashid	Member
Mr. Muhammad Kashif Habib	Member

Chief Financial Officer
Mr. Muhammad Taha Hamdani

Company Secretary
Mr. Salman Gogan

External Auditors
A.F. Ferguson & Co. Chartered Accountants

Legal Advisor
Mr. Asad Iftikhar

Corporate Advisor
HaiderMota & Co. Advocates

Share Registrar
CDC Share Services Limited
CDC House, 99-B,Block-B, SMCHS,
Main Shahrah-e-Faisal, Karachi - 74400

Bankers / Lenders of the Company

Local Banks / DFIs
Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
First Credit & Investment Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
The Bank of Punjab
The Bank of Khyber
Summit Bank Limited
Samba Bank Limited
United Bank Limited

Foreign Banks / DFIs
DEG - Deutsche Investitionsund
Entwicklungsgesellschaft mbH - Germany
The OPEC Fund for International Development
("OFID") – Austria
Islamic Corporation for the Development
of the Private Sector ("ICD") – Saudi Arabia

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

Factory
Nooriabad Industrial Area, Deh Kalo, Kohar,
District Jamshoro, Sindh

Website
www.powercement.com.pk

Contact Number
021-32468231-2
021-32468350-1

Fax Number
021-32463209

History at a Glance

1981
Incorporated in Pakistan as Essa Cement Industries Limited

1987
Listed on Karachi Stock Exchange (Now Pakistan Stock Exchange Limited)

1989
Commencement of production with a capacity of 500 TPD

1999
Capacity enhancement from 500 TPD to 1,500 TPD

2005
Acquisition by Al-Abbas Group and change of name to Al-Abbas Cement Industries Limited

2008
Capacity enhancement from 1,500 TPD to 3,000 TPD

2010
Acquisition by Arif Habib Group

2013
Change of name to Power Cement Limited

2016
Successful Implementation of Microsoft Dynamics Enterprise Resource Planning (ERP) System

2017
Mega expansion of an additional 7,700 TPD was announced. The expansion was divided into Cement Production and Dispatch Plant and Clinker Production Plant

2020
CoD of Cement Production and Dispatch Plant

2021
CoD of Clinker Production Plant and Waste Heat Recovery System

2022
7MW Solar Plant inaugurated

Ownership, Operating Structure and Relationship With Group Companies

Ownership Structure

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

Name of Shareholder	Shareholding %
Mr. Arif Habib	26.64
Arif Habib Equity (Pvt.) Ltd	21.47
Syed Salman Rashid	5.16

Associated Companies:

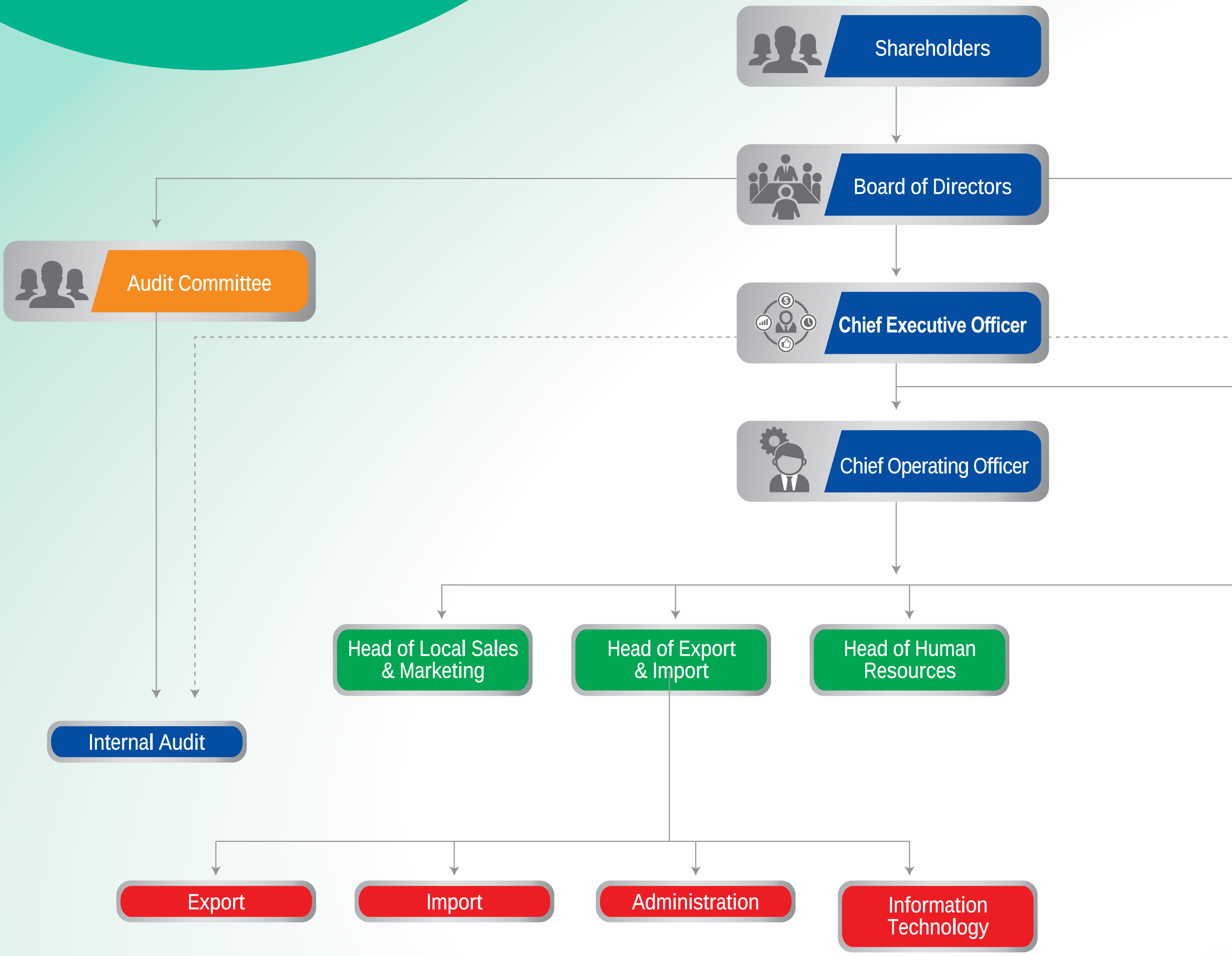
S. No.	Name of Company	Basis of Relationship	Name of Director
1	Aisha Steel Mills Limited	Common Directorship	Mr. Nasim Beg, Mr. Samad A. Habib and Mr. Muhammad Kashif Habib
2	Arif Habib Consultancy (Pvt.) Limited	Common Directorship	Mr. Nasim Beg
3	Arif Habib Corporation Limited	Common Directorship	Mr. Nasim Beg
4	Arif Habib Dolmen REIT Management Limited	Common Directorship	Mr. Samad A. Habib
5	Arif Habib Equity (Private) Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
6	Arif Habib Foundation	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
7	Arif Habib Development and Engineering Consultants (Private) Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
8	BioMasdar (Pakistan) Limited	Common Directorship	Syed Salman Rashid and Mr. Samad A. Habib
9	Black Gold Power Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
10	Tricon Boston Consulting Corporation Pvt. Limited	Common Directorship	Mr. Javed Kureishi
11	EFU General Insurance Limited	Common Directorship	Syed Salman Rashid
12	Essa Textile And Commodities (Private) Limited	Common Directorship	Mr. Muhammad Kashif Habib
13	Fatima Fertilizer Company Limited	Common Directorship	Mr. Muhammad Kashif Habib
14	Fatima Packaging Limited	Common Directorship	Mr. Muhammad Kashif Habib
15	Fauji Foods Limited	Common Directorship	Mr. Javed Kureishi
16	FLSmidth A/S	Nominee Directorship	Mr. Anders Paludan-Muller

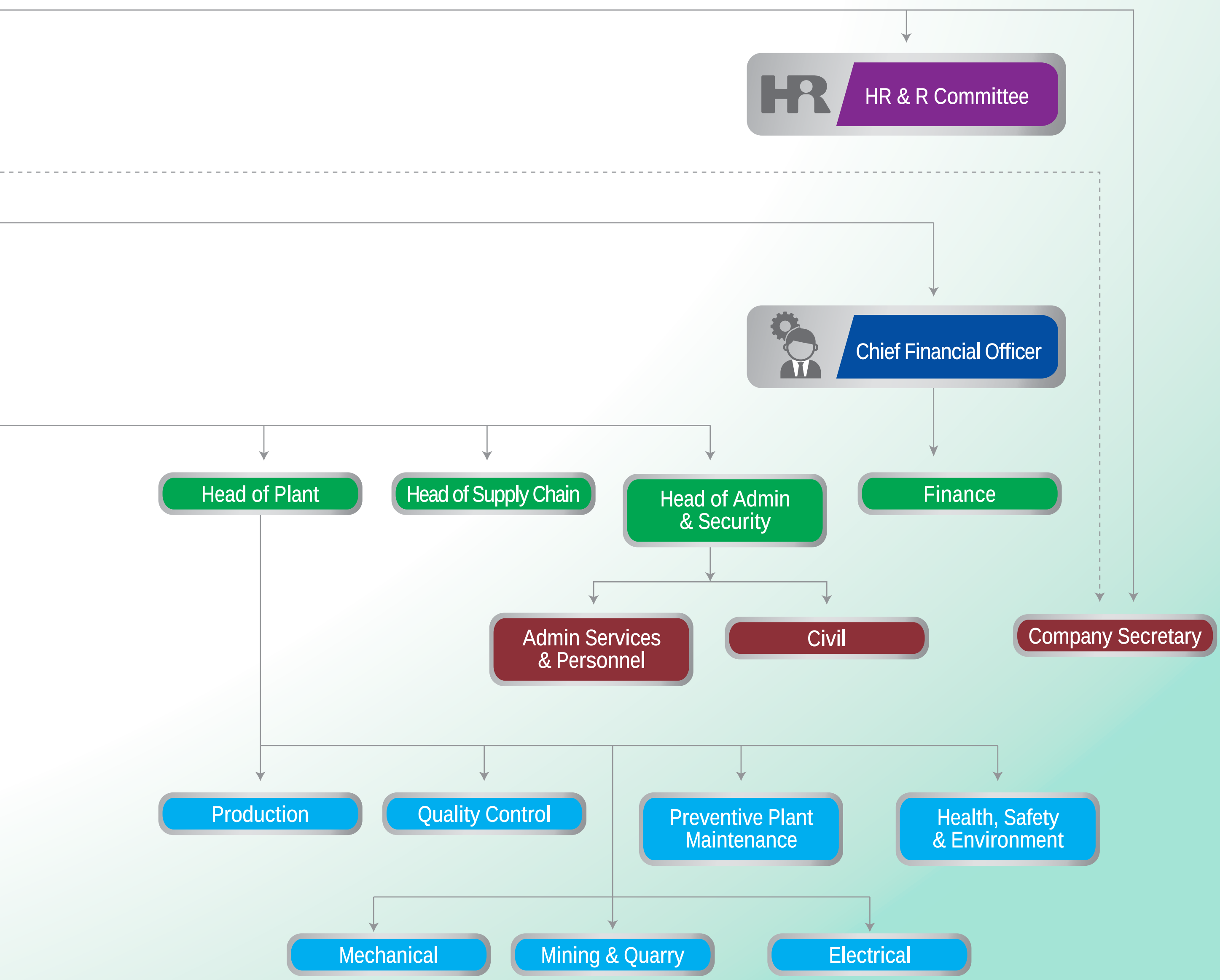
S. No.	Name of Company	Basis of Relationship	Name of Director
17	Fatima Cement Limited	Common Directorship	Mr. Muhammad Kashif Habib
18	Fatimafert Limited	Common Directorship	Mr. Muhammad Kashif Habib
19	Habib Sugar Mills Limited	Common Directorship	Mr. Khursheed A. Jamal
20	IFU Investment Partners K/S	Nominee Director	Mr. Anders Paludan-Muller
21	Javedan Corporation Limited	Common Director	Mr. Muhammad Kashif Habib, Mr. Samad A. Habib and Mr. Javed Kureishi
22	Memon Health and Education Foundation	Common Directorship	Mr. Samad A. Habib
23	Naymat Collateral Management Company Limited	Common Directorship	Mr. Nasim Beg
24	NN Maintenance Company (Pvt.) Limited	Common Directorship	Mr. Samad A. Habib
25	Nooriabad Spinning Mills (Private) Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
26	Pakarab Fertilizers Limited	Common Directorship	Mr. Nasim Beg
27	Pakistan Corporate Restructuring Company Limited	Common Directorship	Mr. Javed Kureishi
28	Pakistan Veterans Cricket Association	Common Directorship	Mr. Javed Kureishi
29	Pakistan Opportunities Limited	Common Directorship	Mr. Samad A. Habib and Mr. Muhammad Kashif Habib
30	Pakistan Stock Exchange Limited	Common Directorship	Mr. Javed Kureishi
31	Rotocast Engineering Company (Pvt.) Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
32	Safemix Concrete Limited	Common Directorship	Mr. Muhammad Kashif Habib and Mr. Samad A. Habib
33	Samba Bank Limited	Common Directorship	Mr. Javed Kureishi
34	Sachal Energy Development (Pvt.) Limited	Common Directorship	Mr. Samad A. Habib
35	Siddiqsons Energy Limited	Common Directorship	Mr. Muhammad Kashif Habib
36	Sindh Infrastructure Development Company Limited	Common Directorship	Mr. Javed Kureishi
37	Sapphire Bay Development Company Limited	Common Directorship	Mr. Samad A. Habib
38	Sukh Chayn Gardens (Pvt.) Limited	Common Directorship	Mr. Samad A. Habib
39	The Investment Fund for Developing Countries	Nominee Director	Mr. Anders Paludan-Muller

All companies are operated by their management under the oversight of respective Board of Directors.

Transactions are entered into normal course of business at arm’s length. All transactions are placed for approval of board of directors of respective companies.

Organogram


Shareholders
Board of Directors
Audit Committee
Chief Executive Officer
Chief Operating Officer
Head of Local Sales & Marketing
Head of Export & Import
Head of Human Resources
Internal Audit
Export
Import
Administration
Information Technology



Legends

——— Functional Reporting

- - - - - Administrative Reporting

Directors' Profile

Mr. Nasim Beg

Chairman & Non-Executive Director

Mr. Nasim Beg is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited. He qualified as a Chartered Accountant in 1970 and over the decades has had experience in manufacturing, as well as in financial services, both within and outside the country. He joined the Group in the year 2000 to conceive and set up an Asset Management Company, namely Arif Habib Investments, which became the market leader and was converted into a joint venture with MCB in 2011 to benefit from the bank's branch network. The Group's shareholding in this company was sold to MCB in 2023. He has also been associated at top-level positions with other asset management and investment advisory companies.

Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure as the Chief Executive of Allied Precision (a subsidiary of the Allied Engineering Group), he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers.

His initiation into the financial services business was with the Abu Dhabi Investment Company, UAE, where he was a part of the team that set up the company in 1977. He was the founding Chairman of the Institute of Financial Markets of Pakistan, which was sponsored by the Securities & Exchange Commission of Pakistan (SECP). He has served on several committees set up by the SECP for developing the Capital Markets, including the one that authored the Voluntary Pension System. He has also held the Chairmanship of the Mutual Funds Association of Pakistan. In addition, he has also been a member of the Prime Minister's Economic Advisory Council (EAC).

Corporate Responsibilities

Arif Habib Consultancy (Private) Limited (Chief Executive)

Other Directorships

- Arif Habib Corporation Limited
- Aisha Steel Mills Limited
- Pakarab Fertilizers Limited
- Naymat Collateral Management Company Limited

Mr. Muhammad Kashif Habib

Chief Executive Officer

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

He has to his credit over eleven years of experience as an Executive Director in cement and fertilizer companies of the group. This exposure not only enriched his understanding of diverse corporate dynamics but also enabled him to refine his strategic decision-making capabilities.

Mr. Kashif is deeply committed to enhancing the country's energy landscape. He remains engaged with experts to establish renewable energy as a viable and readily available solution, benefiting not only industries but also the public at large.

Corporate Responsibilities

Power Cement Limited (Chief Executive Officer)

Other Directorships

- Aisha Steel Mills Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited)
- Black Gold Power Limited
- Essa Textile And Commodities (Private) Limited
- Fatimafert Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakistan Opportunities Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddiqsons Energy Limited

Mr. Samad A. Habib

Non-Executive Director

Mr. Samad A. Habib holds a Master's degree in Business Administration. He is the Chief Executive of Javedan Corporation Limited and Safemix Concrete Limited. Mr. Samad has more than 15 years of experience, including 9 years of working in the financial services industry in various senior management roles.

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

In 2004, Mr. Samad Habib joined Arif Habib Limited leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr. Samad transitioned to Javedan Corporation Limited, in 2011, as the driving force behind the transformation of a dilapidated cement plant to a vibrant living community, Naya Nazimabad. Mr. Samad Habib has been pivotal in advancing positive societal change and providing the city's middle class an elevated standard of living. His dedication, passion for social betterment and optimism are set to further transform the area with the largest commercial precinct development in the city presently under planning.

In 2019, Mr. Samad Habib took on the role of CEO at Safemix Concrete. Guided by his strategic acumen, Safemix Concrete has undergone a remarkable transformation from a lossmaking entity to a profitable enterprise.

Corporate Responsibilities

Javedan Corporation Limited (Chief Executive)
Safemix Concrete Limited (Chief Executive)

Other Directorships

- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Pvt.) Limited
- Black Gold Power Limited
- Memon Health and Education Foundation
- NN Maintenance Company (Pvt.) Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakistan Opportunities Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sapphire Bay Development Company Limited
- Sukh Chayn Gardens (Pvt.) Limited
- Sachal Energy Development (Pvt.) Limited
- BioMasdar (Pakistan) Limited

Syed Salman Rashid

Non-Executive Director

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

Other Directorships

- BioMasdar (Pakistan) Limited – A non-listed Public Limited Company

Mr. Javed Kureishi

Independent Director

Mr. Kureishi is a career banker with a rich and diverse experience of more than 34 years with Citibank both in Pakistan and across 5 countries in Europe, the Middle East, Africa and Asia, where he worked for 9 years. His various roles have included Senior leadership roles in Country Management, Risk, Corporate and Institutional Banking, strategy, and managing Multinational Subsidiaries and Public Sector businesses at the country and regional levels. Mr. Kureishi is presently working for the International Finance Corporation (IFC) as a consultant responsible for business development. He has a BA (Hons) from the University of Sussex UK.

Aside from his professional career, Mr. Kureishi has also been a keen cricketer. He played first-class cricket for PIA and Karachi in 1977-81 and for Sussex Under 25 during 1982-84. He was also the captain of Pakistan Under 19 cricket team on its tour of India and Sri Lanka in 1978-79. Mr. Kureishi has also been a University level field hockey player. His other interests include Reading and Music.

Other Directorships

- Pakistan Veterans Cricket Association
- Pakistan Stock Exchange Limited
- Pakistan Corporate Restructuring Company Limited
- Fauji Foods Limited
- Sindh Infrastructure Development Company Limited
- Javedan Corporation Limited
- Tricon Boston Consulting Corporation Pvt. Ltd.
- Samba Bank Limited

Mr. Anders Paludan - MÜller
Non-Executive Director

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

Other Directorships
Nil

Ms. Zainab Kashif
Non-Executive Director

Ms. Zainab is a Bachelors in Commerce. She is a proud mother and an active homemaker. She is gearing up in her family business.

Other Directorships
Nil

Mr. Khursheed Anwer Jamal
Independent Director

Mr. Khursheed A. Jamal is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) since 1990. Mr. Khursheed brings more than 35 years of experience and has held various corporate and management positions as Chief Accountant, Manager Taxation, Manager Internal Audit, Company Secretary, Director Finance, Chief Operating Officer and Chief Executive Officer.

Mr. Khursheed was associated with Ghulam Faruque Group (Cherat Cement, Cherat Electric and Cherat Packaging), Dewan Mushtaq and Yousuf [Dewan Cement (Pakland Cement), Dewan Sugar, and other group companies] and Al-Abbas Group (Al-Abbas Sugar, Al-Abbas Cement and other Group companies).

Mr. Khursheed is also a certified director from ICAP and he is currently associated with Habib Sugar Mills Limited.

Corporate Responsibilities
Habib Sugar Mills Limited (Chief Executive)

Other Directorships
Nil

Composition of Local Versus Imported Material

Description	FY-2023 Rs. in '000	%	FY-2022 Rs. in '000	%
Local Components:				
Raw materials consumed	2,418,483	11.62	1,417,879	11.06
Packing materials consumed	1,308,983	6.29	880,290	6.86
Fuel - coal and others	4,418,550	21.24	3,344,796	26.08
Power	3,425,361	16.46	2,868,291	22.37
Stores, spare parts and loose tools consumed	139,990	0.67	146,516	1.14
Imported Components:				
Fuel - coal	8,769,200	42.15	3,824,693	29.82
Stores, spare parts and loose tools consumed	326,643	1.57	341,871	2.67
Total	**20,807,209**	**100**	**12,824,336**	**100**

Sensitivity Analysis

If US$ to Pak Rupee exchange rate fluctuates by 1%, the impact of cost of production on above imported components would have been as follows:

	FY-2023	FY-2022
Average USD Rate	248.04	179.74
Increase of 1% in exchange rate (Rs. in ‘000)	90,958	41,666
Decrease of 1% in exchange rate (Rs. in ‘000)	(90,958)	(41,666)

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

SWOT Analysis

Strengths

- **Reputed Affiliation**: As a part of the esteemed Arif Habib Group, Power Cement Limited enjoys enhanced credibility and trust in the market.
- **Production Capacity**: Recognized as one of the largest cement producers in the South Zone, the Company boasts a robust production infrastructure.
- **Certifications & Standards**: Exclusive certification for 53 Grade cement in the South Zone and adherence to environmental standards set by IFC/World Bank/EU and SEPA showcase the Company's commitment to quality and sustainability.
- **Innovative Energy Solutions**: With projects like the Waste Heat Recovery System and renewable energy initiatives, the company emphasizes eco-friendly and cost-efficient energy solutions.
- **Strategic Location**: Proximity to seaports ensures efficient logistics and distribution.

Opportunities

- **Alternative Fuels**: The successful pilot project using Sugar Mud Press as an alternative fuel opens doors for further exploration and integration of sustainable fuel sources.
- **Growing Demand**: Factors like flood rehabilitation activities, mega infrastructure projects, and positive demographic trends like urbanization present opportunities for increased cement demand.
- **Market Expansion**: Potential to cater to the North Zone due to the exhausting of installed capacity against incremental demand.

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Weaknesses

- **Transport Dependency**: The absence of an in-house fleet makes the company fully dependent on external transporters, potentially affecting timely deliveries.
- **Financial Strain**: High gearing levels and the consequential high financial cost have put pressure on the company's financial health.
- **Earnings Pressure**: Subdued Earnings Per Share (EPS) due to factors like low PAT and high interest rates.

Threats

- **Rising Operational Costs**: Sharp increases, especially in coal & electricity costs, pose challenges to maintain competitive pricing.
- **Market Competition**: Competitive pricing strategies by other market players can put pressure on profit margins.
- **Economic Volatility**: Exposure to interest rate fluctuations, currency devaluation, and other macroeconomic factors can impact the company's financial stability.

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Significant Factors Affecting The External Environment & The Organization's Response

Power Cement Limited operates within a dynamic business environment, subject to the influence of various macroeconomic factors. These factors encompass the Political, Economic, Social, Technological, Environmental, and Legal realms, each with its distinct impact on the organization. Below, we delve into these significant factors and elucidate the organization's responsive strategies:

PESTEL Analysis

Factors	Description	Organizational Response
Political	The sociopolitical landscape of the country wields an impact on macroeconomic aspect that, in turn, ripple through the organization's sphere of operations	The management's approach involves formulating adaptable strategies aligned with the evolving regulatory and political conditions. This agile approach ensures the fulfillment of stakeholders' expectations and the continuity of trust.
Economic	The mounting challenges of soaring business costs amid unprecedented interest rate hikes, currency devaluation, and rampant inflation exert pressure on profit margins.	In response, the organization adopts several measures: Implementing effective inventory management and optimizing inventory holding periods. Alleviating foreign currency exposure by hedging. Diversifying material sourcing channels and expanding market outreach. Executing cost-saving initiatives, exemplified by Waste Heat Recovery System (WHRS) and Solar Power purchase, with future plans of shifting more towards renewable energy sources.
Social	The socioeconomic repercussions originating from pandemic-induced economic downturns, the Russia-Ukraine conflict, and natural disasters like floods are pivotal. These factors strain economic stability, impacting consumer purchasing power and disposable income. The rapid evolution of technology underscores the risk of technical obsolescence.	In response, Power Cement demonstrates corporate social responsibility by: Investing in community development within its operational areas. Spearheading green energy projects to minimize carbon footprint and reduce reliance on the national grid. contributing to flood rehabilitation efforts, displaying a commitment to social well-being.

Factors	Description	Organizational Response
Technological	The rapid evolution of technology underscores the risk of technical obsolescence.	To counter this, the organization maintains its technical edge: Adopting advanced technological facilities, as evident from acquisition of state-of-the-art European plant from FLSmidth. Continuously enhancing hardware infrastructure and software applications. Successfully implemented MS Dynamics ERP modules to streamline operations.
Environmental	Attitude towards and support for renewable energy; Climatic conditions global warming and natural disasters e.g. recent flood; Growing attention towards “green” attitudes.	The organization's commitment to the environment is exemplified by: Exceeding environmental standards set by IFC/World Bank/EU and SEPA. Attaining ISO certifications for Environmental Management, Quality Management, and Occupational Health and Safety (OH&S). Commissioning projects like Waste Heat Recovery System and Solar Power initiatives to diminish environmental impact. Upcoming plans to expand self-electricity generation via Wind projects, aligning with green energy goals.
Legal	Compliance with legal and regulatory requisites is a cornerstone of organizational practice.	Power Cement Limited ensures adherence through: Employing a proficient team to monitor compliance with relevant statutes, acts, ordinances, and regulations. Cultivating a comprehensive understanding of existing legal prerequisites.

Significant Changes from Prior Years

Despite maintaining stability in our organizational and group structure compared to previous years, the external landscape has undergone significant shifts that have influenced our operational trajectory. The following key changes and their impact are noteworthy:

External Environment Dynamics:

Escalating Interest Costs: A notable addition to the challenges we face is the super high interest cost prevailing in Pakistan. This financial aspect has become a significant concern, affecting our overall operational performance.

Currency Devaluation Effect: Devaluation of the Pakistani Rupee against the US Dollar has introduced challenges, leading to higher input material costs and a significant rise in energy prices. These factors have collectively impacted our operational profitability.

The company has taken the desired steps to manage the above changes in external environment which are explained in Key Risk and Opportunities section.

Renewable Energy and Cost-Efficiency Measures:

In a testament to our commitment to sustainability, we partnered with Burj Solar Energy to successfully complete a 7 MW solar power project, showcasing our dedication to clean energy. Simultaneously, our Waste Heat Recovery System (WHRS) operations emphasize our cost-efficiency goals, reducing production expenses by and reinforcing our commitment to financial prudence and environmental responsibility.

Amidst these complex changes, Power Cement remains steadfast in its pursuit of operational excellence, sustainable practices, and strategic adaptability to the multifaceted external dynamics.

Mud Press

In a pioneering endeavor, Power Cement Limited embarked on a project to integrate alternative fuels as a substitute for carbon-intensive coal in the cement production process. The pilot initiative harnessed Sugar Mud Press, a by-product from sugar filtration, demonstrating the company's innovative approach to sustainable practices. The trial yielded promising results, marking a reduction in coal consumption and consequent CO_2 emissions. Additionally, the initiative bolstered the efficiency of our Waste Heat Recovery System (WHRS) generation. As Power Cement Limited remains at the forefront of sustainable advancements, we persistently explore and evaluate avenues, including the potential of Sugar Mud, to amplify our alternative fuel strategy.

Competitive Landscape and Market Positioning

Threat of New Competition

The cement sector boasts well-established companies and presents formidable barriers to entry, characterized by hefty capital investment demands and substantial setup costs. Securing access to pivotal distribution channels and raw materials further compounds the challenges for potential entrants. Given these circumstances, the prospect of new players entering the market remains highly improbable.

Alternatives to Cement

There is not any distinct substitute of cement.

Bargaining Power of Customers

Generally, direct customers of cement manufacturers are distributors, dealers and retailers who further supply to the end consumers. The market seems to have a good appetite for the new-entrants because barriers to the entry as a cement distributor, dealer and retailer are very low. The Company has a sound customer base and enjoys a healthy and mutually beneficial relationship. Going forward, its branding and quality obtained from the Line III shall give it more negotiation power.

Bargaining Power of Suppliers

The Company maintains a meticulous vendor selection process to ensure transparency and impartiality. Procurement of raw materials hinges on long-term lease contracts with the Mines and Mineral Department under the Government of Sindh. Additionally, fuel and other input materials are acquired through meticulous market research, negotiations and safeguarding the Company's interests.

Intensity of Competitive Rivalry

Competition within the cement sector is marked by intensity. In response to this challenge, the Company has orchestrated advertising and branding campaigns. Notably, Power Cement Limited holds a unique advantage as the certified 53 Grade cement provider in the South Zone.

In navigating this competitive landscape, Power Cement Limited remains steadfast in its commitment to quality, branding, and strategic endeavors to retain a robust market position.

Political Environment where organization operates

The political landscape exerts significant influence on an organization's ability to implement its strategic initiatives. Prolonged political uncertainties have adverse ramifications for consumers, businesses, investors, financial markets, and economic decision-makers. Notably, Pakistan has grappled with persistent political instability, which has particularly hindered its economic progress. As a response to these political dynamics, short-term macroeconomic policies have been frequently adopted, leading to a volatile policy environment. The economic challenges stemming from factors like dwindling foreign exchange reserves, surging inflation, and escalating interest rates have compelled the government to curtail spending on infrastructure projects, resulting in an overall economic slowdown. Consequently, our Company faces the impact of domestic political instability and economic challenges, resulting in decreased cement demand amidst sluggish construction activities and high financial cost.

Effect of Seasonality on Business

The company experiences a seasonal decrease in cement sales during the monsoon and winter seasons, primarily attributable to a slowdown in construction activities. To navigate this seasonal variation and ensure effective corporate planning, the management conducts thorough forecasting of future revenues and industry trends. This process takes into account market dynamics, supply and demand dynamics, international cement prices, and seasonal fluctuations.

Legitimate Needs, Key Stakeholder Interests, and Industry Trends

In our strategic planning, policy formulation, expansions, and significant undertakings, the Company places paramount importance on addressing the legitimate concerns of its key stakeholders. This commitment stems from our recognition of the critical roles stakeholders play in our journey. Furthermore, we closely monitor prevailing trends within the cement industry, drawing insights from the actions and trajectories of prominent industry participants. This proactive approach empowers us to chart a course that not only aligns with stakeholders' interests but also capitalizes on emerging industry dynamics.

Throughout our decision-making processes, we remain steadfastly guided by the regulations and standards established by relevant regulatory bodies. This disciplined adherence ensures that our endeavors are not only aligned with our stakeholders' needs and industry trends but also conducted within the framework of prescribed rules and regulations. Our emphasis on responsible and compliant actions reflects our unwavering commitment to the sustainable growth of the Company, safeguarding the interests of all stakeholders.

Principal Business Activities

Power Cement Limited, a prominent player in the cement industry, operates within the sphere of the Arif Habib Group, a renowned conglomerate in Pakistan. Our primary focus is cement production, and we have strategically positioned ourselves to meet the growing demand for this essential construction material. With annual cement production capacity of 3.37 million tons, Power Cement Limited plays a significant role in advancing the nation’s infrastructure development.

Our cutting-edge production facility, strategically located in Nooriabad, Sindh, is well-situated to address the diverse cement needs of the southern region of the country. This facility enables us to efficiently serve both local and export markets, ensuring a consistent supply of high-quality cement to fulfill the requirements of various construction projects. Power Cement Limited’s steadfast commitment to excellence and innovation in cement production solidifies our position as an industry leader, contributing to the growth and development of Pakistan’s dynamic construction landscape.

The Legislative and Regulatory Environment in which the Organization Operates

Power Cement, as a major player in the cement industry and a publicly listed Company, operates within a highly regulated environment. Compliance with various legal frameworks is a fundamental aspect of our operations. We rigorously adhere to a multitude of regulatory requirements, with close scrutiny from governmental authorities to ensure legal compliance. Some key areas of law that our Company routinely engages with include:

Companies Act, 2017: This legislation governs the overall management and operation of our Company.

Sales Tax Act, 1990: It regulates the taxation rates applicable to cement sales at the point of sale.

Federal Excise Act, 2005: This act determines the excise duty rates for different types of cement.

Income Tax Ordinance, 2001: It levies taxes on income generated from our business operations.

Competition Act, 2010: Ensures prevention of anti-competitive behavior.

Labor and Employment Laws: These govern the rights of our workers and our obligations as an employer.

Environmental Laws: Various federal and provincial laws protect Pakistan's environment, and we comply with these regulations.

Provincial Mining Laws: These regulate mining leases and royalty rates for raw materials used in cement production.

Central Depository Company Act and Regulations: These laws oversee the shares operations of the Company.

Listed Companies (Code of Corporate Governance) Regulations, 2019: These regulations outline the procedures, formalities, composition, and technical aspects of corporate governance of publicly listed companies.

Power Cement places a strong emphasis on full compliance with the applicable laws. We are dedicated to taking every necessary precaution to mitigate the risk of legal liability arising from any breaches. Our commitment to legal compliance is unwavering, reflecting our dedication to responsible and ethical business practices.

Strategy and Resource Allocation

Strategic Objectives, Strategies in Place and Key Performance Indicators (KPIs)

STRATEGIC OBJECTIVES

Our commitment to enhancing stakeholder value drives Power Cement Limited to continuously innovate, modernize processes, optimize capacity, and utilize resources efficiently. We work cohesively to achieve these objectives while prioritizing empathy.

Listed below are our strategic objectives, the strategies we've implemented to realize them, and the relevant Key Performance Indicators (KPIs) that measure our progress:

Strategic Objectives	Implemented Strategies	Relevant KPIs	Timeline
Human Capital Development	Providing technical and non-technical training for all staff levels internally and externally.	Training and education programs for employees	Medium Term
Environmental Sustainability	Maintaining a safe work environment through stringent safety policies and regular health and safety training. Complying with local and international environmental and quality standards.	• Training activities conducted; • Number of health and safety incidents; • Periodic environmental testing reports	Long Term
Production Efficiencies	Exploring captive power generation and alternate fuels to reduce cost of goods sold (COGS).	Energy cost reduction	Medium Term
Revenue Optimization	• Strengthening of brand image and re-positioning on the back of its 53 Grade cement quality • Widening of sales network • Timely delivery • Extensive advertisement campaigns	Increase in retention price	Short Term

Strategic Objectives	Implemented Strategies	Relevant KPIs	Timeline
Maintaining Supplier Relationships	Monitoring of cash flow requirements and projections to ensure that liabilities are settled when due	Payable Days Liquidity Ratios	Short Term
Maintaining Relationships with Dealers/ Distributors / Networking	Planned and integrated marketing campaigns and increasing access to customers through a region wide dealer network	• Distributor / Dealer Network in Profitable Segments • Maintaining / increasing Market Penetration	Short Term
Monitoring of Operational Inflows	Monitoring of customer aging analysis reports , credit limit / periodic reviews and cash flow requirements to ensure that recoveries are made within due time	Receivable Days Liquidity Ratios	Short Term

These strategic objectives, accompanied by well-planned strategies and measurable KPIs, underpin our commitment to sustainable growth and excellence in every facet of our business.

Future Relevance

Our management firmly believes that these key performance measures will remain pertinent in the future. Power Cement Limited is unwavering in its dedication to attaining our strategic objectives. We are committed to upholding transparency and diligently assessing our progress using these KPIs. This commitment ensures our continued focus on achieving long-term success while adapting to evolving industry dynamics.

Business Model

Financial Capital
PKR 48 billion in Total Assets

Social & Relationship Capital
250+Dealers & Distributor

Human Capital
505 Employees

Risk & Opportunities

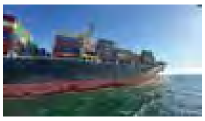
Governance


Limestone, Laterite Gypsum, Coal & Other Aggregrates


Transportation


End User


Retailer


Export Sales

Performance

Sustainability

Financial Capital
PKR 3.68 billion contributed to Government treasury

Social & Capital
New dealerships with customer satisfaction

Human Capital
Talent development
Diversity promotion in workplace

Intellectual Capital
MICROSOFT DYNAMICS AX & Smart HCM

Manufacturing Capital
Capacity of 10,700 TPD

Natural Capital
Water, energy and environment conservation initiatives

Strategy & Resource Allocation

Power Cement

Dealer / Distributor

Transportation

Port

Outlook

Intellectual Capital
Efficient structures and processes
Work from home availability

Manufactured Capital
Annual sales of 2.4 million tonnes

Natural Capital
Better use of Natural Resources

Resource Allocation Plan To Implement The Strategy

The Company possesses significant resources that encompass human, financial, and technological dimensions. We also engage professional associates and technical experts, on need basis, who are dedicated to the perpetual enhancement and modernization of our production, control processes, and systems.

Furthermore, prudent management of financial resources is executed through astute credit control measures, efficient treasury management, and meticulous attention to cash flow forecasting.

Human Capital

The Company has gathered a cadre of professionals distinguished by their extensive expertise in cutting-edge technologies. These adept individuals compose the design and implementation of strategies for enhancing and upgrading our production processes, networking, and control systems. A dedicated team oversees the full spectrum of human resource dynamics, from initial selection to eventual retirement/separation. We hold a steadfast belief in the augmentation of our human capital through planning robust training and comprehensive developmental programs.

Manufacturing Capital

Our state-of-the-art cement plant installation stands as a testament to our commitment to excellence. This installation positions us as one of the region's most cost-efficient producers. A bedrock of Quality Control and Quality Assurance practices ensure that systems for quality enhancement at every level.

Financial Capital

The Company currently has a rich capital base comprising paid up capital of Rs.13,201 million representing 1,320,113,765 shares of Rs.10/- each. Further, sponsors support of Rs. 7 Billion was also injected in the company forming part of equity.

Intellectual Capital

The company’s management is well aware and takes appropriate decisions in ensuring adequate intellectual capital. Our operational strategies are intrinsically linked with Information Management and Technology. Our Enterprise Resource Planning (ERP) system seamlessly harmonizes all operational facets, catalyzing heightened efficiency and the effectiveness of processes and controls.

Social and Relationship Capital

We ardently treasure our stakeholders, encompassing customers, employees, and shareholders. Our managerial ethos is dedicated to the collective prosperity shared by our supply chain partners, dealers, shareholders, and employees. We diligently invest in initiatives that foster collaboration and a continuous discourse with our customers and vendors. Furthermore, our commitment extends to the sustainable upliftment of local communities through the creation of employment opportunities for skilled and unskilled manpower.

This judicious allocation of resources underpins our endeavor to translate strategic objectives into tangible outcomes while sustaining value creation for all stakeholders.

Significant Plans and Decisions

Electricity constitutes a substantial portion of our cement manufacturing costs, accounting for approximately 16% of the total production cost. Our Company's management has consistently prioritized this critical aspect, leading to the installation of a Waste Heat Recovery System (WHRS), successfully generating approximately 10MW of power domestically.

In pursuit of augmented profitability, the Company is utilizing 7MW procured through Equipment Rental Agreement (ERA) for Solar Energy.

This strategic approach serves multiple purposes. It not only strengthens the Company's cash flow but also facilitates a journey towards energy self-sufficiency through a partial transition to green energy sources. This transition contributes significantly to reducing our carbon footprint, while concurrently promoting a healthier ecological environment.

Strategy to Overcome Liquidity Risk

The Company has in place a robust strategy to manage liquidity risk effectively, supported by a dedicated and proficient team of liquidity management experts. This team is equipped to oversee both the immediate and long-term funding needs. The treasury team ensures the availability of suitable funding sources that align with the company's requirements, thereby forming a formidable safeguard against liquidity risks.

The Company's working capital requirements are fulfilled through internal fund generation, encompassing customer sales receipt, complemented by external short-term financing. The Company has strict controls on customer payments, such as regular follow-ups on receivables, careful aging analysis, periodic credit limit review, and encouraging advance against sales.

To avoid any unexpected cash flow issues, the Company has established a strong communication and coordination system among the treasury, sales, inventory management, and production departments. This ensures a harmonious balance of inventory levels, thereby optimizing the utilization of available resources and sustaining optimal liquidity levels at all times.

Effect of Technological Changes, Societal Issues and Environmental Challenges

Technological Changes

The Company's unwavering commitment to excellence is demonstrated through its strategic embrace of cutting-edge production techniques. The state-of-the-art production line, procured from FLSmidth Denmark, represents a pinnacle of technological innovation. This line, boasting a capacity of 7,700 TPD, integrates the latest advancements. Embracing environmental stewardship, the Company's modern plant yields the highest quality Grade 53 cement. Moreover, the implementation of the Waste Heat Recovery System (WHRS) and the activation of a 7 MW Solar Power Project signify our sustainable energy endeavors.

Societal Issues

Our commitment extends beyond operations, embracing social responsibility and community welfare. The establishment of a robust Health, Safety, and Environment (HSE) Department underscores our dedication to best practices. Formulated policies and procedures, designed for both employees and contractors, affirm our resolute dedication to their well-being.

Environmental Challenges

Central to our strategic compass is environmental responsibility. The successful integration of bag filters has reinforced our commitment to sustainable practices. Notably, our Plant adheres to European and IFC carbon emission standards, an embodiment of our commitment to eco-friendly operations. A forward-looking approach drives us to counter environmental challenges through renewable energy projects, a testament to our holistic endeavors to curtail carbon emissions and foster a greener tomorrow.

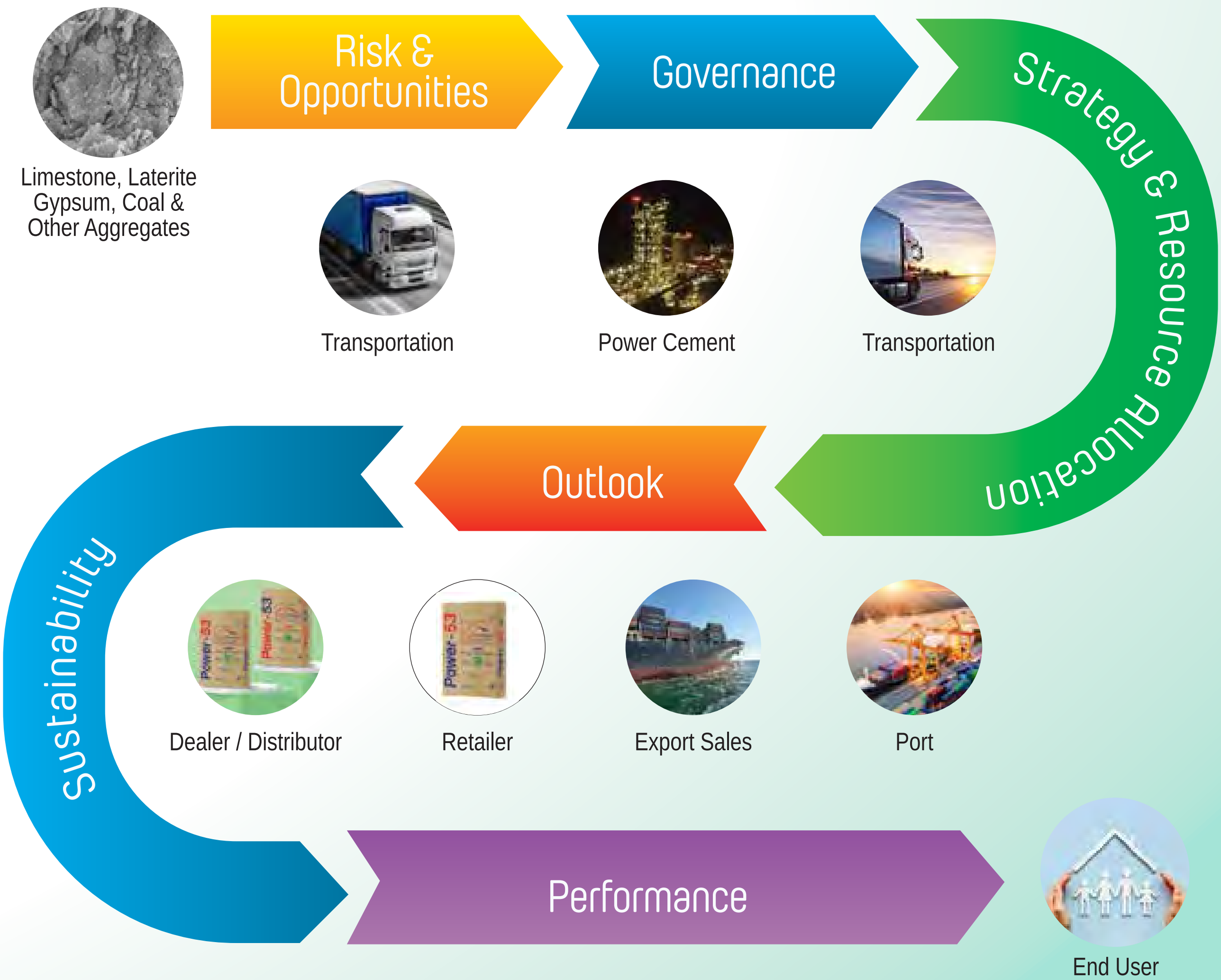
Value Chain Analysis

Power Cement Limited primarily engages in the production and sale of cement products. The manufacturing process involves the blending of limestone and various minerals at high temperatures in kilns. Initial kiln firing is achieved using diesel fuel, while local and imported coal is utilized to maintain the desired temperature. Upstream activities involve sourcing raw materials such as, gypsum and iron ore bought from vendors, shale and limestone are extracted from quarries, subject to monthly royalty and excise duty payments.

To ensure uninterrupted operations, Power Cement Limited has invested in maintaining a seamless production flow. The company proactively manages risks associated with production disruptions. Rigorous oversight by highly qualified specialists is applied to the mining, grinding, crushing, and blending processes, guaranteeing the production of the highest quality cement for valued customers.

Through an effective marketing strategy, Power Cement Limited generates a pull effect, cultivating customer loyalty and actively exploring potential markets. The company has initiated various dealer engagement activities to foster stronger connections and encourage dealers to promote Power Cement Limited's product portfolio.

The value chain analysis has empowered Power Cement Limited to discern its core strengths and key stakeholders contributing to value creation, both upstream and downstream. This analysis has not only identified value-added activities for customers but has also facilitated an evaluation of the company's competitive positioning within the industry.


Limestone, Laterite Gypsum, Coal & Other Aggregates
Risk & Opportunities
Governance
Strategy & Resource Allocation
Transportation
Power Cement
Transportation
Outlook
Sustainability
Dealer / Distributor
Retailer
Export Sales
Port
Performance
End User

Risks and Opportunities

Key Risk and Opportunities

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

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

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

OPERATIONAL RISKS				
Risk	**Area of Impact**	**Source of Risk**	**Mitigation Strategy**	**Assessment**
Rising Cost of Coal/Fuel/ Packing Material Increase in imported coal & electricity costs resulting in higher cost of production	Financial Capital	External	At PCL, close monitoring of coal prices is done to fetch the best possible prices from the market. The Company's management is also considering viability of other fuel mix to reduce the average coal costs. The Company is also using various technological options to cut down its fuel costs such as utilization of sugar mud press. Furthermore, the Waste Heat Recovery System (WHRS) and Solar Plant are operational that have significantly reduced the energy costs and further reduction has also been planned through Wind power initiatives.	Likelihood: Medium Magnitude: High

OPERATIONAL RISKS				
Risk	**Area of Impact**	**Source of Risk**	**Mitigation Strategy**	**Assessment**
Talent Retention and Succession Planning It is critical for the Company to attract, develop, and retain the right talent to accomplish the Company's objectives. Succession planning is needed to ensure that the Company has sustainable operations.	Human Capital	Internal	Benchmarking the existing employee compensation and benefits are in line with the best industry practices. This would help retention of quality human resource by offering attractive packages. The Company also plans training programs for its key management personnel to enhance their management and decision making skills are imperative. Job rotation in the Company at key positions is also on the cards - which can also help to minimize disruption in business operations.	Likelihood: High Magnitude: Medium
Information System Risk Loss of confidential information due to data theft	Financial Capital	Internal/ External	Information is transmitted through secure connections and firewalls are in place to prevent malicious activities. Appropriate data back-up mechanism is in place. Periodic systems' audit is performed to identify weaknesses / non compliances, areas for further improvement and remedial measures are taken accordingly, if required.	Likelihood: Medium Magnitude: Medium
Law and Order uncertainty Loss may occur due to terrorism activities and sabotage	Financial Capital	External	Company's assets are adequately safeguarded through sound takaful coverage against such risks. Further, the Company has also taken Business Interruption policy to avoid loss of revenue.	Likelihood: Low Magnitude: High
Maintenance Risk Possibility of production loss due to breakdowns	Manufacturing Capital	Internal	The Company's engineering team maintains backup of the parts required in case of emergency breakdowns and also there are planned overhauling activities conducted at the plant. However, the likelihood is quite low in the short term as the new plant has been installed with state of the art European technology procured from M/s. FLSmidth, Denmark.	Likelihood: Low Magnitude: High

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

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

Board's Commitment to Risk Mitigation

The Company's operational landscape is inherently exposed to diverse risks. In response, the Board has embraced a proactive stance, employing comprehensive planning and astute business comprehension to identify and mitigate existing, potential, and perceived risks. The Board's thorough assessment of principal risks, encompassing threats to the business model, future performance, and financial stability, is underpinned by a robust control framework. This framework features clear structures, well-defined authority limits, and accountabilities, alongside rigorously implemented policies, procedures, and diligent review processes. Importantly, the Company has upheld its commitment to meeting debt obligations without defaults and consistently evaluates the adequacy of its capital structure, promptly addressing any deficiencies to preempt potential risks.

This unwavering dedication to risk management and vigilant oversight underscores our resolute determination to guide the Company's enduring success and resilience amidst a dynamic business landscape.

Company's Attitude towards Risk and Mechanisms for Addressing Integrity and Ethical Issues

Power Cement Limited upholds not only an extensive Code of Conduct for its workforce but also champions a robust and formalized whistle-blowing policy. This policy encourages stakeholders to report any instances of ethical misconduct, improper behavior, or illegal activities involving colleagues or supervisors. We uphold complete transparency by promptly reporting the details of whistle-blowing cases and the ensuing measures implemented to the highest levels of our organization. This unwavering commitment underscores our dedication to maintaining the utmost standards of ethics and accountability.

Statement of Board of Directors on Risk Assessment

The business environment in which our Company operates is complex and full of challenges. This exposes us to various risks from both outside and inside the Company that could impact our success and profitability. Each decision we make involves considering the risks against the potential rewards. We take careful risks as we work to take advantage of opportunities that align with our long-term goals. Managing risks is a crucial part of how our Company's management operates, finding a balance between our entrepreneurial spirit and the level of risk involved in these opportunities.

Default of Payments

Following the best practices of business, we are committed to repaying what we owe on time. During the reviewed period, there were no instances of the Company failing to make loan or debt payments as required.

Capital Structure Management

The Board is dedicated to maintain an efficient capital foundation to uphold the confidence of investors, creditors, and the market. This commitment serves to ensure the sustained growth and advancement of the business in the future. The Board of Directors oversees the assessment of the return on capital employed, a metric determined by dividing operating income by the total capital employed. The Company's capital management pursuits are guided by the following objectives:

i. Ensuring the entity's ongoing viability as a going concern, facilitating the ability to yield returns for shareholders and deliver advantages to other stakeholders.

ii. Yielding a suitable return to shareholders.

The Company adeptly steers its capital structure, aligning it with prevailing economic conditions and the risk profile of the underlying assets. The capital structure predominantly encompasses ordinary share capital, Preference Shares , Sponsors Financing and Bank/DFI long-term and short-term debts.

Governance

Chairman´s Review Report

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

Dear Shareholders,

I am pleased to present the audited financial statements for the fiscal year ended June 30, 2023, along with my review.

The Board of Directors (the "Board") of the Company has diligently fulfilled their responsibilities in the best interests of the Company's shareholders, effectively managing the Company's affairs. The Board has exercised its powers and fulfilled its duties as stipulated in the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code") regarding the composition, procedures, and meetings of the Board of Directors and its Committees. In accordance with the Code, we conduct an annual evaluation of the Board to measure its overall performance and effectiveness against the objectives set for the Company. Areas requiring improvement are thoughtfully considered, and action plans are devised.

For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2023 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. **Composition, Diversity, and Expertise:** The Board comprises a diverse group of executive, non-executive, and independent directors who possess the requisite skills, experience, and capabilities. They bring substantial value to the Board through their expertise, experience, and strong ethical principles. Non-executive and independent directors played a pivotal role in key Board decisions.

2. **Oversight of Vision, Mission, and Goals:** The Board has a well-defined strategic vision for the Company's future. It thoroughly examines interim and annual financial results, provides extensive guidance to the management, and stays informed about the Company's objectives, goals, strategies, and financial performance through quarterly and annual presentations by the management, as well as internal and external auditors. Proactive monitoring of financial and operational performance, particularly in critical risk areas, allows the Board to provide timely guidance and oversight.

3. **Communication and Leadership:** The Board ensures effective, continuous flow of information between itself and the management. The information provided to the Board is accurate, timely, unbiased, and pertinent.

4. **Strategic Engagement:** The Board possesses a deep understanding of the Company's stakeholders, including shareholders, customers, employees, vendors, and society at large. It invests significant time in formulating and setting annual goals and targets across major performance areas.

5. **Due Diligence:** Board members diligently fulfill their duties, comprehensively reviewing and approving business strategies, corporate objectives, plans, budgets, financial statements, and other reports. They receive well-structured agendas and supporting documentation in advance of Board and Committee meetings. The Board convenes regularly to fulfill its responsibilities effectively, giving due consideration to recommendations and advice from external and internal auditors.

6. **Governance:** The Board maintains effective internal controls and robust measures to safeguard the Company's assets. Audit and HR&R Committees have been established in accordance with approved terms of reference, applicable corporate laws, norms, and best practices. This commitment is reflected in the establishment of a robust control environment, adherence to corporate governance best practices, and the promotion of ethical and fair behavior throughout the Company.

Nasim Beg
Chairman
September 28, 2023

Directors' Report

The Board of Directors of Power Cement Limited presents to you this report along with the annual audited financial statements of your Company for the year ended June 30, 2023.

Business Environment and Economic Challenges

In FY-2023, the external sector improved as the current account deficit reduced to $2.4 billion from $17.5 billion in FY-2022.

The previous fiscal year posed significant challenges. Political and economic turmoil coupled with depleted foreign exchange reserves entailed to curtailment of Letter of Credits resulting in scarcity of raw materials for different industries. Thereby, Industrial activity, particularly Large-Scale Manufacturing (LSM), declined by 10.26%. The deteriorating economic conditions led to resumption of IMF program, raising fuel and electricity prices, increasing taxes, and elevating the SBP's discount rate to 22%, and hence aggravating the cost of doing business. Import restrictions curbed the current account deficit but impacted import-dependent industries. Heavy rainfall, floods, and global recession further affected various sectors.

Cement Sector

The cement sector, both domestically and globally, faced formidable challenges in the initial half of FY-23. This instability started with the volatility in global commodity prices, a direct consequence of geopolitical hostilities. These fluctuations had not only impacted the industries dependent on such commodities but also gave rise to overall inflationary pressure.

Within Pakistan, the situation was further aggravated by elevated commodity costs and an environment of political instability that cast a shadow over the economy. This unfortunate confluence led to a surge in import costs, a sharp devaluation of the national currency, and an upswing in inflation.

Cement production witnessed a sharp decline, plummeting by 15.71% to 44.58 million tons in contrast to the previous year's 52.89 million tons. Local sales volume also took a hit, diminishing by 15.99% to reach 40.01 million tons during the year under review, down from 47.63 million tons in the prior year. Additionally, exports volume contracted by 13.13%, settling at 4.56 million tons during the year under review, as opposed to 5.25 million tons in the corresponding year.

The decline in local sales and exports of cement during the financial year can be primarily attributed to the challenges posed by all-time high inflation levels, fall in construction activities and rising prices of construction materials. Particularly in the South Zone, where your Company operates, domestic demand experienced a significant reduction, although less than the decline in overall domestic consumption, resulting in an annual consumption of 7.23 million tons, marking a negative growth rate of 11.71%. Simultaneously, export demand within this region stood at 3.50 million tons, registering a negative growth rate of 19.53% compared to the previous year. Consequently, the South Zone recorded total dispatches of 10.73 million tons.

These challenges are emblematic of the tumultuous environment that the cement industry has navigated, and they underscore the importance of adaptability and strategic planning in these trying times.

Financial Performance

A comparison of the key financial indicators of your Company for the year ended 30 June 2023 with the corresponding year are as under:

Particulars	FY 2023	FY 2022
	PKR in '000'	
Sales Revenue	36,404,336	23,633,082
Less: Sales Tax / Federal Excise Duty / Commission / Freight	7,465,240	6,138,204
Sales Revenue – Net	28,939,096	17,494,878
Gross Profit	6,867,841	2,482,131
Operating Profit	3,732,098	1,304,202
Finance Cost – Net	3,813,009	2,634,828
Loss Before Tax	(80,911)	(1,330,626)
Profit / (Loss) After Tax	168,993	(443,946)
Loss Per Share (in Rupee)	(0.19)	(0.62)

FY-2023 witnessed a remarkable surge in net sales revenue, registering increase of 65% compared to FY-2022. The local sales revenue appreciated by Rs.5.65 billion (39%) coupled with increase in exports by Rs.5.79 billion (185%) as compared to the corresponding period.

Power Cement Limited witnessed a 177% growth in gross profit during FY-2023 compared to the previous year. The gross profit margin also notably improved, reaching 24% from the prior year's 14%. This substantial enhancement is mainly attributable to the Company's success in securing improved retention prices coupled with effective cost management, particularly in reducing fuel and electricity costs.

During the year under review, the finance costs witnessed whopping increase amounting to Rs.3.81 billion, marking a 45% increase compared to the previous year's figure of Rs.2.64 billion. This massive increase is mainly attributable to unprecedented rise in interest rates, primarily contributing to the loss before tax suffered by the Company, which resulted in a Loss Per Share (LPS) of Re. 0.19 for the fiscal year.

Production and Sales Quantitative Performance

Production	FY 2023	FY 2022	Variance	
	Tons		Tons	%
Cement	1,924,996	1,593,324	331,672	20.82%
Clinker	2,297,890	1,863,323	434,567	23.32%

Dispatches	FY 2023	FY 2022	Variance	
	Tons		Tons	%
Cement/Clinker	1,576,278	1,627,272	(50,994)	(3.13%)
Cement (Export)	469,822	75,848	393,974	519.42%
Clinker (Export)	355,339	419,830	(64,491)	(15.36%)
Total Dispatches	**2,401,439**	**2,122,950**	**278,489**	

The clinker production of your Company during the year under review was 2,297,890 tons resulting in capacity utilization of 72% in comparison with the clinker production of 1,863,323 tons implying capacity utilization of 58% during the corresponding year.

Dividend and Bonus Shares

Given the prevailing economic volatility and the Company's commitments covering existing long-term loans, the Board of Directors has resolved not to declare any cash dividend or issue bonus shares for the year ended June 30, 2023.

Outlook

As we enter FY-24, Pakistan faces substantial economic and political challenges. The aftermath of a global recession, rising inflation, fiscal constraints, and environmental crises has set the stage for a complex economic landscape.

The government has negotiated a new IMF program of Stand-By Arrangement (SBA), injecting USD 3.0 billion over nine months to bolster the economy. It also opens doors for additional borrowing from international lenders.

Fiscal discipline, financial prudence, international engagement for sustainable growth and domestic political stability are vital for economic revitalization. Sustainable measures will rebuild confidence and pave the way for prosperity.

Despite economic turbulence, your Company remains resilient and creative.

Credit Rating

The Company has been assigned a long term rating of “A-“ (Single A Minus) and short term rating of “A-2” (Single A Two) by JCR-VIS Credit Rating Company Limited on December 30, 2022.

Contribution to National Exchequer

The Company contributed Rs.3.68 billion (2022: Rs.2.57 billion) into the Government Treasury on account of income tax, excise duty, sales tax and other Government levies.

Corporate Reorganization

The Board of Directors of Power cement Limited, in their meeting held on September 28, 2023 at Karachi, has authorized the management to participate in the Group’s invitation to evaluate and propose the terms for a potential reorganization of group companies, with the objective to assess various workable options to strengthen the balance sheets of group companies for financial and tax efficiencies, and present their recommendations for the consideration and approval of the Board of Directors.

Code of Corporate Governance

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

- The financial statements prepared by the management of the Company, present fairly the Company’s state of affairs, the result of operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company’s ability to continue as a going concern. Further, the Company is paying all debts in time and no default is made on the part of Company to repay its debts to the banks.

- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The Company operates funded gratuity scheme for its employees as disclosed in relevant note to the financial statements.
- The statement of holding in the prescribed format disclosing aggregate number of shares has been attached with this Annual Report.
- Key operating and financial data for the last 6 years has been annexed to the report.

Composition of Board of Directors

The Board of Directors of the Company as of 30 June 2023 consists of:

Total Number of Directors	8
i) Men	7
ii) Woman	1

The names and composition of the Board of Directors as of 30 June 2023 are as follows:

Composition of Directors	Name of Directors
a. Non-Executive Directors	1) Mr. Nasim Beg
	2) Mr. Syed Salman Rashid
	3) Mr. Samad A. Habib
	4) Mr. Andres Paludan-Muller
	5) Ms. Zainab Kashif
b. Independent Directors	6) Mr. Javed Kureishi
	7) Mr. Khursheed Anwer Jamal
c. Executive Director	8) Mr. Muhammad Kashif Habib

Meetings of Board of Directors

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

Name of Directors	Designation	Meetings attended by the Member
Mr. Nasim Beg	Chairman	5/5
Mr. Muhammad Kashif Habib	Chief Executive Officer	5/5
Syed Salman Rashid	Non-Executive Director	4/5
Mr. Samad A. Habib	Non-Executive Director	4/5
Mr. Javed Kureishi	Independent Director	4/5
Mr. Khursheed A. Jamal*	Independent Director	4/4
Ms. Zainab Kashif*	Non-Executive Director	3/4
Mr. Andres Paludan-Muller	Non-Executive Director	5/5
Ms. Saira Nasir*	Independent Director	1/1

*Ms. Saira Nasir retired whereas Mr. Khursheed A. Jamal and Ms. Zainab Kashif were elected on October 28, 2022.
Leave of absences were granted to directors who did not attend the meetings.

Board Committees and Meetings

Audit Committee

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

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

Name of Members	Designation	Meetings attended
Mr. Khursheed A. Jamal*	Chairman	3/3
Syed Salman Rashid	Member	2/4
Mr. Samad A. Habib	Member	3/4
Ms. Saira Nasir*	Ex-Chairperson	1/1

*Ms. Saira Nasir retired and Mr. Khursheed A. Jamal appointed as Chairman on October 28, 2022.

Human Resources & Remuneration Committee

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

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

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

Evaluation Criteria for the Board

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

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

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

Directors Remuneration Policy

The independent Directors of the Company are being paid meeting fee for attending meeting(s) of Board of Directors or meeting(s) of any of Boards' sub-committee as approved in the Annual General Meeting held on October 28, 2019. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the Company successfully and with value addition. Remuneration to Chief Executive and Directors disclosed in notes to the Financial Statements for the year ended June 30, 2023.

Adequacy of Internal Financial Controls

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

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

Pattern of Shareholding

The ordinary and preference shares of the Company are listed on Pakistan Stock Exchange. There were 1,111,870,488 (2022: 1,111,870,488) ordinary shares and 208,243,277 (2022: 208,243,277) preference shares of the Company as of June 30, 2023. The detailed pattern of shareholding is annexed to the Report.

Trading In Company's Share by Directors and Executives

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

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

Risk Management & Strategy for Mitigating Risks

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

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

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

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

Impact of Company's Business on the Environment

The FLSmidth Plant of your Company is environment friendly meeting IFC and World Bank standards, having state of the art online quality control system. The Plant is capable of consistently producing 53 Grade Cement of optimum quality.

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

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

Certifications

The Company has always been committed to provide a safe working environment for all of its employees and stakeholders at large, and the award of the ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications is a testimony of its continuous implementation of practices that offer development of health, safety and environment at the work place.

Appointment of External Auditors

The auditors, M/s. A.F Fergusons and Co, Chartered Accountants, will retire and being eligible, offer themselves for re-appointment. The Board has recommended the appointment of M/s A.F. Ferguson & Co, Chartered Accountants as auditors for the ensuing year ending on June 30, 2024, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Related Party Transactions

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

Acknowledgement

The Directors extend their sincere gratitude to the Company's stakeholders for their unwavering confidence and patronage. We wish to express our profound appreciation for the faith and trust placed in us by our Business Partners, Bankers, and Financial Institutions. We are thankful for the continued support and guidance provided by the Ministry of Finance, Ministry of Industries & Production, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan, and the Management of Pakistan Stock Exchange Limited.

The Directors also acknowledges the persistent efforts and dedication, partnership, loyalty and hard work of all the employees of the Company.

For and on Behalf of the Board

Muhammad Kashif Habib
Chief Executive Officer

Nasim Beg
Chairman

Karachi: September 28, 2023

Report of The Audit Committee

Composition of The Audit Committee

The Audit Committee comprises of three (3) Non-Executive Directors, including one Independent Director who serves as the Committee's Chairman. All members of the Audit Committee are seasoned professionals with diversified experience at the Boards and Senior Management levels across various sectors.

The Head of Internal Audit serves as the Committee's Secretary. Additionally, the Chief Financial Officer of the Company attends meetings by invitation, while the presence of External Auditors is ensured as required.

Financial Statements

The Audit Committee has diligently conducted its annual review of the Company's operations during the financial year 2023 and hereby reports the following:

The annual financial statements for the year ended June 30, 2023 have been prepared on a going concern basis in accordance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, International Financial Reporting Standards (IFRS), and other applicable regulations. The financial statements accurately present the Company's financial position, results of operations, profits, cash flows, and equity changes for the year under review. Consistent application of appropriate accounting policies is evident, with any changes duly disclosed.The Chief Executive Officer, and the Chief Financial Officer have endorsed the financial statements, and the Directors' Report has been signed by a Director and the Chief Executive Officer. They acknowledge their responsibility for the fair presentation of financial condition and results, adherence to regulations, applicable accounting standards, and establishment of internal controls and systems. Accounting estimates are based on prudent judgment, and proper records have been maintained as per the Act. The financial statements meet the requirements of the fourth schedule of the Companies Act, 2017 and external reporting is consistent with management processes, adequately serving shareholder needs. All Related Party transactions have been reviewed and approved by the Committee before Board's endorsement. The Company's "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019" has been reviewed and certified by External Auditors. The Board, Management, and employees of the Company affirm understanding and compliance with the Company's codes and policies, ensuring equitable treatment of shareholders. All trading and holdings of Company shares by Directors, executives, or their spouses were promptly reported to the Company Secretary, with details furnished and subsequently disclosed in the Pattern of Shareholding. Closed periods, as stipulated, were observed, preventing dealings in Company shares prior to relevant Board meetings.

Risk Management and Internal Control

- A robust risk identification mechanism assesses and addresses risks across major functions, regularly presented to the Audit Committee for review.
- Effective internal controls, including an independent internal audit function, are established.
- The Internal Audit department monitors compliance and risks associated with internal controls and operations.
- Risk management details are provided in the Directors' Report, outlining types of risks and mitigation measures.

Internal Audit

- The internal controls system is well-designed, subject to continuous evaluation for effectiveness.
- The Audit Committee ensures operational, compliance, risk management, financial reporting, and control objectives are met, safeguarding Company assets and shareholder wealth.
- Internal Audit findings have been reviewed, with actions taken or reported to the Board when required.

- Channels for confidential reporting of concerns are established, and remedial measures are applied as needed.

The Head of Internal Audit maintains direct access to the Audit Committee Chairman.

External Auditors

- M/s. A.F. Fergusons & Co., Chartered Accountants, have completed their audit of the Company's financial statements and Compliance Statement for the fiscal year ended June 30, 2023.
- The Auditors have attended Committee meetings, General Meetings, and will continue attendance at the upcoming 32nd Annual General Meeting.

The reappointment of M/s. A.F. Fergusons & Co. as external auditors for the year ending June 30, 2024, has been recommended.

Annual Report 2023

The Company's comprehensive Annual Report exceeds regulatory requirements, offering stakeholders detailed insights into management, policies, performance, and future prospects.

The Audit Committee

The Audit Committee asserts its fulfillment of responsibilities outlined in the Board-approved Terms of Reference, including the matters detailed in this report. Evaluation of the Board's performance, inclusive of Audit Committee members, is presented in the Annual Report.

Khursheed Anwer Jamal
Chairperson Audit Committee

pwc

A·F·FERGUSON&CO.

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

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

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

Chartered Accountants
Karachi

Date: October 4, 2023

UDIN: CR202310073MvscQyV5r

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

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

FOR THE YEAR ENDED 30 JUNE 2023

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

1. The total number of Directors of the Company are 8 as per the following:

Male	7
Female	1

2. The composition of Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.

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

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

9. Majority of the Directors have complied with the requirements of Directors' Training program.

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

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

12. The Board has formulated the following committees comprising of the given below:

	Name of Committee Members	Category
a. Audit Committee	Mr. Khursheed A. Jamal - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Samad A. Habib	Non-Executive Director

	Name of Committee Members	Category
b. Human Resource and Remuneration Committee	Mr. Javed Kureishi - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Muhammad Kashif Habib	Executive Director

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

14. The number of meetings of the committees held during the year are as under –
    a) Audit Committee – Four meetings
    b) Human Resource and Remuneration Committee – One meeting

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary or Director of the Company.

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

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

19. Explanation for non-compliance with requirements, other than of regulations 3, 6, 7, 8, 27,32, 33 and 36 are below;

S.No	Non-Mandatory Requirement	Explanation	Reg.no.
1	**Directors Training** The Code encourages the companies that all the Directors have obtained DTP certification by June 30, 2022.	The Company has eight directors whereof one director is exempt from this requirement by virtue of his qualification & experience. Four other directors have obtained their DTP certification and the remaining three directors shall obtain their DTP certification in the ongoing financial year.	19(I)
2	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not constituted separate Nomination Committee and currently functions required to be performed by Nomination Committee are being dealt with by Human Resource and Remuneration Committee.	29(I)
3	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted separate Risk Management Committee and currently functions required to be performed by Risk Management Committee are being dealt with by Audit Committee and the board.	30(I)

For & on behalf of Board of Directors

Muhammad Kashif Habib
Chief Executive Officer

Nasim Beg
Chairman

September 28, 2023
Karachi

Notice of The 32nd Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting (AGM) of Power Cement Limited ("the Company") will be held at PSX Auditorium, 3rd Floor, Admin Block, Stock Exchange Building, Stock Exchange Road, Karachi and virtually through video-link facility, on Wednesday, October 25, 2023 at 11:30 am to transact the following businesses.

ORDINARY BUSINESS:

1. To confirm the minutes of Annual General Meeting of the Company held on October 28, 2022.

2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' reports thereon.

3. To appoint and fix remuneration of the Auditors for the year ending June 30, 2024. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, shall retire and being eligible, offered themselves for re-appointment.

Special Business:

4. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolution, as an ordinary resolution, to enable and authorize the Company to circulate notice of general meeting(s) / Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

   "**RESOLVED THAT** Power Cement Limited (the "**Company**") be and is hereby authorized to circulate its notice of general meeting(s) / annual report (including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein), to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the annual report through CD/DVD/USB be discontinued."

Any Other Business:

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

(A Statement under Section 134(3) of the Companies Act, 2017 pertaining to the material facts is given along with this notice)

By Order of the Board

Salman Gogan
Company Secretary

October 04, 2023
Karachi

Notes:

1. Closure of Share Transfer Books:

The Share transfer books of the Company shall remain closed from October 18, 2023 to October 25, 2023 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block -B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi up to the close of business on October 16, 2023 shall be treated in time for the purpose of Annual General Meeting.

2. Participation in the AGM Proceeding via Video Link Facility:

The Company also facilitate participation of its shareholders through a video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/proxies interested to participate in the AGM through this facility are requested to share below information at corporate@powercement.com.pk with subject "Registration for 32nd AGM of Power Cement Limited" alongwith valid copy of CNIC (both sides) or passport –

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

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

3. Appointment of Proxies and Attending AGM:

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

4. Change in Members Addresses:

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

5. Circulation of Audited Financial Statements Through e-mail:

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

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

6. Submission of CNIC / NTN (Mandatory):

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited. Corporate Entities are requested to provide their National Tax Number (NTN). Please also give Folio Number with the copy of CNIC/NTN details.

7. Availability of Financial Statements and Reports on Website:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company's website: https://powercement.com.pk/financial-reports/.

8. Consent for Video Conference Facility:

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

To avail such facility, members are requested to submit the following form with the requisite information at the Registered Office of the Company –

I/We ______________________________ of ______________________________being member(s) of Power Cement limited, holder of ________________________ordinary shares(s) as per Registered Folio/CDC Account No. _____________hereby opt for video conference facility at ______________________.

______________________ Name and Signature(s)

______________________ Date

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

9. Polling on Special Business Resolution:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Wednesday, October 25, 2023 at 11:30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.powercement.com.pk for download.

Procedure for E-Voting:

I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 17, 2023.

II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

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

IV. E-Voting lines will start from October 19, 2023, 09:00 a.m. and shall close on October 24, 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently

Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Arif Habib Centre 23 MT Khan Road, Karachi, Pakistan or email at corporate@powercement.com.pk one day before the Annual General Meeting on October 24, 2023, during working hours. The signature on the ballot paper shall match the signature on CNIC.

Special Note for Conversion of Physical Shares into the Book-Entry Form:

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CDC/ED/Misc.2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into Book-Entry Form. In view of the above requirement, shareholders of the Company having physical shares are requested to convert their shares from physical into Book-Entry Form as soon as possible.

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy and safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

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

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

Statement of Material Facts under Section 134(3) of The Companies Act, 2017

Agenda Item no. 4

In light of the rapid technological advancements and the increasing obsolescence of older technology, we wish to inform you of a significant development from the Securities and Exchange Commission of Pakistan ("SECP"). Through S.R.O. 389(I)/2023 dated March 21, 2023, the SECP has granted permission to listed companies to disseminate the Notice of General Meeting(s) and the Annual Report (comprising audited financial statements, auditor's report, Directors' report, and Chairman's review report) to esteemed members using QR-enabled codes and weblinks. Furthermore, the SECP has endorsed the discontinuation of the circulation of annual financial statements through CD/DVD/USB.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

In alignment with our commitment to harnessing technological advancements and our dedication to corporate social responsibility, particularly in terms of environmental sustainability, the Company seeks approval of the members to cease the distribution of the Annual Report via CD/DVD/USB in the future. Accordingly, the Board of Directors of the Company has proposed an ordinary resolution, as outlined in the attached notice, for consideration and approval by the members. This resolution aims to enable the distribution of the Notice of General Meeting(s) and the Annual Report (comprising annual audited financial statements and other relevant reports) to the members via QR-enabled codes and weblinks.

This change will not only facilitate easier access to the Company's financial statements for all our members, regardless of their location, but it will also contribute to a reduction in unnecessary expenditures associated with producing CD/DVD/USB(s).

Nevertheless, if any member wishes to receive a hard copy of the Annual Report, the same will be provided free of charge, in accordance with the aforementioned SECP’s directive. Hence, there will be no change to this right or privilege of the members.

None of the Directors of the Company have any personal interest in this proposed change, except in their roles as members and Directors of the Company.

Roles of Chairman and the Chief Executive Officer

Chairman

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

Chief Executive Officer

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

Terms of Reference of the Audit Committee

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

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

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

Terms of Reference of Human Resources and Remuneration (HR&R) Committee

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

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

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

Board's Function and Decision Making

Each member of the Board is keenly aware of their individual responsibilities, as well as the collective duties they share as part of the Board. The Board plays an active role in crucial Company decisions, including the approval of budgets, investments, equity and debt capital issuance, management of related party transactions, and the appointment of key personnel.

Furthermore, the Board closely oversees the Company's operations, by approving financial statements, reviewing internal and external audit findings, and making recommendations for any potential benefits to stakeholders. To facilitate effective governance, the Board has established formal policies for conducting business, and these policies are diligently monitored through an independent Internal Audit Department. This department reports directly to the Audit Committee, ensuring ongoing compliance with Company Policies.

Matters Delegated to the Management

The management team is entrusted with the crucial task of implementing the strategies endorsed by the Board of Directors. They diligently oversee the day-to-day business operations of the Company, ensuring efficiency and ethical conduct in alignment with the strategies and objectives approved by the Board. Additionally, the management identifies and manages key risks and opportunities that may affect the Company's operations as part of its routine business execution.

Furthermore, it falls within the purview of the management, under the vigilant oversight of the Board and its Audit Committee, to prepare financial statements that accurately and fairly depict the Company's financial position. These statements are prepared in accordance with applicable accounting standards and legal requirements, reinforcing transparency and compliance in financial reporting.

Evaluation Criteria for the Board

A separate report, as mandated by section 192 of the Companies Act, 2017, regarding the Chairman's evaluation of the Board's overall performance, is provided as an attachment to this Annual Report.

Directors' Training Program (DTP)

As encourage by the SECP, the following directors have obtained DTP certifications:

Mr. Muhammad Kashif Habib	Chief Executive Officer
Mr. Khursheed A. Jamal	Independent Director
Mr. Samad A. Habib	Non-Executive Director
Syed Salman Rashid	Non-Executive Director

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

Mr. Nasim Beg	Chairman / Non-Executive Director

Mr. Khursheed A. Jamal and Mr. Javed Kureishi - being the Independent Directors meet the criteria for independence as per Section 166 of Companies Act, 2017.

External Oversight Function

The Company obtains external assurance from:

- Statutory Audit of Financial Statements from M/s. A.F. Fergusons & Co. Chartered Accountants
- QMS Audit to ensure compliance with ISO 9001 by SGS
- Environment Monitoring Report to ensure compliance with ISO 14001

Policy of Remuneration to Non-Executive Directors

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

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

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

Foreign Directors

Foreign Directors serving on the Board are obligated to provide a declaration confirming the submission of requisite documents to the Company Registration Office (CRO) in Islamabad. This declaration also affirms that, in the event the Director's name encounters security clearance issues with the Ministry of Interior, the Company will facilitate the necessary arrangements for such clearance. In instances where clearance cannot be obtained, the Company will initiate the process of replacing the Director as needed.

Retention of Board Fee by the Executive Director against Services Rendered As Non-Executive Directors Other Companies

The Executive Directors are authorized to retain the Board fee they earn in exchange for their services as Non-Executive Director in other companies.

Implementation of Governance Practices Exceeding Legal Requirements

At Power Cement Limited, management is steadfast in its commitment to adhering to best governance practices within the Company's operating framework. While we consider compliance with all legal requirements as the baseline, we strive to exceed these standards. Our aim is to implement governance rules and practices that are not only aligned with global standards but also in the best interests of our shareholders, employees, the environment, and the community we serve. This approach underscores our dedication to ethical and responsible corporate governance.

Following additional governance practices implemented by the management include:

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

Policy on Diversity

At Power Cement Limited, we prioritize creating an inclusive workplace where diversity is not just valued but embraced as a strength. We recognize that individuals from various backgrounds and experiences can bring unique perspectives that foster a collaborative work environment, driving innovation and progress.

Our commitment extends to actively addressing discrimination and ensuring that no one faces any form of discrimination or harassment in employment. We have implemented a robust whistle-blowing policy, encouraging employees to report any concerns to our Human Resources department. Our Board oversees the application of our diversity policy, emphasizing our equal opportunity employer status in all talent acquisition efforts. We aim to cultivate a culture where individual differences are appreciated and contribute to fresh ideas and advancements.

Presence of Executive Director on Board of other Companies

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

- Aisha Steel Mills Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited)
- Black Gold Power Limited
- Essa Textile And Commodities (Private) Limited
- Fatimafert Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakistan Opportunities Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddiqsons Energy Limited

Policy for Related Party Transactions

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

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

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

Board Meetings held outside Pakistan

Throughout the year, Power Cement Limited did not convene any board meetings outside the borders of Pakistan.

Policy for Disclosure of Conflict of Interest

All Directors are under a binding obligation to steer clear of actual, potential, and perceived conflicts of interest. The agenda points for the Board's deliberations are meticulously finalized after acquiring pertinent information regarding any vested interests and their quantification. During the Board's proceedings, all observations and recommendations made by Board members are duly recorded. This stringent conflict of interest management policy underscores our commitment to transparency and ethical governance.

Policy Statement

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

Management of Conflict of Interest

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

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

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

Disclosure of Supply Chain Disruption Risks and Mitigation Strategy in the Face of Environmental, Social, and Governance Incidents

In the evolving worldwide landscape, enterprises increasingly recognize the intricate relationship between their operations and environmental, social, and governance factors. Power Cement Limited acknowledges potential risks, particularly for our supply chain. We have a robust risk assessment framework for proactive risk identification and mitigation. This framework involves collaboration with stakeholders, suppliers, and industry peers for insights into emerging risks, supported by real-time monitoring.

Mitigating risks requires a proactive approach. Our strategy includes supplier engagement for ethical sourcing, sustainable production, and labor standards compliance. We diversify our supplier base to reduce dependence on one source and invest in supply chain resilience through redundancy and alternative sourcing. Power Cement Limited remains dedicated to addressing supply chain disruption risks, ensuring long-term sustainability, and minimizing adverse consequences, contributing to a resilient and socially responsible business ecosystem.

Investors’ Grievance Policy

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

Material information is also disseminated through, publication on Company’s website and notices to the Stock Exchange.

Policy for Safeguarding of Records

Power Cement Limited places paramount importance on the safety and security of its records. Physical documents are meticulously preserved in specifically designated storerooms at both our Head Office and Site locations. Access to these storage areas is exclusively granted to authorize personnel responsible for the records' secure upkeep and maintenance.

Additionally, an independent archiving company has been entrusted with the task of diligently maintaining the Company's records in a secure location. The retention of these records is carried out for as long as they are necessary to fulfill legal, administrative, operational, and other Company requirements. This meticulous approach to record management ensures compliance with all relevant standards and regulations while safeguarding the Company's invaluable data.

IT Governance Policy

Recognizing the pivotal role of Information Technology (IT) governance in the attainment of our overarching strategic and operational objectives, we have strategically aligned our IT resources to furnish our management with an efficient operational and decision-making platform, ultimately streamlining our business operations.

Our IT Governance Policy encompasses the following key aspects:

i. **Maximizing ROI on Technology Investment:** We prioritize optimizing returns on technology investments while maintaining controlled spending.

ii. **Data Security:** Ensuring the safeguarding of the Company's valuable data assets is of paramount importance.

iii. **Module Development and Upgradation:** We continuously invest in the development and enhancement of various modules to provide reliable, efficient, and timely information to support decision-making.

iv. **IT Security Awareness:** We are committed to enhancing user awareness regarding IT security to detect and prevent vulnerabilities effectively.

v. **Compatibility and Integration:** Our IT governance framework focuses on ensuring compatibility, integration, and the avoidance of redundancy in our IT systems.

At Power Cement Limited, our unwavering commitment extends to fostering an environment characterized by honesty, fairness, integrity, and accountability across all levels of management. We proactively address any issues that may impact the Company's performance and the well-being of our employees, customers, and suppliers, underscoring our dedication to ethical business practices.

Whistle Blowing Policy

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

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

The salient features of the policy are as follows:

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

Human Resource Management Policy

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

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

The main components of the Company's policy are:

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

Succession Planning

At Power Cement Limited, we embrace a proactive approach to succession planning. We take deliberate steps to recruit talented individuals, nurture their knowledge, enhance their skills and abilities, and prepare them for progressive roles and promotions within the organization. A robust succession planning framework is firmly entrenched at all levels of our organization, ensuring a constant pipeline of skilled individuals ready to fill key roles.

We seek individuals who embody the spirit of continuous improvement when identifying potential successors. In this regard, we invest significantly, both in terms of financial resources and time, in the training and development of our workforce. This commitment is exemplified by the our training programs:

- Effective Communication Skills
- Project Management
- Management Development Program **"One Team – One Goal"**
- Supply Chain Management
- These training initiatives reflect our dedication to nurturing our employees' growth, enabling them to thrive in ever-evolving roles within our organization.

Social and Environmental Responsibility Policy

Our Social and Environmental Responsibility Policy at Power Cement Limited underscores our profound acknowledgment of the significant, positive relationship between financial performance and corporate, social, and environmental responsibility. We firmly believe that the adherence to robust environmental and social strategies is not only fundamental to establishing a resilient brand but also in safeguarding our reputation, which in turn is crucial for ensuring sustained long-term success.

Social Responsibility Policy

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

Environmental Responsibility Policy

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

Business Continuity and Disaster Recovery Plan

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

- The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups at remote sites.
- The key highlights and actions of Power Cement Limited's Business Continuity Plan is as follows:
- The Management has put in place-adequate systems of IT Security, real-time data backup and off-site storage of data back-up at Company's Site.
- The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.
- To ensure the safety of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.
- The Company has also deployed adequate security staff at both plants to ensure uninterrupted cement production regardless of the political situation and other external factors.
- The Company ensures the backup of all the assets whether physical or virtual; the physical assets are backed by takaful, whereas back-up of virtual assets and data is created on a routine basis.
- It is also regularly ensured that Data Recovery processes are operating effectively.

Disclosure of Beneficial Ownership

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

Ultmate Beneficial Shareholder	Shareholding
Mr. Arif Habib	26.64%

Chairman's Significant Commitments

Throughout the year, the Chairman has been actively engaged in several significant commitments, including:

- **Conduct of Board and Shareholder Meetings:** The Chairman played a pivotal role in ensuring the effective conduct of Board meetings and Shareholder meetings, facilitating informed decision-making processes.

Details of the Chairman's external engagements, beyond Power Cement Limited, can be found in the Directors' profile section of this report, providing comprehensive insight into his multifaceted responsibilities and contributions.

External Search Consultancy for Appointment of any Director

No external search consultancy was enlisted for the selection and appointment of Directors to the Board.

Forward Looking Statement

In FY-2023, the external sector showed marked improvement as the current account deficit diminished to $2.4 billion from $17.5 billion in FY-2022.

The preceding fiscal year presented formidable challenges marked by political and economic upheaval, depleted foreign exchange reserves, and restrictions on Letter of Credits, resulting in raw material shortages for various industries. Consequently, industrial activity, notably Large-Scale Manufacturing (LSM), witnessed a decline of 10.26%. The deteriorating economic conditions led to the resumption of an IMF program, fuel and electricity price hikes, increased taxes, and a surge in the SBP's discount rate to 22%, exacerbating the cost of conducting business. Import constraints curtailed the current account deficit but impacted import-dependent industries. Adverse weather conditions, including heavy rainfall, floods, and a global recession, further affected various sectors.

As we step into FY-24, Pakistan confronts significant economic and political challenges. The aftermath of a global recession, mounting inflation, fiscal constraints, and environmental crises have set the stage for a complex economic landscape.

The government has successfully negotiated a new IMF program, the Stand-By Arrangement (SBA), injecting USD 3.0 billion over nine months to fortify the economy. This infusion brings stability and predictability, benefiting businesses and investors, and opens avenues for additional borrowing from international lenders.

The key to economic revitalization lies in fiscal discipline, financial prudence, sustainable international engagement, and domestic political stability. These sustainable measures will instill confidence and chart a path toward prosperity.

In the face of economic turbulence, our Company remains resilient and innovative.

Performance and Position

Financial Ratios

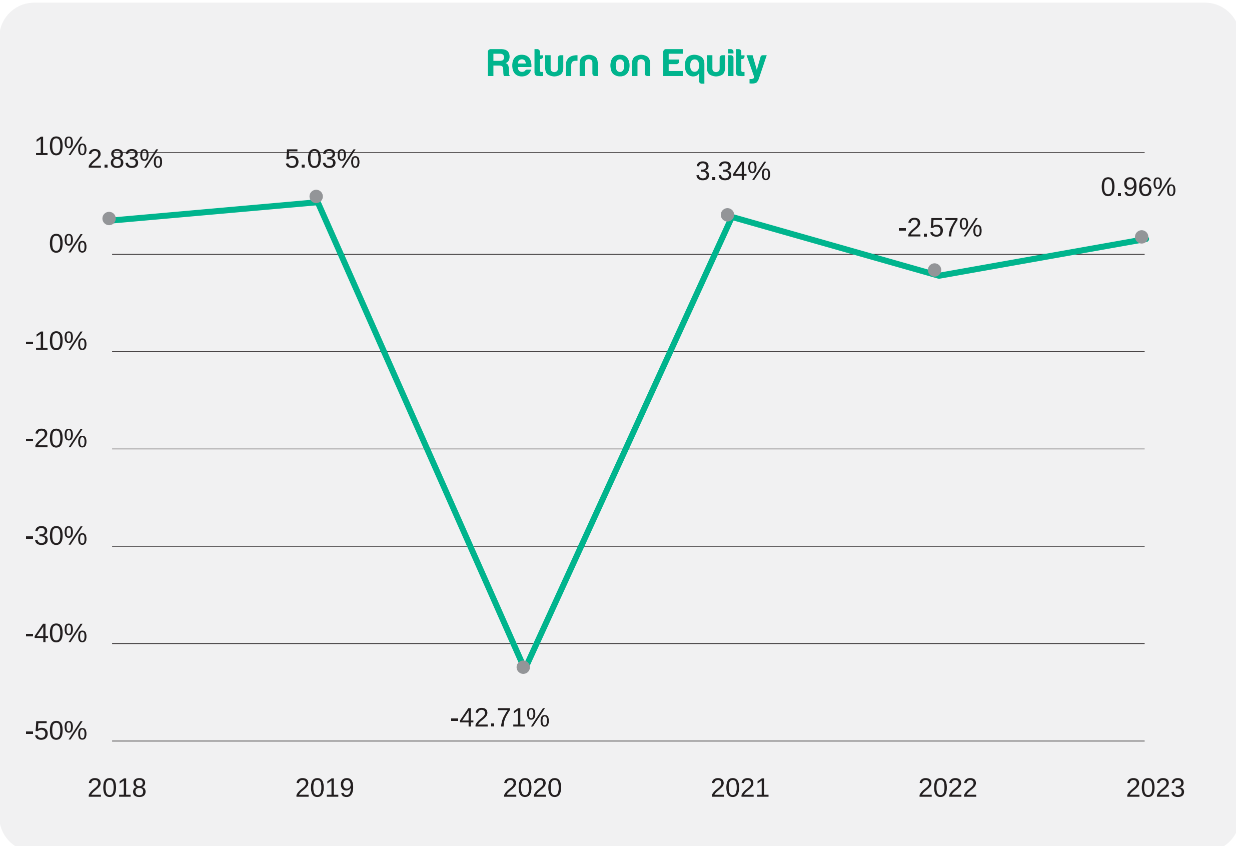
PARTICULARS	UOM	FY 2023	FY2022	FY 2021	FY 2020	FY 2019	FY 2018
PROFITABILITY RATIOS							
Gross profit / (loss) to sales	%	24	14	22	(3)	4	16
Operating profit/ (loss) to sales	%	13	7	14	(24)	(7)	8
(Loss) / profit before tax to sales	%	(0.3)	(8)	(5)	(96)	(11)	8
Net Profit / (loss) after tax to sales	%	0.6	(3)	3	(88)	15	7
EBITDA to sales	%	16	12	21	(21)	(3)	12
Operating Leverage	%	21	(19)	29	(287)	127	328
Return on Equity	%	1	(2.6)	3.3	(43)	5	3
Return on Capital Employed	%	11	4	7	(4)	(1)	2
Shareholders Fund	Rs. in million	17,568	17,283	10,745	8,479	11,574	11,299
Liquidity Ratios							
Current Ratio	Times	0.76	0.69	0.43	0.36	0.68	1.43
Quick / Acid Test Ratio	Times	0.44	0.39	0.25	0.25	0.52	1.01
Cash Ratio	Times	(0.28)	(0.01)	(0.02)	(0.02)	(0.44)	0.03
Cash Flow From Operation To Sales	Times	0.03	(0.03)	(0.11)	0.35	(0.22)	0.01
Cash flow to Capital Expenditures	Times	(24.02)	(12.23)	(28.07)	(0.29)	0.06	(0.04)
Cash flow Coverage Ratio	Times	0.18	0.10	0.07	0.08	(0.03)	0.05
Investment Valuation Ratios							
(Loss) / earnings per share	Rs.	(0.19)	(0.62)	0.17	(3.41)	0.55	0.32
Price / Earnings Ratio (after tax)	Times	(21.73)	(8.63)	55.76	(1.82)	11.69	26.09
Price to Book Ratio	Times	0.32	0.43	1.24	0.78	0.59	0.79
Market Price per share	Rs.	4.10	5.32	9.61	6.20	6.43	8.35
Year High Close	Rs.	5.46	9.93	11.80	7.22	9.77	10.85
Year Low Close	Rs.	3.84	5.17	6.26	4.63	5.74	7.11
Breakup value per share	Rs.	7.61	7.40	7.73	7.97	10.88	10.63
Activity / Turnover Ratios							
Inventory turnover	Times	5.87	4.85	4.41	2.29	2.55	2.83
Inventory holding period	Days	62	75	83	159	143	129
Debtor turnover	Times	104.82	74.89	51.66	9.82	9.98	9.52
No. of days In Receivables	Days	3	5	7	37	37	38
Creditor turnover	Times	6.37	5.33	4.83	2.41	8.53	9.23
No. of days In Payable	Days	57	68	76	151	43	40
Operating Cycle	Days	8	12	14	45	137	127
Total assets turnover	Times	0.60	0.38	0.31	0.09	0.10	0.18
Fixed assets turnover	Times	0.83	0.49	0.39	0.11	0.12	0.22
Capital Structure Ratios							
Debt to equity ratio (book value)	Times	1.13	1.21	2.54	3.28	1.97	0.84
Interest coverage ratio	Times	0.97	0.49	0.74	(0.33)	(1.45)	2.94
Financial leverage ratio	Times	1.76	1.69	3.23	4.37	2.48	1.17
Net assets per share	Rupees	7.64	7.40	7.73	7.97	10.88	10.63
Non Financial Ratios							
% of Plant Availability / utilisation	%	71.59	58.05	72.71	44.38	67.16	73.09
Production per Employee	MT	3,812	3,187	3,701	1,488	1,615	1,797
Revenue per Employee	Rs. in million	57.31	34.99	29.08	8.34	10.72	11.87
Staff turnover ratio	%	18	9	10	37	9	4
Spares Inventory as % of Assets Cost	%	2	2	1	1	1	1

Dupont Analysis

Year	Profit/ (loss) margin (Profit/ (loss) after tax/sales)	Total Asset turnover (Sales / Total Assets)	Return on Assets	Equity Multiplier (Total Assets / Total Equity)	Return On Equity
	A	B	C=A*B	D	E=C*D
2023	0.58%	0.60	0.35%	2.76	0.96%
2022	-2.54%	0.38	-0.96%	2.69	-2.57%
2021	2.52%	0.31	0.79%	4.23	3.34%
2020	-88.05%	0.09	-7.96%	5.37	-42.71%
2019	15.09%	0.10	1.45%	3.48	5.03%
2018	7.37%	0.18	1.30%	2.17	2.83%

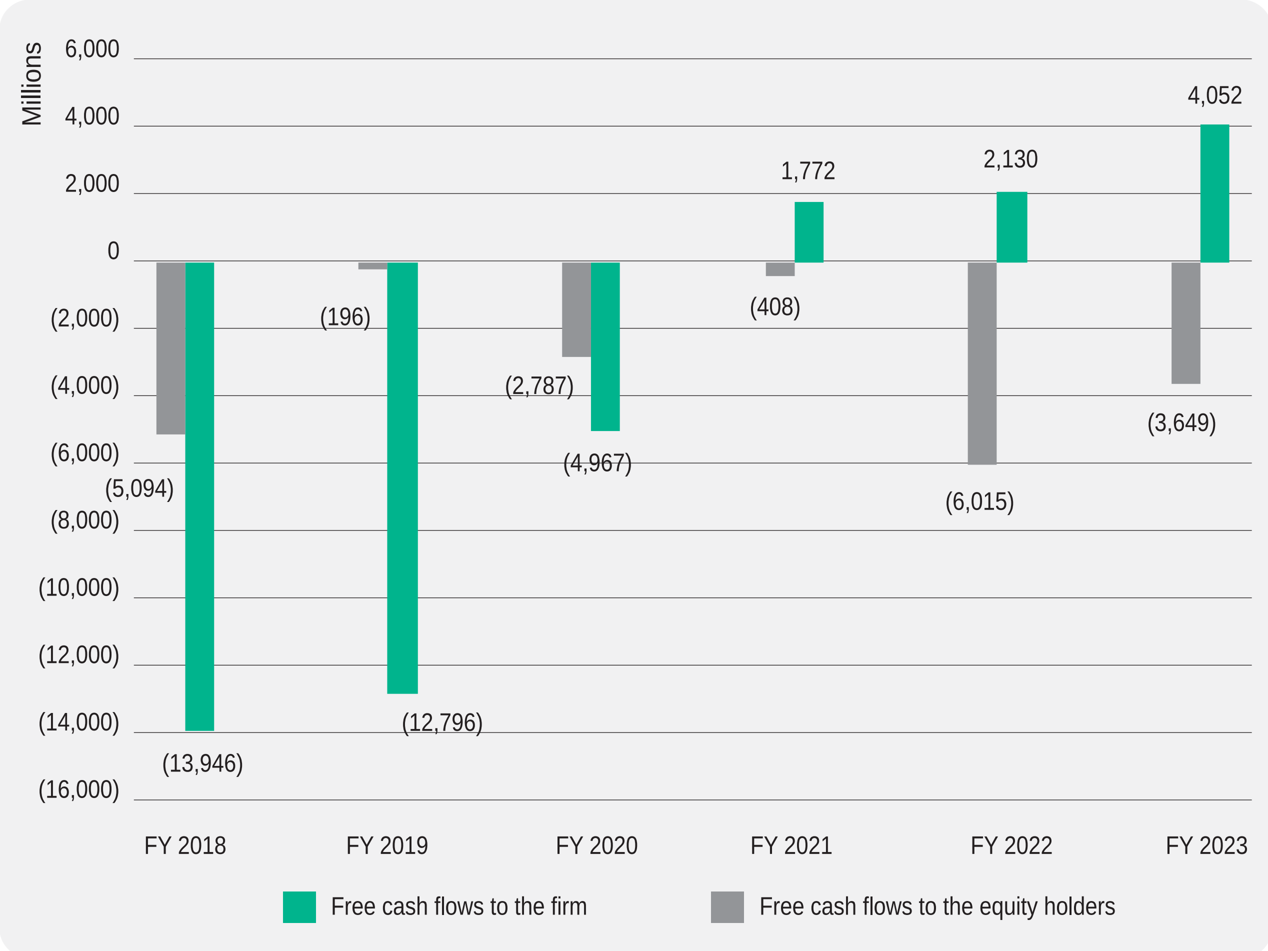
The main highlights of DuPont analysis are as follows:

1. The profit margins for the Company improved in FY 2023 from negative 2.54% to positive 0.58% mainly to higher sales volume.
2. Assets turnover has improved mainly due to increase in dispatches coupled with increase in selling price.
3. Based on the above two factors, the Return on Assets which is dependent on the above two, has also improved.
4. Due to lower capital expenditures in the current year somewhat comparable to the prior year, the equity multiplier has marginally increased by 3%.
5. The Return on Equity has postive growth by 62.5% due to improvement in gross margin and net margin in the current year.



Free Cash Flows

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
		(Rupees in '000)				
(Loss) / Profit before taxation	(80,911)	(1,330,626)	(671,208)	(3,966,776)	(412,396)	348,778
Adjustment for non-cash items	5,681,184	3,413,705	3,329,067	3,416,935	462,543	241,179
Changes in working capital	(1,372,555)	236,904	(820,610)	2,616,892	(729,371)	(40,341)
Net cash generated from / (used in) operating activities	4,227,718	2,319,983	1,837,249	2,067,051	(679,224)	549,616
Capital expenditure	(175,998)	(189,772)	(65,452)	(7,034,177)	(12,116,969)	(14,495,131)
Free cash flows to the firm	4,051,720	2,130,211	1,771,797	(4,967,126)	(12,796,193)	(13,945,515)
Net borrowing (repaid) / raised	(4,170,365)	(5,532,581)	964,388	2,933,831	12,673,089	9,210,000
Interest payments	(3,530,151)	(2,612,170)	(3,144,326)	(753,458)	(72,721)	(358,115)
Free cash flows to the equity holders	(3,648,795)	(6,014,540)	(408,141)	(2,786,753)	(195,825)	(5,093,630)



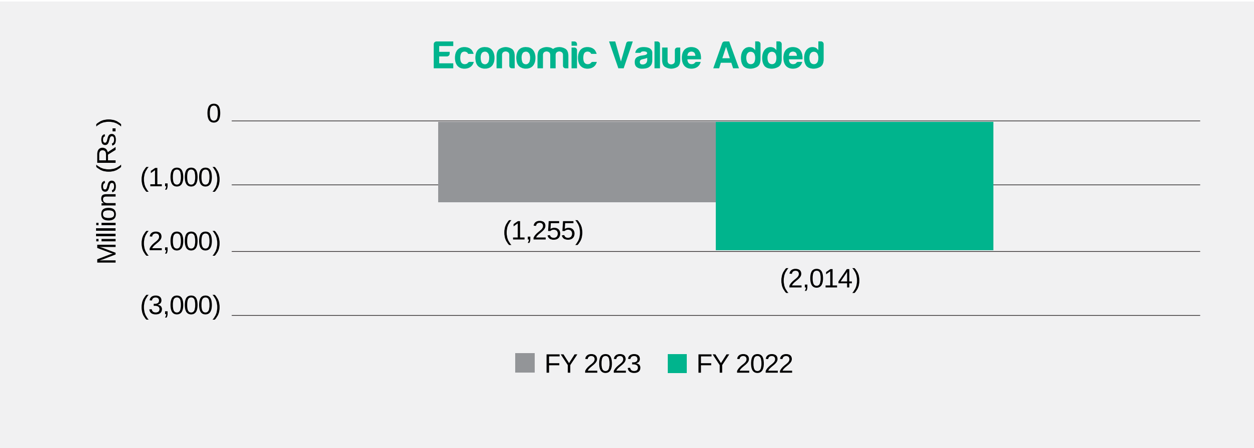
Analysis on Free Cash Flows:

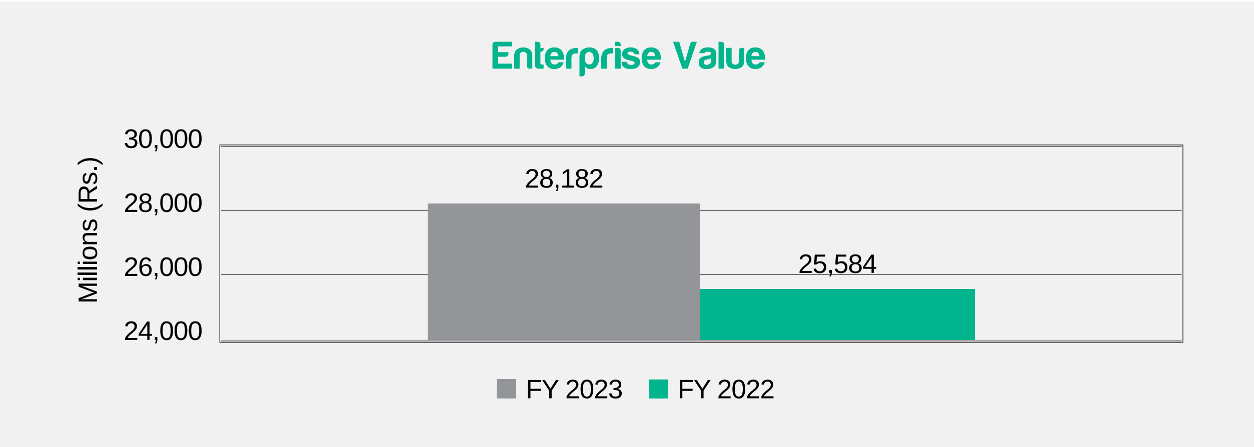
Free cash flows represent the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

The trend line shows that the Company had maximum free cash flow to the firm in FY 2023 due to improvement in gross margin and operating profit margin however the same has been converted to negative free cashflows to the equity holders on account of principal debt repayments and its related finance cost.

Economic Value Added

		FY 2023	FY 2022
		(Rupees in '000)	
Cost of Capital			
Cost of Equity	%	24.30	20.90
Cost of Debt	%	16.94	13.70
Market Value of Equity		4,558,669	5,915,151
Market Value of Debt		24,032,785	19,886,142
Weighted Average Cost of Capital (WACC)		13.99%	12.29%
Average Capital Employed		37,448,166	34,217,247
NOPAT (Net operating profit after tax)		3,982,002	2,190,882
Less: Cost of Capital		(5,237,232)	(4,204,786)
Economic Value Added		**(1,255,230)**	**(2,013,904)**
Enterprise Value			
Market Value of Equity		4,558,669	5,915,151
Add: Debt		24,032,785	19,886,142
Less: Cash & Bank balance		(409,823)	(217,775)
Enterprise Value		**28,181,631**	**25,583,518**
Return Ratios			
NOPAT / Average Capital Employed	%	10.63	6.40
EVA / Average Capital Employed	%	-3.35	-5.89
Enterprise value / Average Capital Employed	times	0.75	0.75





Financial Highlights

Six Years at a Glance

Financial Position (Rupees in '000)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Assets Employed						
Property, plant and equipment	**34,853,984**	35,647,052	36,270,530	37,222,552	32,942,295	19,843,344
Right of use assets	**12,362**	24,725	37,086	48,194	-	-
Intangible assets	**-**	423	2,958	5,493	-	1,077
Long-term investments	**26,873**	25,578	24,873	23,751	15,600	13,124
Long term deposits	**63,359**	74,359	42,338	24,159	19,635	19,635
Deferred tax assets	**3,649,907**	3,138,307	2,104,838	1,059,665	677,942	-
Current Assets	**9,924,138**	7,538,288	7,009,055	7,117,391	6,617,582	4,640,126
Total Assets	**48,530,623**	46,448,732	45,491,678	45,501,205	40,273,054	24,517,306
Financed By						
Shareholders' Equity	**17,568,027**	17,283,455	10,744,915	8,478,635	11,573,601	11,299,062
Long-term liabilities						
Long term financing	**17,328,806**	17,510,223	18,403,048	17,357,208	18,871,684	9,460,000
Long term trade payables	**470,634**	522,828	-	-	-	-
Lease liabilities	**-**	17,327	31,675	45,032	-	-
Deferred Grant Income	**-**	-	1,997	7,079	-	-
Deferred liabilities	**170,307**	136,270	108,965	94,931	57,923	520,185
Current liabilities	**12,992,849**	10,978,629	16,201,078	19,518,320	9,769,846	3,238,059
Total Funds Invested	**48,530,623**	46,448,732	45,491,678	45,501,205	40,273,054	24,517,306

Turnover & Profit (Rupees in '000)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Sales revenue	**28,939,096**	17,494,878	14,220,613	4,113,353	3,858,455	4,343,240
Gross profit/ (loss)	**6,867,841**	2,482,131	3,089,637	(116,167)	157,280	675,068
Operating profit/ (loss)	**3,732,098**	1,304,202	1,928,231	(988,226)	(256,349)	358,020
(Loss)/ profit before taxation	**(80,911)**	(1,330,626)	(671,208)	(3,966,776)	(412,396)	348,778
Profit/ (loss) after taxation	**168,993**	(443,946)	358,359	(3,621,629)	582,106	319,907
Total comprehensive income/ (loss)	**284,572**	(461,460)	353,751	(3,617,069)	931,268	311,695
(Loss)/ Earnings Per Share (Rupee)	**(0.19)**	(0.62)	0.17	(3.41)	0.55	0.32

Cash Flow Summary (Rupees in '000)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Net Cash generated from/ (used in) Operating Activities	**758,576**	(503,905)	(1,507,764)	1,424,013	(844,441)	49,144
Net Cash used in Investing Activities	**(158,163)**	(170,845)	(50,215)	(6,942,544)	(12,096,326)	(14,244,219)
Net Cash (used in)/ generated from Financing Activities	**(4,170,365)**	787,419	1,630,909	5,379,684	12,673,089	11,803,126
(Decrease)/ Increase in Cash and Cash Equivalent	**(3,569,952)**	112,669	72,930	(138,847)	(267,678)	(2,391,949)
Cash and Cash Equivalent at beginning of the year	**(132,225)**	(244,894)	(317,824)	(178,977)	88,701	2,480,650
Cash and Cash Equivalent at end of the year	**(3,702,177)**	(132,225)	(244,894)	(317,824)	(178,977)	88,701

COMMENTS ON STATEMENT OF CASH FLOWS

Cash generation from operating activites have improved significantly due to increase in dispatches during the year coupled with increase in retention prices.

Cash outflows from financing activities have increased substantially due to repayments of installments of long term debt whereas in prior year the repayments were set-off against injection of PKR 7 billion sponsor's contribution in net cash inflows during the year 2022.

Analysis of Statement of Financial Position (Rupees in '000)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Share Capital & Reserves	**17,568,027**	17,283,455	10,744,915	8,478,635	11,573,601	11,299,062
Non Current Liabilities	**17,969,747**	18,186,648	18,545,685	17,504,250	18,929,607	9,980,185
Current Liabilities	**12,992,849**	10,978,629	16,201,078	19,518,320	9,769,846	3,238,059
Total Equity & Liabilities	**48,530,623**	46,448,732	45,491,678	45,501,205	40,273,054	24,517,306
Non Current Assets	**38,606,485**	38,910,444	38,482,623	38,383,814	33,655,472	19,877,180
Current Assets	**9,924,138**	7,538,288	7,009,055	7,117,391	6,617,582	4,640,126
Total Assets	**48,530,623**	46,448,732	45,491,678	45,501,205	40,273,054	24,517,306

Vertical Analysis - %	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Share Capital & Reserves	**36**	37	24	19	29	46
Non Current Liabilities	**37**	39	41	38	47	41
Current Liabilities	**27**	24	36	43	24	13
Total Equity & Liabilities	**100**	100	100	100	100	100
Non Current Assets	**80**	84	85	84	84	81
Current Assets	**20**	16	15	16	16	19
Total Assets	**100**	100	100	100	100	100

Horizontal Analysis (i) Cumulative - %	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Share Capital & Reserves	**55**	53	(5)	(25)	2	100
Non Current Liabilities	**80**	82	86	75	90	100
Current Liabilities	**301**	239	400	503	202	100
Total Equity & Liabilities	**98**	89	86	86	64	100
Non Current Assets	**94**	96	94	93	69	100
Current Assets	**114**	62	51	53	43	100
Total Assets	**98**	89	86	86	64	100

Horizontal Analysis (ii) Year on Year - %	FY 23 vs FY22	FY 22 vs FY 21	FY 21 vs FY 20	FY 20 vs FY 19	FY 19 vs FY 18	FY 18 vs FY 17
Share Capital & Reserves	**2**	61	27	(27)	2	35
Non Current Liabilities	**(1)**	(2)	6	(8)	90	1,352
Current Liabilities	**18**	(32)	(17)	100	202	36
Total Equity & Liabilities	**4**	2	(0)	13	64	115
Non Current Assets	**(1)**	1	0	14	69	276
Current Assets	**32**	8	(2)	8	43	(9)
Total Assets	**4**	2	(0)	13	64	136

Analysis of Profit And Loss Accounts (Rupees in '000)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Sales Revenue	28,939,096	17,494,878	14,220,613	4,113,353	3,858,455	4,343,240
Cost of Sales	(22,071,255)	(15,012,747)	(11,130,976)	(4,229,520)	(3,701,175)	(3,668,172)
Gross Profit/ (Loss)	6,867,841	2,482,131	3,089,637	(116,167)	157,280	675,068
Distribution Cost	(1,895,898)	(965,724)	(1,195,573)	(426,535)	(122,443)	(115,806)
Administrative Cost	(367,107)	(286,584)	(254,537)	(190,279)	(142,709)	(125,408)
Other Charges / (Income)	(872,738)	74,379	288,704	(255,245)	(148,477)	(75,834)
Operating Profit / (loss)	3,732,098	1,304,202	1,928,231	(988,226)	(256,349)	358,020
Finance Cost - net	(3,813,009)	(2,634,828)	(2,599,439)	(2,978,550)	(156,047)	(9,242)
(Loss) / Profit before taxation	(80,911)	(1,330,626)	(671,208)	(3,966,776)	(412,396)	348,778
Taxation	249,904	886,680	1,029,567	345,147	994,502	(28,871)
Profit / (Loss) after taxation	168,993	(443,946)	358,359	(3,621,629)	582,106	319,907
Other Comprehensive Income / (loss)	115,579	(17,514)	(4,608)	4,560	349,162	(8,212)
Total Comprehensive Income / (loss)	284,572	(461,460)	353,751	(3,617,069)	931,268	311,695

Vertical Analysis - %	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Sales Revenue	**100**	100	100	100	100	100
Cost of sales	**(76)**	(86)	(78)	(103)	(96)	(84)
Gross profit / (loss)	**24**	14	22	(3)	4	16
Distribution Cost	**(7)**	(6)	(8)	(10)	(3)	(3)
Administrative Cost	**(1)**	(2)	(2)	(5)	(4)	(3)
Other Charges / (Income)	**(3)**	0	2	(6)	(4)	(2)
Operating Profit / (loss)	**13**	6	14	(24)	(7)	8
Finance cost - net	**(13)**	(15)	(18)	(72)	(4)	(0)
(Loss) / Profit before taxation	**(0)**	(8)	(5)	(96)	(11)	8
Taxation	**1**	5	7	8	26	(1)
Profit / (Loss) after taxation	**1**	(3)	3	(88)	15	7
Other Comprehensive Income / (loss)	**0**	(0)	(0)	0	9	(0)
Total Comprehensive Income / (loss)	**1**	(3)	2	(88)	24	7

Horizontal Analysis (i) Cumulative - %	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Sales Revenue	**566**	303	227	(5)	(11)	0
Cost of sales	**502**	309	203	15	1	0
Gross profit / (loss)	**917**	268	358	(117)	(77)	0
Distribution Cost	**1,537**	734	932	268	6	0
Administrative Cost	**193**	129	103	52	14	0
Other Charges / (Income)	**1,051**	(198)	(481)	237	96	0
Operating Profit / (loss)	**942**	264	439	(376)	(172)	0
Finance cost - net	**41,157**	28,409	28,026	32,128	1,588	0
(Loss) / Profit before taxation	**(123)**	(482)	(292)	(1,237)	(218)	0
Taxation	**(966)**	(3,171)	(3,666)	(1,295)	(3,545)	0
Profit / (Loss) after taxation	**(47)**	(239)	12	(1,232)	82	0
Other Comprehensive Income / (loss)	**(1,507)**	113	(44)	(156)	(4,352)	0
Total Comprehensive Income / (loss)	**(9)**	(248)	13	(1,260)	199	0

Horizontal Analysis (Year on Year %)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Sales Revenue	**65**	23	246	7	(11)	(3)
Cost of sales	**47**	35	163	14	1	5
Gross profit / (loss)	**177**	(20)	(2,760)	(174)	(77)	(32)
Distribution Cost	**96**	(19)	180	248	6	7
Administrative Cost	**28**	13	34	33	14	50
Other Charges / (Income)	**(1,273)**	(74)	(213)	72	96	(96)
Operating Profit / (loss)	**186**	(32)	(295)	286	(172)	(851)
Finance cost - net	**45**	1	(13)	1,809	1,588	(55)
(Loss) / Profit before taxation	**(94)**	98	(83)	862	(218)	(37)
Taxation	**(72)**	(14)	198	(65)	(3,545)	(71)
Profit / (Loss) after taxation	**(138)**	(224)	(110)	(722)	82	(30)
Other Comprehensive Income / (loss)	**(760)**	280	(201)	(99)	(4,352)	36
Total Comprehensive Income / (loss)	**(162)**	(230)	(110)	(488)	199	(31)

Notes on Analysis

COMMENTS ON SIX YEAR STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

TURNOVER

Revenue increased from PKR 4,343 million in 2018 to PKR 28,939 million in 2023 with a significant increase of 566% in line with increase in sales prices and sales volume.The Company has also enhanced its clinker production by expanding from 3,000 TPD to 10,700 TPD Clinker production

COST OF SALES

Cost increased from PKR 3,668 million in 2018 to PKR 22,071 million in 2023 with an increase of 502%. This is mainly due to prices of coal, electricity, packing material, and increase in transportation costs

GROSS PROFIT

GP increased from PKR 675 million in 2018 to PKR 6,868 million in 2023 with an increase of 917% in line with the revenue and cost fluctuations over the years. Moreover GP margin increased from 16% to 24% in line with fuel efficient production facility coupled with improved sales price

NET PROFIT

Net Profit decreased from PKR 320 million in 2018 to a profit of PKR 169 million million in 2023 with a decline of 47% mainly due to whopping increase in finance cost on borrowings over these years.

COMMENTS ON SIX YEAR STATEMENT OF FINANICAL POSITION ANALYSIS

SHARE CAPITAL & RESERVES

The share capital increased by 55% mainly due to issuance of preference shares in FY 2021 and fresh equity contribution from associated undertakings in FY 2022

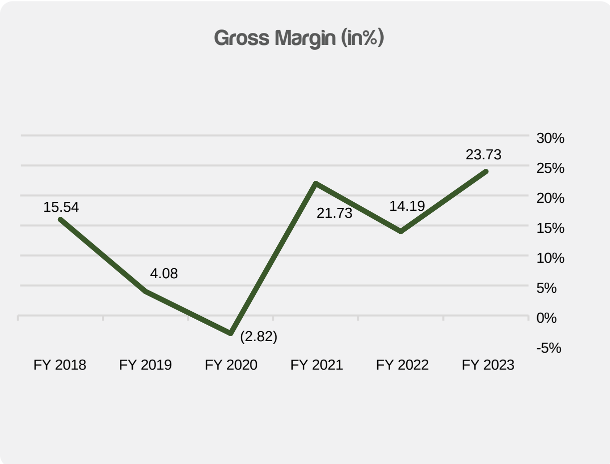
NON CURRENT LIABILITIES

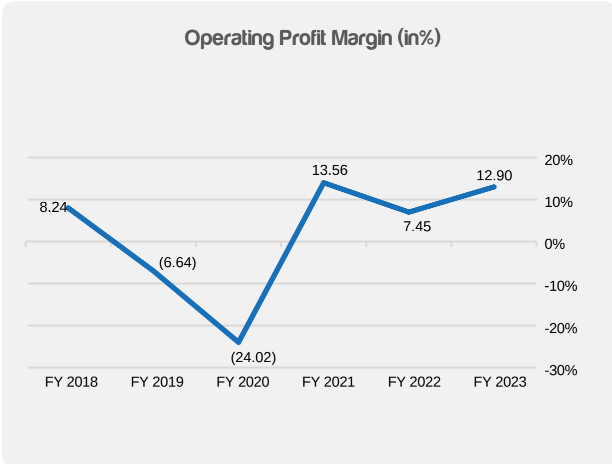
There is a significant increase in Non Current Liabilities from 2018 to 2023 mainly due to financing arrangements from local and foreign lenders for capacity expansion.

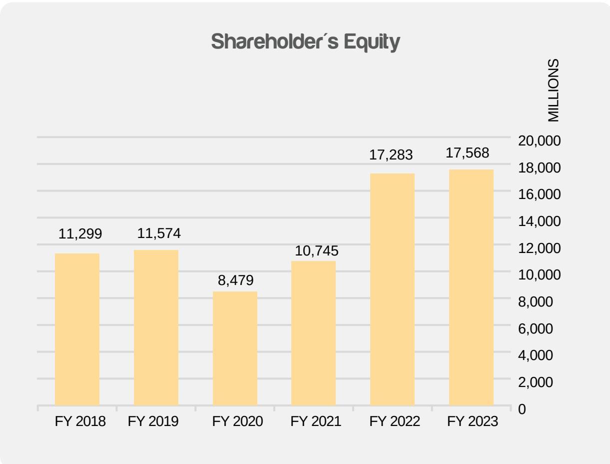
NON CURRENT ASSETS

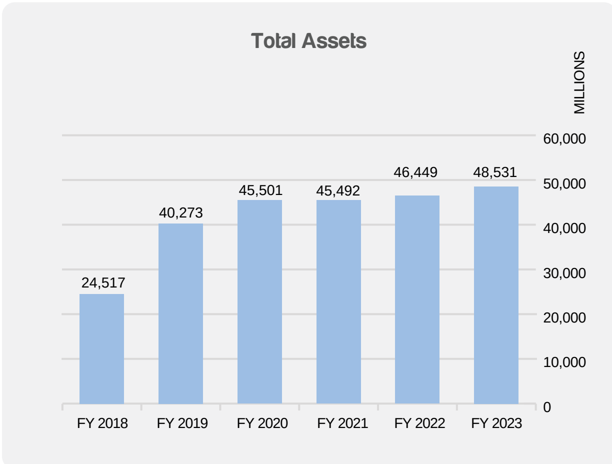
There is an increase of 94% in Non Current Assets from 2018 to 2023 mainly due to capital expenditure on expansion project.

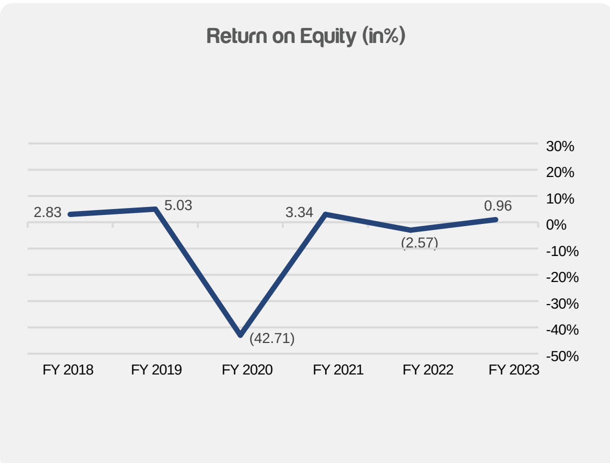
Graphical Presentation - Stakeholders' Information

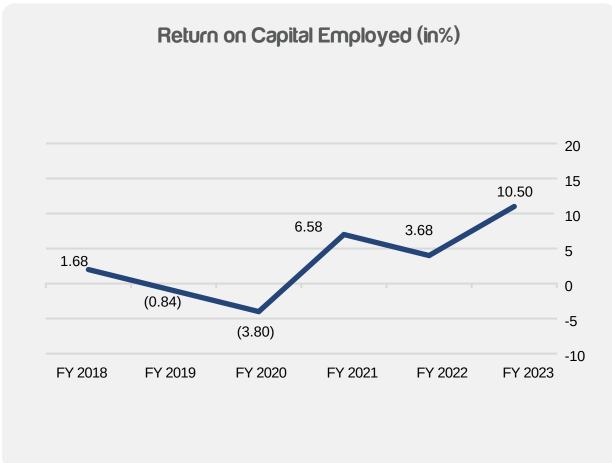




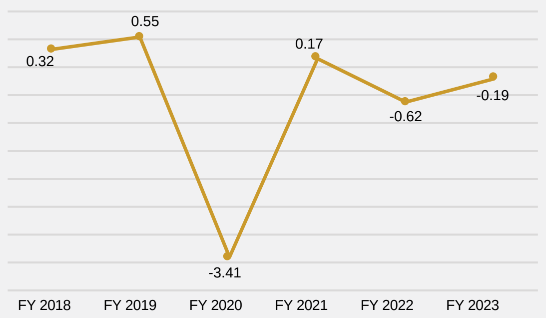




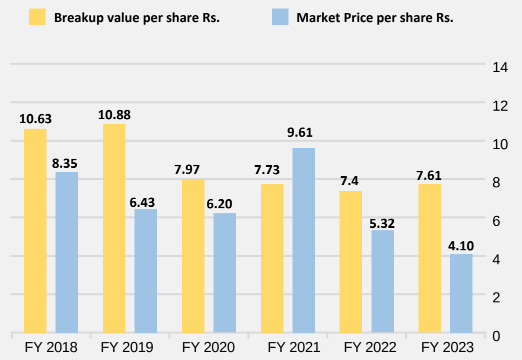




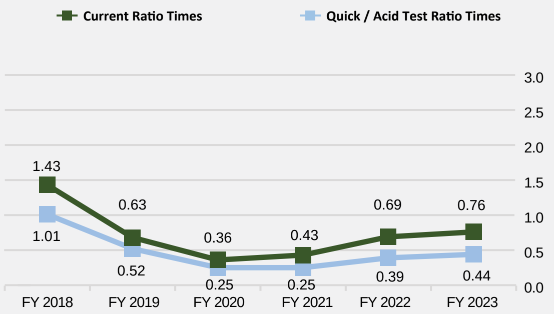
Earnings per Share (Rs.)



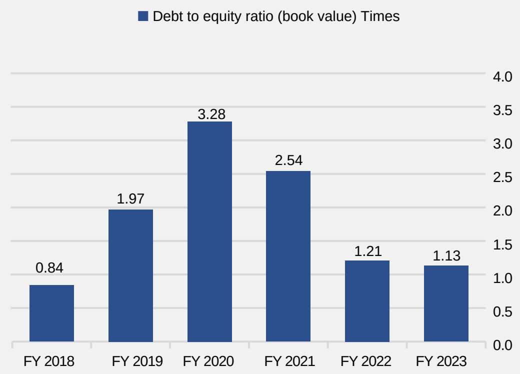
Value per Share (Rs.)



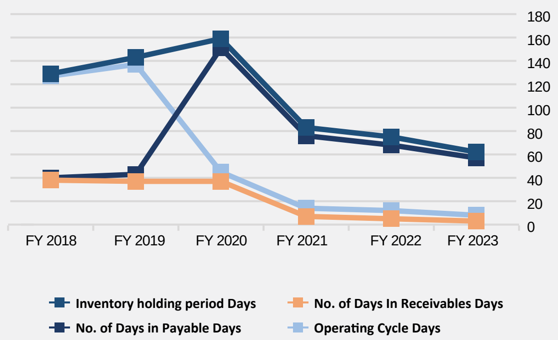
Liquidity Ratios (Times)



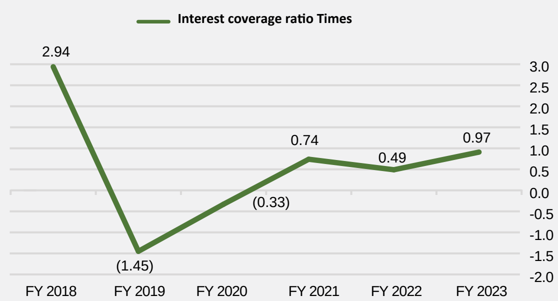
Debt to Equity Ratio



Operating Cycle (Days)

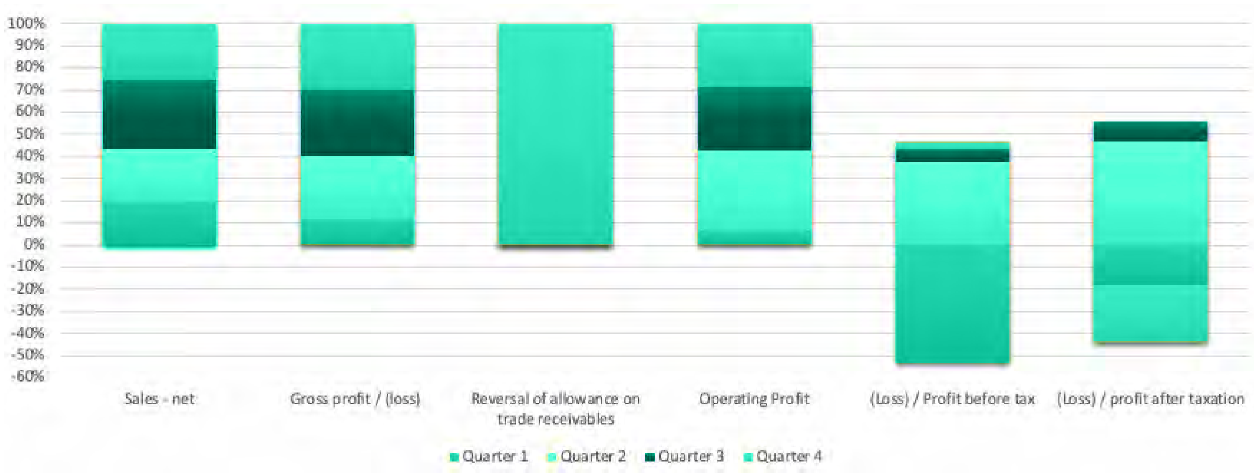


Interest Cover Ratio



Quarterly Performance

Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	....	....	Rupees in '000	....	....
Clinker Production	447,087	667,006	512,883	670,914	2,297,890
Capacity Utilization (%)	56%	83%	64%	84%	72%
Cement Production	398,746	550,285	579,971	395,994	1,924,996
Cement Dispatches (Local and Export)	386,443	556,713	605,644	389,843	1,938,643
Sales - Net	5,570,537	7,072,409	8,870,180	7,425,970	28,939,096
Cost of Sales	(4,763,484)	(5,127,925)	(6,788,219)	(5,391,627)	(22,071,255)
Gross Profit	807,053	1,944,484	2,081,961	2,034,343	6,867,841
Selling and Distribution Expenses	(392,499)	(212,594)	(544,159)	(746,646)	(1,895,898)
Administrative Expenses	(74,823)	(98,973)	(100,208)	(93,103)	(367,107)
Other Operating Expenses	(101,994)	(272,719)	(360,610)	(146,393)	(881,716)
Reversal of Allowance on Trade Receivables	-	-	-	8,978	8,978
	(569,316)	(584,286)	(1,004,977)	(977,164)	(3,135,743)
Operating Profit	237,737	1,360,198	1,076,984	1,057,179	3,732,098
Finance Income	2,028	2,873	8,627	4,250	17,778
Finance Costs	(890,040)	(905,626)	(1,013,113)	(1,022,008)	(3,830,787)
Finance Costs - Net	(888,012)	(902,753)	(1,004,486)	(1,017,758)	(3,813,009)
(Loss) / Profit Before Tax	(650,275)	457,445	72,498	39,421	(80,911)
Taxation	378,293	234,831	60,635	(423,855)	249,904
(Loss) / Profit After Taxation	(271,982)	692,276	133,133	(384,434)	168,993



Results Reported in Interim and Annual Financial Statements

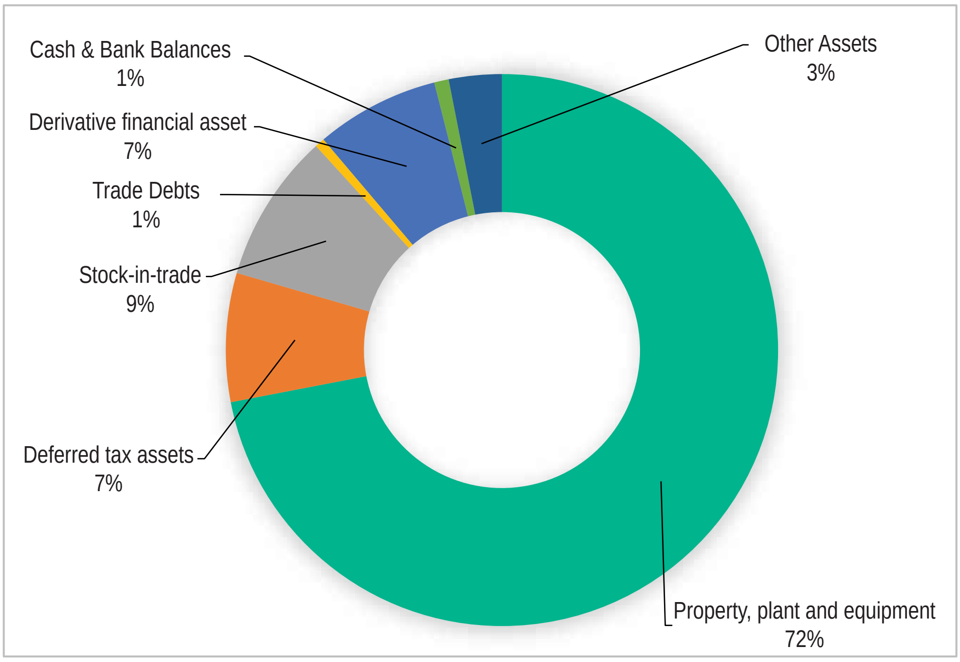
Particulars	Interim Results						Annual Results	
	3 months period		6 months period		9 months period		Year ended June 30, 2023	
	Rs in '000	%	Rs in '000	%	Rs in '000	%	Rs in '000	%
Sales - Net	5,570,537		12,642,946		21,513,126		28,939,096	
Gross Profit	807,053	14.49%	2,751,537	21.76%	4,833,498	22.47%	6,867,841	23.73%
Operating Profit	237,737	4.27%	1,597,935	12.64%	2,674,919	12.43%	3,732,098	12.90%
Loss before taxation	(650,275)	-11.67%	(192,830)	-1.53%	(120,332)	-0.56%	(80,911)	-0.28%
(Loss) / Profit After Taxation	(271,982)	-4.88%	420,293	3.32%	553,426	2.57%	168,993	0.58%

Cash Flow Statement - Direct Method

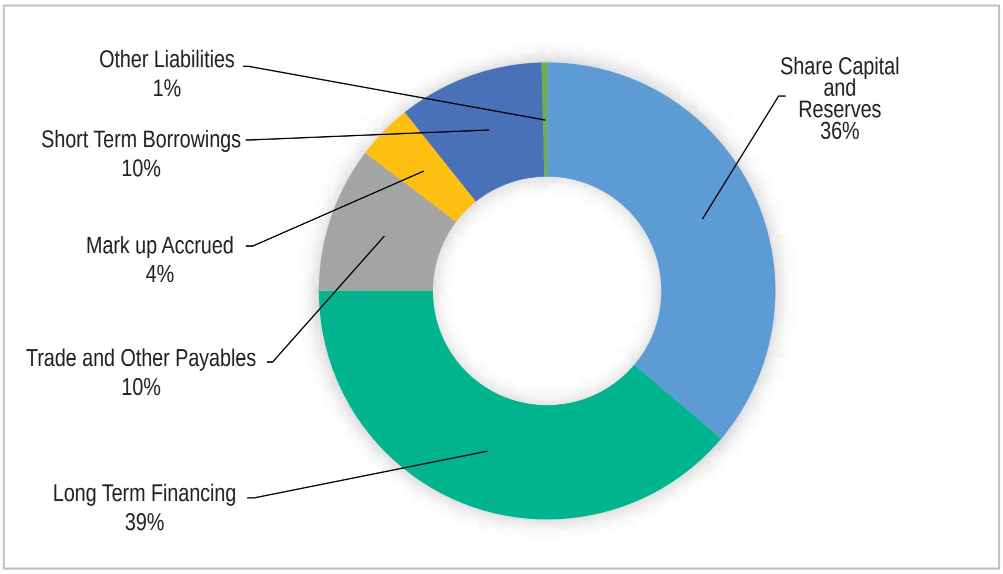
	2023	2022
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	28,161,843	18,154,831
Cash paid to suppliers and employees	(22,561,570)	(16,071,753)
Net cash generated from operations	5,600,273	2,083,078
Decrease/ (increase) in stores and spares	287,538	(175,764)
Increase in stock-in-trade	(1,229,246)	(214,461)
(Increase)/ decrease in trade debts	(216,835)	77,914
Decrease in loans & other receivable	316,538	885,018
Increase in trade deposits and prepayments	(25,379)	(14,033)
Decrease in trade & other payables	(505,171)	(321,770)
Income tax refund received / (paid)	84,034	(138,987)
Gratuity paid	(34,025)	(40,710)
Deposits received / (paid)	11,000	(32,021)
Financial charges paid	(3,530,151)	(2,612,169)
Net cash generated from / (used in) operating activities	758,576	(503,905)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure - Operations	(175,998)	(189,772)
Interest received	16,483	7,402
Proceeds from disposal of fixed assets	1,352	11,525
Net cash used in investing activities	(158,163)	(170,845)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(2,619,838)	(771,494)
Repayment of short-term financing	(1,533,927)	(4,745,997)
Contribution from associated undertakings	1,263,000	7,000,000
Repayment of contribution from associated undertaking	(1,263,000)	-
Repayment of loan from related party	-	(680,000)
Lease rentals paid	(16,600)	(15,090)
Net cash (used in) / generated from financing activities	(4,170,365)	787,419
Net (decrease) / increase in cash and cash equivalents	(3,569,952)	112,669
Cash and cash equivalents at the beginning of the year	(132,225)	(244,894)
Cash and cash equivalents at end of the year	(3,702,177)	(132,225)

Composition of Balance Sheet

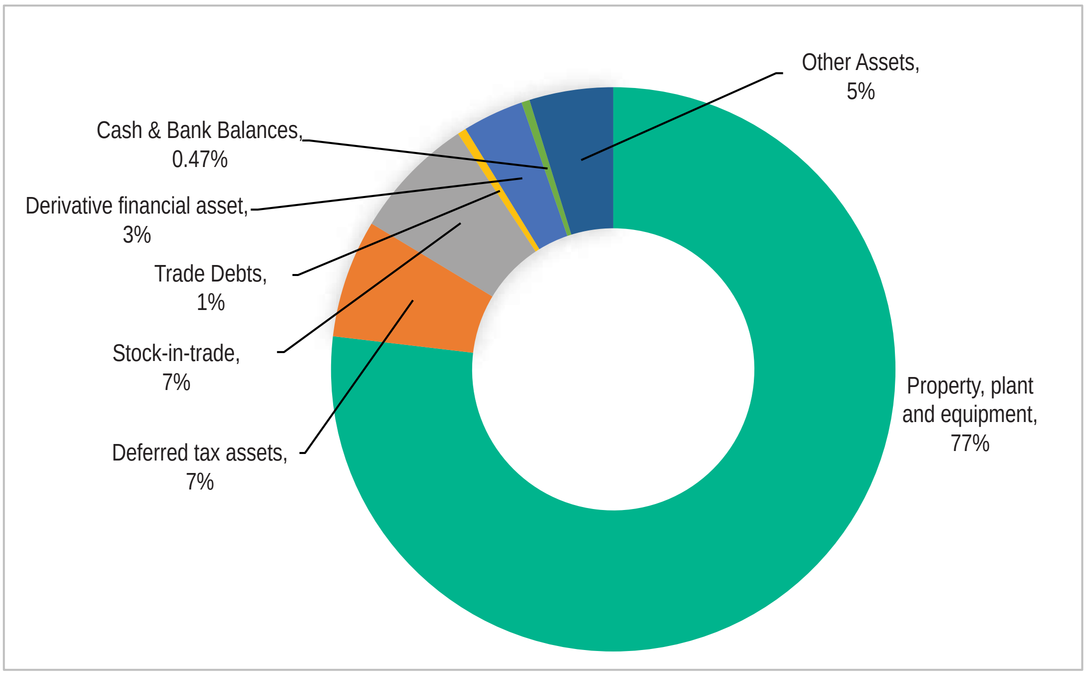
ASSETS FY 2023



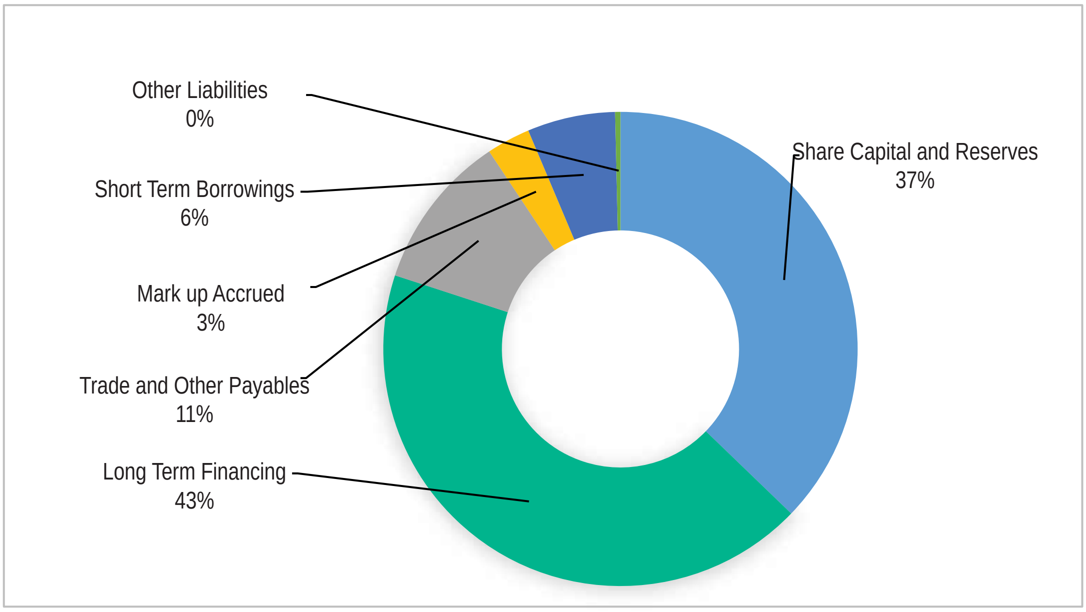
EQUITIES & LIABILITIES FY 2023



ASSETS FY 2022



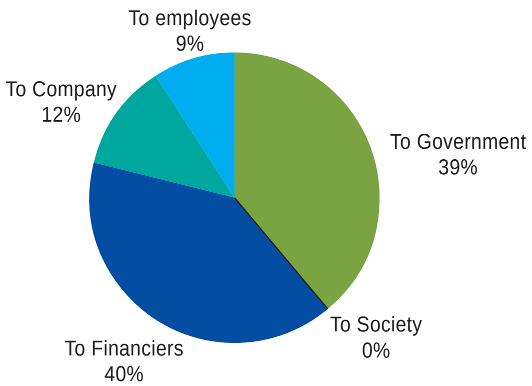
EQUITIES & LIABILITIES FY 2022



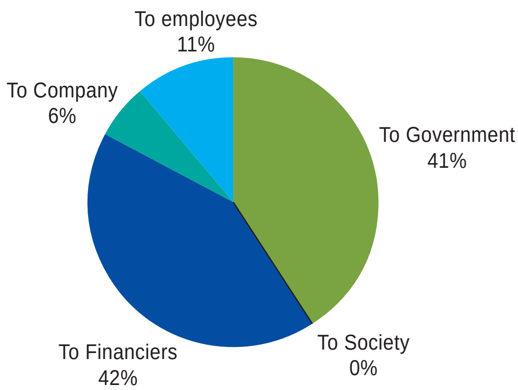
Statement of Value Addition & Distribution of Wealth

	FY 2023 Rs. in '000		FY 2022 Rs. in '000	
Wealth Created				
Turnover (including taxes)	36,404,336	384.20%	23,633,083	375.47%
Less: Operating cost & other general expenses	(26,929,080)	-284.20%	(17,338,809)	-275.47%
Total Wealth generated during the year	**9,475,256**	**100.00%**	**6,294,274**	**100.00%**
Distribution of Wealth				
To employees				
Salaries, wages and other benefits	**835,642**	**8.82%**	720,225	11.44%
To Government				
Income tax, sales tax, excise duty and others	**3,685,160**	**38.89%**	2,570,000	40.83%
To Society				
Donation towards education, health and environment	**676**	**0.01%**	3,083	0.05%
To Financiers				
To Finance providers as Finance charges	**3,813,009**	**40.24%**	2,634,828	41.86%
To Company				
Depreciation, amortization & profit/ loss	**1,140,769**	**12.04%**	366,138	5.82%
Total Wealth distributed during the year	**9,475,256**	**100.00%**	**6,294,274**	**100.00%**

Wealth Distribution 2023



Wealth Distribution 2022



Major Events During The Financial Year 2022-23

05th OCTOBER 2022

On October 05, 2022, the Board of Directors approved the annual audited financial statements of the Company for the year ended June 30, 2022 and the Directors' Report thereon.

28th OCTOBER 2022

On October 28, 2022, the 31st Annual General Meeting (AGM) of the Company was held, The shareholders approved the annual audited accounts for the year ended June 30, 2022 and director's were elected for the next years.

28th OCTOBER 2022

On the same day, October 28, 2022, the Board of Directors approved the condensed interim financial statements for the first quarter ended September 30, 2022 along with the Directors' Report thereon.

27th FEBRUARY 2022

On February 27, 2023, the Board of Directors approved the condensed interim financial statements for the half year ended December 31, 2022 along with the Directors' Report thereon.

26th APRIL 2023

On April 26, 2023, the Board of Directors approved the condensed interim financial statements for the third quarter ended March 31, 2023 along with the Directors' Report thereon.

19th JUNE 2023

On June 19, 2023, the Company conducted a mandatory Corporate Briefing Session (CBS) to inform the stakeholders about its performance and future plans.

26th JUNE 2023

On June 26, 2023, the Board of Directors approved the Annual Budget for the financial year 2023-24.

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Stakeholders Relationship And Engagement

Stakeholder Relationship & Engagement

STAKEHOLDER ENGAGEMENT BRIDGING THE GAP

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

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

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

STAKEHOLDERS ENGAGEMENT PROCESS:

Stakeholders	Power Cement's Commitment	Effect and Value
Shareholders/Investors Analysts	Power Cement acknowledges and honor the trust our investors have put in us by providing a steady return on their investment. We try to keep ourselves transparent through open and honest communication during our Annual General Meetings, Analysts/Corporate briefings, and ongoing dialogue with analysts and investors. We kept our shareholders informed on a timely basis of all the ongoing activities of the Company.	The providers of capital allow the Company to achieve its: • Vision • Mission • Business Targets
Customers & Suppliers	Company's primary customers include dealers, distributors and institutions. Customer relationship management is beyond extending credit facilities and trade discounts. Our continuous and sustainable growth is also attributable to engaging reputed suppliers as business partners for supply of industrial inputs, equipment and machinery. Maintaining close relationship with our customers, through collecting consumer insights, in order to understand their needs. Various informal meetings are held with customers and suppliers to maintain effective Supply Chain System.	Customer's loyalty and effective supply chain is the key to the Company's sustainable business growth.
Banks and Lenders	Banks and other financial institutions are encouraged by the Company on regular basis in relation to negotiate of short term financing arrangements, deposits and investments. Power Cement Limited has restructured its long-term obligations of PKR 11.9 billion with a local bank syndicate, extending the repayment schedule until January 2030 and reducing the profit margin by 100 basis points for three years. This strategic move comes amidst inflationary pressures and challenging economic conditions. Despite these challenges, the Company remains focused on delivering value to its shareholders.	Bank dealings are central to the Company's performance in terms of: • Access to better interest rates and financing terms;

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

Encouragement of Minority Shareholders to Attend General Meetings

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

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

Investor Relations Section on Website

Power Cement Limited places a strong emphasis on transparent and compliant communication with our valued investors. Our corporate website is meticulously maintained to comply with regulatory requirements, ensuring the prompt dissemination of essential information.

Within our Investor Relations section, you will find:

1. **Financial Insights**: Access our latest financial reports, quarterly updates, and annual reports to stay informed about our financial performance.

2. **Investor Resources**: Explore comprehensive information about our company, including our history, mission, and strategic objectives.

3. **Shareholding Details**: Stay current on the distribution of shares among investors with our shareholding pattern information.

4. **SECP Service Desk**: Easily access the Securities and Exchange Commission of Pakistan's (SECP) Service Desk Management System through a direct link for additional regulatory information.

5. **Grievance Submission**: This section is available for registering grievances and addressing investor queries. Your concerns are of utmost importance to us, and we are committed to providing timely assistance.

At Power Cement Limited, we recognize the significance of clear and compliant communication with our investors. Our commitment to transparency and adherence to regulatory standards ensures that you receive the necessary information for a confident and informed investment experience.

Issues Raised in Last AGM

During the 31st Annual General Meeting, which was conducted on October, 2022, following agenda items were taken up:

1. **Approval of Previous Meeting Minutes**: Shareholders approved the minutes of the previous general meeting.
2. **Approval of Annual Audited Financial Statements**: The annual audited financial statements including related party transactions, along with the accompanying reports from both the Directors and Auditors, were also approved.
3. **Appointment of External Auditors**: Shareholders agreed to appoint M/s. A.F. Fergusons & Co. Chartered Accountants as the external auditors for the financial year 2022-23.
4. **Elections of Directors**: Directors of the company where elected for a term of three years.

It's noteworthy that apart from routine inquiries, no other substantial issues were raised by the shareholders during the meeting, which would necessitate further decisions or actions.

Stakeholders Engagement Policy

At Power Cement Limited, we prioritize transparent and continuous relationships with our stakeholders. This commitment includes fair dealings with financial institutions, rigorous risk management, strict compliance with laws, and a focus on enhancing our corporate reputation. We value our human resources, promote an excellent public image, ensure full and fair disclosure of material information, and provide accessible information about our strategy and financial performance through our Annual Reports and website. Our engagement with stakeholders is fundamental to our commitment to responsible and sustainable business practices, driving our long-term success.

Corporate Briefing Session

In adherence to the guidelines set forth by the PSX (Pakistan Stock Exchange), Power Cement Limited conducted a Corporate Briefing Session on June 19, 2023, held at the PSX Auditorium and also made accessible via video link. The event saw participation from a diverse group of analysts and shareholders. During the session, the Chief Operating Officer and Chief Financial Officer of the Company delivered a comprehensive presentation on the financial performance, followed by an interactive Q&A session aimed at addressing inquiries from the attendees. This commitment to transparency and engagement underscores our dedication to providing our stakeholders with valuable insights and fostering open communication.

Redressal of Investors´ Complaints

Power Cement Limited places a high priority on maintaining transparent and effective channels of communication with our valued shareholders. We are pleased to report that during the year under review, no complaints were lodged by any shareholder of the Company. This absence of complaints reflects our continuous efforts to ensure that our shareholders' concerns and inquiries are promptly addressed, promoting trust and confidence in our Company's operations. We remain committed to upholding these standards of excellence in shareholder engagement.

Health Safety & Environment

Corporate Policy

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

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

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

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

- Meet or exceed applicable legal environmental, health and safety requirements in Pakistan
- Conform with the applicable Performance Standards of the International Finance Corporation
- Certification of compliance with ISO 9001, ISO 14001 and ISO 45001.
- Adopt our own standards, where laws and guidelines do not exist, to protect the environment and human health
- Continually improve our environmental, health and safety performance through ongoing monitoring of performance results and periodic management reviews, as well as consultation and participation of workers
- Provide sufficient resources and organization capacity to enable implementation of the policy

HSE at Power Cement Limited

Power Cement Limited (PCL) is dedicated to the continuous evolution of its Environment & Social, Occupational Health and Safety Management System (ES-OHS-MS). Our unwavering commitment is to ensure the safety and well-being of our employees, contractors, and visitors. We firmly believe that integrating a robust environmental, health, and safety program into our operations is fundamental to our overall success.

The PCL's ES-OHS-MS is comprehensive and encompasses all essential aspects typically found in a quality, health, safety, and environmental (QHSE) management system. This includes policy formulation, incident and accident control protocols, identification of legal and regulatory requirements, organizational structures, resource allocation, documentation standards, effective communication channels, internal audit processes, performance monitoring and measurement, continuous improvement initiatives, and management reviews.

Effective Safety Leadership

How we report

- PCL's HSE management system, data collection process, and transparent reporting embody key elements of social, moral, legal, and corporate responsibility.
- PCL adheres to International Finance Corporation (IFC) guidelines for reporting its HSE performance.
- HSE performance data is rigorously collected and validated using the PCL HSE management system.
- The system provides management at all levels with the necessary tools and mechanisms for efficient data collection and validation.

PCL's HSE reporting prioritizes transparency and responsible corporate practices. PCL takes responsibility for its HSE performance, reinforcing corporate responsibility. Reports enable prompt responses to deviations or non-compliance.

Training and awareness are integral components of our Company's HSE Management System, playing a pivotal role in Continuous Professional Development. We prioritize the capacity building of our PCL employees, equipping them with the skills necessary for improved hazard identification and risk assessment. This empowers our workforce to better recognize and evaluate the risks they may encounter in their work environments, particularly during the execution of various field activities.

HSE Awareness Campaign (TBT)

At PCL, we have reintroduced the "Toolbox Talk (TBT) Program" as part of our HSE awareness campaign. Our HSE team members, in collaboration with Area In-charges, conduct site visits to different areas, where they provide general HSE information and specific safety instructions related to various job roles.

A "toolbox talk" is an informal safety meeting that can be conducted at any time and place with any team or staff to address specific safety hazards and safe work practices. The primary objective of this initiative is to consistently engage in safety discussions, fostering a heightened level of HSE awareness throughout our site.

Environment

PCL is fully compliant with SEQS (Sindh Environmental Quality Standards) for the cement industry, maintaining strict control over emissions. With 90 bag filters strategically placed at emission points, we effectively manage particulate matter emissions.

We're dedicated to responsible waste management, with zero waste discharge from our cement manufacturing process. Substantial investments have been made to exceed SEQS limits by installing high- efficiency European-designed bag houses, surpassing even IFC standards.

Our automated plant ensures top-notch control, supported by 24/7 Continuous Emission Monitoring Systems (CEMS) and a skilled team. Bag filters efficiently remove dust from process gases, with collected dust recycled into manufacturing.

To enhance our environmental impact, we've planted trees across our facilities, acting as dust barriers. Plus, we've recently planted 10,000 new trees within our plant and boundary sites.

• Environment Monitoring and results

Our environmental monitoring program serves a crucial role in evaluating Power Cement's adherence to environmental laws, regulations, and the commitments outlined in our Environmental Impact Assessment (EIA) report. This includes the implementation of our Environmental Management Plan, aligned with the conditions set by SEPA (Sindh Environmental Protection Agency).

• Ambient Air Quality

In the fiscal year 2022-23, Power Cement conducted monthly ambient air monitoring at our new Line 3 facility. The results consistently demonstrated that air quality parameters remained well within the specified SEQS (Sindh Environmental Quality Standards) limits.

• Efficient Wastewater Management

We prioritize wastewater management at PCL. Our monthly wastewater monitoring involves sampling from the septic tank throughout the year 2022-23. These samples are rigorously analyzed by an EPA-approved laboratory (EHS-Services). The results, presented in the graph below on a quarterly basis, consistently demonstrate compliance with SEQS standards.

BOD, COD and TSS Results in Wastewater in comparison with SEQS

BOD=Biochemical oxygen demand
Cod=Chemical oxygen demand
TSS=Total Suspended Solids

Housekeeping

To sustain our collective efforts aimed at enhancing overall housekeeping at the plant, we organize a "Housekeeping Day" at PCL every other week. This initiative involves the active participation of PCL employees, from workers to Plant Heads, sending a clear message that we are dedicated to maintaining a clean and environmentally friendly plant environment.

For context, Power Cement Limited (PCL) employs dry process technology in cement manufacturing, which eliminates the use of water for slurry-making, distinguishing us from wet process plants. Water primarily serves cooling purposes and is recycled for this use, having no adverse environmental impact.

Our commitment to sustainability is reflected in our zero-process wastewater discharge and zero water disposal outside our premises. The only wastewater treated in septic tanks originates from toilets in PCL accommodations. All our septic tanks conform to SEPA and IFC Guidelines, designed to meet the highest standards.

• Stringent Stack Emission Monitoring

We maintain rigorous stack emissions monitoring at PCL. Throughout 2022-23, monthly monitoring ensured that stack emissions consistently adhered to SEQS limits.

In particular, three main point sources for stack emissions exist at PCL. Our analysis of results for the complete year indicates compliance in key areas, including NOX (Oxides of Nitrogen), CO (Carbon Monoxide), SO2 (Sulphur Dioxide), and PM (Particulate Matter). This dedication to monitoring and adherence reflects our commitment to environmental responsibility.

Compliance with Legal Standards

PCL maintains full compliance with Sindh Environmental Quality Standards (SEQS) for the cement industry, thanks to the utilization of 90 bag filters at emission points for effective control of particulate emissions.

Emission Control

PCL has significantly reduced emissions to meet SEQS limits. Monthly environmental tests, including stack emissions, ambient air quality, and noise assessments, are carried out by third-party consultants, EHS Services Pakistan (Pvt) Ltd. The results consistently align with SEQS standards, and reports are diligently submitted to the SEPA Regional Office in Hyderabad. We also employ an Online Air Pollution Monitoring Analyzer for Line 3 Operations to ensure continuous compliance.

Mitigation from EIA

We actively implement mitigation measures recommended in the Environmental Impact Assessment (EIA) as part of our commitment to sustainable and environmentally responsible practices.

Environmental Impact Assessment

A. All transfer and dust emission points are properly equipped with de-dusting equipment so that the dust emission does not exceed 30 mg/Nm3 from any location.

B. Stacks for kiln and cooler exhaust gases are equipped with continuous dust monitoring system Fully Compliant.

C. NOx and SOx emissions are below SEQS Limits respectively. Fully Compliant.

D. Noise level shall be below 70 dB (A).

E. Coal Handling and transportation is as per SEPA Requirements listed in our PCL Coal handling and transportation plan

F. Coal storage is in the designated newly designed coal shed which is completely covered and meets all the requirements made by SEPA for storage of Coal.

Fire Safety at PCL

PCL takes fire safety seriously, following NFPA 1 Fire Code 2015, IFC Standards, and Pakistan's Building Code - Fire Safety Provisions 2016. Our proactive approach to fire prevention and response includes:

i. Adequate Fire Extinguishers: Strategically placed throughout the facility.
ii. State-of-the-Art Fire Tender Vehicle.
iii. Extensive Fire Hydrant System: With two 1000 GPM pumps and hydrant pillars at 80+ locations.
iv. Water Sprinkler System: Installed within the Sack store.
v. Clean Agent Fire Suppression System: Safeguarding the Server room.
vi. Foam System: Protecting Diesel Tanks.
vii. Comprehensive Fire Alarm system: Covering key buildings.

Our commitment ensures rapid, effective response to any fire emergency.

Emergency Drills and Response

At PCL, we understand the critical importance of emergency preparedness and response. To ensure our team is well-prepared for any situation, we conduct regular drills and training sessions. Here's an overview of our recent efforts:
Total Drills Conducted in the Year: 6
Fire Response Drills: 2
Fire Tender + Hydrant Usage Drills: 3
Electrocution Response Drills: 1

These drills equip our team with essential skills to handle emergencies effectively and provide immediate care when needed, ensuring the safety and well-being of our employees and visitors.

Major Developments during the Year

Employee Well-being Initiatives

At PCL, prioritizing the health and well-being of employees is essential, recognizing that a healthy workforce is vital for success. To this end, various programs and partnerships have been implemented to support employees:

Corporate Health Services (CHS): A partnership with CHS, a renowned healthcare provider, offers employees' parents significant discounts on medical expenses, ensuring access to quality healthcare.

Sehat Kahani: Introduction of Sehat Kahani sessions empowers employees with the innovative Sehat Kahani app. This app provides them with instant access to expert healthcare consultation, promoting health and well-being by making healthcare services accessible anytime, anywhere.

Chughtai Lab Pre-medical Assessments: To ensure the well-being of employees from day one, a partnership with Chughtai Lab for comprehensive pre-medical assessments of all job candidates has been established. This proactive approach helps maintain a healthy and fit workforce.

Sports Gala: Our Sports Gala has garnered positive feedback from employees and their families. It fosters a sense of camaraderie, teamwork, and physical fitness among our staff, contributing to their overall well-being.

On-site Gym: We have established a well-equipped gym on our premises to encourage employees to focus on their physical health. This facility allows them to engage in regular exercise routines, promoting a healthier lifestyle.

Comfortable Transportation: PCL provides air-conditioned vehicles for employee transportation, ensuring their comfort during commutes. This initiative not only enhances their well-being but also reduces the stress associated with daily travel.

RO Plant: To ensure access to clean and safe drinking water, we have implemented a Reverse Osmosis (RO) plant in both residential and office areas. This provision contributes to the physical well-being of our employees by ensuring access to quality drinking water.

These initiatives reflect a commitment to the health and motivation of employees, fostering a positive and supportive work environment.

Internship Program

We are proud to announce the successful completion of the Mazboot Bunyad/Mazboot Kal - Summer Internship Program 2023 at Power Cement Limited. This program reflects our commitment to nurturing young talent and providing them with valuable insights into the corporate world.

During this program, we established close relationships with various prestigious institutes and universities, including GIK, MAJU, IBA, Habib University, SZABIST, CBM, Bahria University, and Wisconsin University.

We conducted rigorous assessment interviews and welcomed a total of 16 interns into various departments. These interns had the opportunity to gain hands-on experience, learn from seasoned professionals, and contribute their fresh perspectives to our organization.

At Power Cement Limited, we believe in empowering the next generation of leaders and providing them with a strong foundation for their future careers. We look forward to seeing these talented individuals achieve great success in their professional journeys.

SmartHCM: Revolutionizing HR Management

SmartHCM represents a cutting-edge approach to Human Resource Management (HRM), harnessing the power of technology and data-driven solutions to craft a holistic and efficient Human Capital Management (HCM) system. By integrating advanced technologies and analytics, SmartHCM not only streamlines HR processes but also elevates employee productivity and engagement levels within organizations. With SmartHCM, organizations can pave the way for a brighter and more efficient HR future.

Benefits includes:

- Automation and Streamline HR processes
- Provides valuable insights on workforce trends
- Enhanced Decision-Making
- Improved Employee Experiences and Enhances employee satisfaction,
- Mobile Access

Trade Marketing Activities

Truck/bulker branding
17 bulkers
7 trucks

Shop Branding:

Shop boards: 177
Shop branding: 22

Warehouse Branding:

Korangi-Mehran Town
Korangi Jam Sadiq Bridge
Kemari
Bahria

Project Site Branding:

Rainbow Tower Bahria Town
Dolmen Grove Residency

Print Media:

Build Plus
Gazette International

These trade marketing activities not only enhance our brand visibility but also strengthen our relationships within the industry and communities we serve. We continue to explore innovative ways to connect with our valued stakeholders.

Striving for Excellence in Corporate Reporting

Statement of Adoption And Adherence with The International Integrated Reporting Framework

Building and maintaining trust with both our internal and external stakeholders is paramount to our Company's ongoing success. Our primary goal in this regard is to enhance the awareness of our shareholders and stakeholders, enabling them to make informed and valuable decisions. We are unwavering in our commitment to achieving this objective through a dedication to excellence in corporate governance and human resource practices. Power Cement Limited has consistently worked towards increasing the transparency of information shared with our stakeholders.

We have recognized the evolving corporate landscape and the growing need for more comprehensive information beyond basic financial statements. This expanded information encompasses management insights, governance disclosures, performance analysis, forward-looking perspectives, and financial statement footnotes, all aimed at better representing our corporate reporting to meet the diverse information needs of our stakeholders. The Company has developed a strategy focused on creating value for the organization and its stakeholders.

We believe that this Integrated Report will provide our stakeholders with a clearer understanding of how we generate value through our business model. As Integrated Reporting is still in its early stages of development, we are actively seeking ways to make it even more beneficial for our shareholders. To this end, we have included various content elements in this report, including:

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

The successful adoption of integrated reporting hinges on the commitment and support of our Board of Directors and leadership team. Therefore, the Company's management plays a pivotal role in guiding us towards our objectives by providing advice, assessing and monitoring business strategies, ensuring their execution and adaptation, and evaluating their effectiveness and contribution in these endeavors. We rigorously monitor our reporting practices to ensure that relevant information is shared in the most appropriate manner for our stakeholders. We remain dedicated to enhancing the accessibility and comprehensibility of the information we produce, while taking into account the feedback and input of those who read this report.

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

The Company's management places strong emphasis on unwavering compliance with all applicable International Accounting Standards (IAS)/IFRS issued by the International Accounting Standards Board (IASB). This commitment is essential to ensuring the accurate and transparent preparation and presentation of financial information.

Compliance with IFRS not only upholds the highest standards of financial reporting but also encourages the provision of comprehensive disclosures in the financial statements, which are invaluable for informed decision-making by our stakeholders. The financial statements for the year have been meticulously prepared in accordance with the accounting and reporting standards issued by IASB, as they apply in Pakistan. A detailed account of the Company's IFRS adoption status can be found in the notes accompanying the annual financial statements.

Integrated Reporting Framework Adoption

Power Cement Limited is committed to transparency, accountability, and effective stakeholder communication. We have embraced the Integrated Reporting Framework, aligning our reporting practices with its 'Fundamental Concepts,' Content Elements, and Guiding Principles. This commitment allows us to provide a comprehensive view of our business, incorporating financial, environmental, social, and governance aspects, fostering a deeper understanding of our operations and contributions to society. We value your feedback as we continue on this integrated reporting journey.

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the members of Power Cement Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
(i)	**Revenue from contracts with Customers** ***(Refer notes 2.20 & 29 to the financial statements)*** The Company recognizes revenue from the sale of cement to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures amongst others included the following: - performed verification of sales on sample basis with underlying documentation including sales orders, sales invoices and delivery challans; - performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority on a sample basis; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

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S. No.	Key audit matters	How the matters were addressed in our audit
(ii)	**Inventories** ***(Refer notes 2.9 & 9 to the financial statements)*** Inventories include: - raw materials comprising limestone, shale, gypsum, iron ore; and - work-in-progress mainly comprising clinker and raw meal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures amongst others 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 and reviewed the inventory count report of the management's external surveyor and assessed its accuracy; and - ensured that presentation and disclosures related to inventory are being addressed appropriately.

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S. No.	Key audit matters	How the matters were addressed in our audit
(iii)	**Deferred tax** ***(Refer notes 2.13 & 7 to the financial statements)*** The Company has booked net deferred tax asset of Rs. 3.65 billion as at June 30, 2023 that mainly include carry forward losses. Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognized in the statement of financial position at each reporting period. Recognition of deferred tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilized. The future taxable profits are based on approved management's projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses and tax credits. Valuation of deferred tax asset is considered a key audit matter because the amounts involved are material, the complexities of the calculation of future taxable profits and the inherent uncertainty involved in forecasting taxable profits available in future periods.	Our audit procedures included the following: - considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance 2001 that apply to the utilisation of tax losses; - determined the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilization; - considered whether the tax balances were calculated using appropriate and substantively enacted tax laws and rates; - obtained financial projections from the Company's management; - evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and - ensured that presentation and disclosures related to deferred tax are being addressed appropriately.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 4, 2023

UDIN: AR202310073zPU6qvDyZ

Statement of Financial Position
AS AT JUNE 30, 2023

	Note	2023	2022
ASSETS		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	3	**34,853,984**	35,647,052
Right-of-use asset	4	**12,362**	24,725
Intangible asset	5	**-**	423
Long-term investments	6	**26,873**	25,578
Deferred tax asset	7	**3,649,907**	3,138,307
Long-term deposits	8	**63,359**	74,359
		38,606,485	38,910,444
Current assets			
Inventories	9	**2,593,218**	1,363,972
Stores, spares and loose tools	10	**1,636,761**	1,924,299
Trade receivables - considered good	11	**276,087**	233,616
Advances and other receivables			
- unsecured, considered good	12	**584,575**	523,905
Taxation - payments less provision		**122,617**	509,231
Derivative financial asset	13	**3,509,149**	1,621,753
Trade deposits and short-term prepayments		**102,852**	77,473
Tax refunds due from government - sales tax	14	**662,657**	1,039,865
Short-term investments	15	**26,399**	26,399
Cash and bank balances	16	**409,823**	217,775
		9,924,138	7,538,288
Total assets		**48,530,623**	46,448,732

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

Chief Financial Officer

Chief Executive

Director

Statement of Financial Position

AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital	17		
Ordinary shares		**11,118,705**	11,118,705
Cumulative preference shares		**2,082,433**	2,082,433
		13,201,138	13,201,138
Reserves			
Capital Reserve			
Share premium	19	**739,493**	739,493
Difference on conversion of cumulative preference shares into ordinary shares	17.4	**(121,141)**	(121,141)
Revenue Reserve			
Hedging reserve	20	**125,309**	-
Accumulated loss		**(3,376,772)**	(3,536,035)
		(2,633,111)	(2,917,683)
Contribution from associated undertakings	18	**7,000,000**	7,000,000
		17,568,027	17,283,455
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	21	**17,328,806**	17,510,223
Long-term trade payables	22	**470,634**	522,828
Long-term lease liability	23	**-**	17,327
Staff retirement benefits	24	**170,307**	136,270
		17,969,747	18,186,648
Current liabilities			
Trade and other payables	25	**4,527,395**	4,421,035
Unclaimed dividend		**126**	126
Accrued mark-up	26	**1,923,466**	1,383,274
Short-term financing - secured	27	**5,012,000**	2,783,927
Current portion of long-term lease liability	23	**17,326**	14,348
Current portion of long-term financing	21	**1,512,536**	2,375,919
		12,992,849	10,978,629
Total liabilities		**30,962,596**	29,165,277
Contingencies and commitments	28		
Total equity and liabilities		**48,530,623**	46,448,732

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

Chief Financial Officer	Chief Executive	Director

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contracts with customers	29	**28,939,096**	17,494,878
Cost of sales	30	**(22,071,255)**	(15,012,747)
Gross profit		**6,867,841**	2,482,131
Selling and distribution expenses	31	**(1,895,898)**	(965,724)
Administrative expenses	32	**(367,107)**	(286,584)
Other (loss) / income	33	**(881,716)**	38,099
Reversal allowance on trade receivables		**8,978**	36,280
Profit from operations		**3,732,098**	1,304,202
Finance income		**17,778**	8,107
Finance costs		**(3,830,787)**	(2,642,935)
	34	**(3,813,009)**	(2,634,828)
Loss before taxation		**(80,911)**	(1,330,626)
Taxation	35	**249,904**	886,680
Profit / (loss) after taxation		**168,993**	(443,946)
Other comprehensive income / (loss):			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		**1,887,397**	1,091,937
Adjustment for amounts transferred to profit or loss		**(1,717,762)**	(1,091,937)
		169,635	-
Related deferred tax		**(44,326)**	-
Hedging Reserve		**125,309**	-
Actuarial loss on remeasurement of defined benefit obligations		**(13,172)**	(23,072)
Related deferred tax		**3,442**	5,558
		(9,730)	(17,514)
Other comprehensive income / (loss) for the year - net of tax		**115,579**	(17,514)
Total comprehensive income / (loss) for the year		**284,572**	(461,460)
		---------- (Rupee) ----------	
Loss per share - basic and diluted	36	**(0.19)**	(0.62)

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

Chief Financial Officer	Chief Executive	Director

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Difference on conversion of cumulative preference shares into ordinary shares (note 17.4)	Capital Reserve	Revenue Reserve		Contribution from associated undertakings (note 18)	Total Equity
	Issued, subscribed and paid up capital		Share Premium	Hedging Reserve (note 20)	Accumulated loss		
	---------- (Rupees in '000) ----------						
Balance as at July 1, 2021	**13,079,997**	**-**	**739,493**	**-**	**(3,074,575)**	**-**	**10,744,915**
Loss for the year	-	-	-	-	(443,946)	-	(443,946)
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year	121,141	(121,141)	-	-	-	-	-
Contribution received	-	-	-	-	-	7,000,000	7,000,000
Other comprehensive loss	-	-	-	-	(17,514)	-	(17,514)
	121,141	(121,141)	-	-	(461,460)	7,000,000	6,538,540
Balance as at June 30, 2022	**13,201,138**	**(121,141)**	**739,493**	**-**	**(3,536,035)**	**7,000,000**	**17,283,455**
Profit for the year	-	-	-	-	168,993	-	168,993
Other comprehensive income/ (loss)	-	-	-	125,309	(9,730)	-	115,579
	-	-	-	125,309	159,263	-	284,572
Balance as at June 30, 2023	**13,201,138**	**(121,141)**	**739,493**	**125,309**	**(3,376,772)**	**7,000,000**	**17,568,027**

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

Chief Financial Officer

Chief Executive

Director

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	**4,227,718**	2,319,983
Gratuity paid	24.7	**(34,025)**	(40,710)
Income tax refunds / (paid)		**84,034**	(138,987)
Deposits received / (paid)		**11,000**	(32,021)
Finance cost paid - Islamic		**(3,370,127)**	(2,388,890)
Finance cost paid - Conventional		**(160,024)**	(223,280)
		(3,469,142)	(2,823,888)
Net cash generated from / (used in) operating activities		**758,576**	(503,905)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		**(175,998)**	(189,772)
Finance income received		**16,483**	7,402
Proceeds from sale of property, plant and equipment		**1,352**	11,525
Net cash used in investing activities		**(158,163)**	(170,845)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		**(2,619,838)**	(1,263,506)
Proceeds from long-term financing		**-**	492,012
Lease rental paid	23	**(16,600)**	(15,090)
Repayment of short-term financing - net		**(1,533,927)**	(4,745,997)
Proceeds of contribution from associated undertakings	18.2	**1,263,000**	7,000,000
Repayment of contribution from associated undertakings	18.2	**(1,263,000)**	-
Repayment of loan from related party		**-**	(680,000)
Net cash (used in) / generated from financing activities		**(4,170,365)**	787,419
Net (decrease) / increase in cash and cash equivalents		**(3,569,952)**	112,669
Cash and cash equivalents at the beginning of the year		**(132,225)**	(244,894)
Cash and cash equivalents at the end of the year	40	**(3,702,177)**	**(132,225)**

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

Chief Financial Officer	Chief Executive	Director

Notes to The Financial Statements
FOR THE YEAR ENDED JUNE 30, 2023

1. THE COMPANY AND ITS OPERATIONS

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

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

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

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

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

2.1.2 Accounting convention

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

2.1.3 Critical accounting estimates & judgements

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

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

(i) Income tax payable / refundable

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

(ii) Staff retirement benefits

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

(iii) Inventories

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

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

iv) Property, plant and equipment

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

v) Provisions

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

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

vi) Derivative financial instruments and hedge accounting

Estimates made with respect to derivative financial instruments and hedge accounting are disclosed in note 2.18 to these financial statements.

vii) Deferred taxation

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

viii) Contribution from associated undertakings

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

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

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

2.1.4 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 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 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 financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.2 Overall valuation policy

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

2.3 Foreign currencies

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

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

2.4 Property, plant and equipment

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

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

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

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

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

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

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

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

Capital work-in-progress (CWIP)

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

Capitalisable stores and spares

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

2.5 Lease liability and right-of-use asset

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

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

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

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

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

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

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

2.5.1 Ijarah

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

2.6 Intangible asset

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

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

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

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

2.7 Cash and cash equivalents

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

2.8 Dividends and appropriations

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

2.9 Inventories

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

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

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

2.10 Trade receivables, advances and other receivables

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

2.11 Borrowings and their cost

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

2.12 Trade and other payables

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

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

2.13 Taxation

a) 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.

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

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

2.14 Staff retirement benefits

Defined benefit plan

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contribution is made to the fund in accordance with actuarial recommendations. The latest actuarial valuation of the scheme has 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 statement of financial position immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in statement of profit or loss and other comprehensive income.

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

2.15 Provisions

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

2.16 Contingencies

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

2.17 Financial instruments

Initial recognition

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

- at amortised cost.

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

2.18 Derivative financial instruments and hedge accounting

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

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

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

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

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

Fair value hedges

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

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

Cash flow hedges

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

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

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

2.19 Offsetting of financial assets and liabilities

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

2.20 Revenue recognition

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

- Local sale of goods is recognised on dispatch of goods to customers from the production facility.

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

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

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

Profit on bank deposits is recorded on effective interest basis.

Gain / (loss) on sale of fixed assets is recorded when control is transferred to the transferee.

2.21 Government grants

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

3. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	3.1	34,576,493	35,306,841
Capital work-in-progress	3.4	-	88,090
Capitalisable stores and spares	3.5	277,491	252,121
		34,853,984	**35,647,052**

3.1 Operating assets

	Land lease hold	Factory building on leasehold land	Non factory building on lease hold land	Lease hold improvements	Plant and machinery	Factory and laboratory equipments	Quarry Equipment	Office equipment	Computer and peripherals	Furniture and fixture	Vehicles	Total
	(Rupees in '000)											
Year ended June 30, 2023												
Opening net book value	112,425	309,075	1,209,818	13,740	33,528,825	51,652	801	25,352	9,379	26,727	19,047	**35,306,841**
Additions / transfer (at cost)	88,090	7,411	5,234	-	105,815	23,356	359	1,189	6,027	717	520	**238,718**
Disposals at NBV	-	-	-	-	-	-	-	-	(99)	-	(247)	**(346)**
Depreciation charge - Note 3.2	-	(15,230)	(121,165)	(1,366)	(811,105)	(6,491)	(125)	(2,582)	(4,160)	(2,704)	(3,792)	**(968,720)**
Closing net book value	200,515	301,256	1,093,887	12,374	32,823,535	68,517	1,035	23,959	11,147	24,740	15,528	**34,576,493**
Gross carrying value basis At June 30, 2023												
Cost	200,515	739,167	1,517,930	33,299	36,700,304	120,541	12,887	42,866	46,367	53,137	55,443	**39,522,456**
Accumulated depreciation	-	(437,911)	(424,043)	(20,925)	(3,876,769)	(52,024)	(11,852)	(18,907)	(35,220)	(28,397)	(39,915)	**(4,945,963)**
Net book value	200,515	301,256	1,093,887	12,374	32,823,535	68,517	1,035	23,959	11,147	24,740	15,528	**34,576,493**
Year ended June 30, 2022												
Opening net book value	112,425	319,157	1,333,820	15,258	34,010,679	48,037	943	24,301	10,086	29,328	22,907	**35,926,941**
Additions / transfer (at cost)	-	-	9,459	-	166,093	9,148	-	3,669	3,144	345	1,292	**193,150**
Disposals at NBV	-	-	-	-	-	(80)	-	-	-	-	(468)	**(548)**
Depreciation charge - Note 3.2	-	(10,082)	(133,461)	(1,518)	(647,947)	(5,453)	(142)	(2,618)	(3,851)	(2,946)	(4,684)	**(812,702)**
Closing net book value	112,425	309,075	1,209,818	13,740	33,528,825	51,652	801	25,352	9,379	26,727	19,047	**35,306,841**
Gross carrying value basis At June 30, 2022												
Cost	112,425	731,756	1,512,696	33,299	36,594,489	97,185	12,528	41,677	40,586	52,420	56,868	**39,285,929**
Accumulated depreciation	-	(422,681)	(302,878)	(19,559)	(3,065,664)	(45,533)	(11,727)	(16,325)	(31,207)	(25,693)	(37,821)	**(3,979,088)**
Net book value	112,425	309,075	1,209,818	13,740	33,528,825	51,652	801	25,352	9,379	26,727	19,047	**35,306,841**
Rate of depreciation %	-	5%	10%	10%	Units of production	10%	15%	10%	33%	10%	20%	

3.1.1 The fair value of property, plant and equipment is valued at Rs. 57.02 billion.

3.2 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	30	964,909	799,341
Selling and distribution expenses	31	1,810	2,742
Administrative expenses	32	2,001	10,619
		968,720	812,702

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

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

3.4 Capital work in progress

	2023			
	Cost as at 1 July 2022	**Additions**	**Transferred to operating assets**	**Cost as at 30 June 2023**
	(Rupees in '000)			
Advance against land	**88,090**	**-**	**(88,090)**	**-**
	88,090	**-**	**(88,090)**	**-**

	2022			
	Cost as at 1 July 2021	Additions	Transferred to operating assets	Cost as at 30 June 2022
	(Rupees in '000)			
Advance against land	-	88,090	-	88,090
	-	88,090	-	88,090

3.5 Capitalisable stores and spares

	2023	2022
	(Rupees in '000)	
Opening balance	**252,121**	343,589
Additions during the year	**148,321**	17,775
Transferred to property, plant and equipment	**(122,951)**	(109,243)
Closing balance	**277,491**	252,121

4. RIGHT-OF-USE ASSET

	2023	2022
	(Rupees in '000)	
Opening balance	**24,725**	37,086
Depreciation expense	**(12,363)**	(12,361)
Closing balance	**12,362**	24,725

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

5. INTANGIBLE ASSET

	Note	2023	2022
		(Rupees in '000)	
Cost		**7,606**	7,606
Accumulated amortisation		**(7,606)**	(7,183)
		-	423
Carrying amount at the beginning of the year		**423**	2,958
Amortisation during the year	32	**(423)**	(2,535)
Carrying amount at the end of the year		**-**	423
Rate of amortisation		**33.33%**	33.33%

5.1 Intangible asset comprises of computer software.

5.2 The amortisation expense for the year has been charged off to administrative expenses.

6. LONG-TERM INVESTMENTS

Amortised cost

	Note	2023	2022
		(Rupees in '000)	
Defence savings certificates	6.1	**18,699**	17,404
Term deposit receipts	6.2	**8,174**	8,174
		26,873	25,578

6.1 These Defence Savings Certificates (DSCs) are for a period of 10 years having maturity in 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh as disclosed in note 28.1.

6.2 These include term deposit certificates placed with local banks and carry profit at declared rates of 8% - 12% (2022: 7.20% - 10%) per annum having maturity ranging from 2024 to 2029.

7. DEFERRED TAX ASSET

	Accelerated tax depreciation	Right-of-use-assets	Provision for stores, spares and loose tools	Long-term lease liability	Unwinding of transaction cost	Deferred exchange gain	Minimum tax	Carry forward tax losses	Gain on restructuring of local long-term syndicate financing	Provision for leave encashment	Loss allowance on trade receivables	Exchange loss on hedged loan	Staff retirement benefits	Gain on derivative asset	Gain on modification of long-term trade payables	Total
	(Rupees '000)															
July 01, 2022	(4,035,290)	(5,956)	4,575	7,630	-	-	452,888	6,605,730	-	9,179	23,352	92,867	32,827	-	(49,495)	3,138,307
(Charge) / credit to profit or loss for the year	(644,706)	2,726	387	(3,103)	-	-	75,396	1,087,473	(36,326)	3,844	(1,637)	-	8,232	44,326	15,872	552,484
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	3,442	(44,326)	-	(40,884)
June 30, 2023	**(4,679,996)**	**(3,230)**	**4,962**	**4,527**	**-**	**-**	**528,284**	**7,693,203**	**(36,326)**	**13,023**	**21,715**	**92,867**	**44,501**	**-**	**(33,623)**	**3,649,907**
July 01, 2021	(3,035,410)	(8,281)	3,019	9,698	2,366	(2,481)	401,299	4,630,028	-	8,548	28,664	43,056	24,332	-	-	2,104,838
(Charge) / credit to profit or loss for the year	(999,880)	2,325	1,556	(2,068)	(2,366)	2,481	51,589	1,976,437	-	631	(5,312)	49,811	2,937	-	(49,495)	1,028,646
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	5,558	-	-	5,558
June 30, 2022	**(4,035,290)**	**(5,956)**	**4,575**	**7,630**	**-**	**-**	**452,888**	**6,605,730**	**-**	**9,179**	**23,352**	**92,867**	**32,827**	**-**	**(49,495)**	**3,138,307**

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

7.2 As per Finance Act, 2023, companies operating in certain sectors, including cement, having income above Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards. Consequently, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

7.3 Deferred tax asset has been restricted to 67% (2022: 73%) of the total deferred tax asset based on the proportion of local and export sales as per future financial projections of the Company.

7.4 Taxable and deductible differences are booked in profit or loss except for actuarial loss on remeasurement of defined benefit obligations amounting to Rs. 3.44 million (2022: Rs. 5.56 million).

8. LONG-TERM DEPOSITS

	Note	2023	2022
		(Rupees in '000)	
Hyderabad Electric Supply Company		**24,159**	24,159
First Credit and Investment Bank		**6,200**	6,200
Others	8.1	**33,000**	44,000
		63,359	74,359

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

9. INVENTORIES

	Note	2023	2022
		(Rupees in '000)	
Raw material		**161,034**	71,690
Packing material		**204,527**	95,548
Semi-finished goods	9.1	**1,822,928**	768,548
Work-in-process		**22,842**	21,978
Finished goods	9.2	**381,887**	406,208
		2,593,218	1,363,972

9.1 This includes clinker held at port for export amounting Rs. 11.14 million (2022: Rs. 226.89 million).

9.2 This includes cement held at port for export amounting to Rs. 7.86 million (2022: Rs. 192.68 million).

10. STORES, SPARES AND LOOSE TOOLS

	Note	2023	2022
		(Rupees in '000)	
Stores		**694,200**	697,916
Coal		**4,523**	465,207
Spares		**947,704**	771,638
Loose tools		**9,325**	8,529
		1,655,752	1,943,290
Less: Provision for net realisable value write down	10.1	**(18,991)**	(18,991)
		1,636,761	1,924,299

10.1 Provision for net realisable value write down.

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	**18,991**	13,519
Charge for the year	**-**	5,472
Balance at end of the year	**18,991**	18,991

11. TRADE RECEIVABLES - considered good

	Note	2023	2022
		(Rupees in '000)	
Secured		26,353	404
Due from related parties - unsecured	11.1 & 11.2	48,885	-
Due from other parties - unsecured		283,956	325,297
		359,194	325,701
Less: Loss allowance on trade receivables	11.3	(83,107)	(92,085)
		276,087	233,616

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

	2023	2022
	(Rupees in '000)	
Javedan Corporation Limited	36,915	-
Safe Mix Concrete Limited	11,970	-
	48,885	-

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

	2023	2022
	(Rupees in '000)	
1-30 days	20,551	-
31-60 days	6,770	-
61-365 days	21,564	-
	48,885	-

11.2.1 Maximum aggregate due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 49 million (2022: Rs. 48 million).

11.3 Loss allowance on trade receivables

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	92,085	128,365
Reversal for the year	(8,978)	(36,280)
Balance at end of the year	83,107	92,085

12. ADVANCES AND OTHER RECEIVABLES - unsecured, considered good

	Note	2023	2022
		(Rupees in '000)	
To employees	12.1 & 12.2	**54,674**	43,668
To contractors and suppliers	12.2	**204,877**	111,415
Against letter of credit		**59,680**	102,164
Rebate receivable		**7,618**	7,618
Excise duty receivable	12.3	**182,604**	182,604
Others		**75,122**	76,436
		584,575	523,905

12.1 These include personal and car loan advances to executives amounting to Rs. 51.43 million (2022: Rs. 41.77 million). Maximum amount outstanding against advances to employees during the year was Rs. 55.57 million (2022: Rs. 45.13 million). The amount is payable on demand and is secured against retirement benefit entitlement of the employees.

	2023	2022
	(Rupees in '000)	
Movement in advances to executives during the year:		
Balance at beginning of the year	**41,769**	43,460
Disbursed during the year	**53,217**	24,585
Repayments during the year	**(43,557)**	(26,276)
	51,429	41,769

12.2 These advances to employees and contractors / suppliers are non-interest bearing.

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

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

13. DERIVATIVE FINANCIAL ASSET

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	**1,621,753**	529,816
Gain arising during the year	**1,887,396**	1,091,937
Balance at end of the year	**3,509,149**	1,621,753

13.1 The Company has entered into multiple cross currency swap arrangements with commercial banks in connection with foreign currency borrowings as disclosed in note 21.5. Pursuant to the agreements, the Company's foreign currency borrowings up to USD 15.46 million (2022: USD 19.88 million) and EUR 6.62 million (2022: EUR 8.52 million) were converted into hedged Pakistan Rupee amount and the interest rate accruing thereon is payable to the hedging bank at 6 months KIBOR + spread ranging from positive 415 to 549 basis points.

13.2 The above hedge of exposures arising due to variability in cash flows owing to currency risks have been designated as cash flow hedges.

14. TAX REFUNDS DUE FROM GOVERNMENT - SALES TAX

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

15. SHORT-TERM INVESTMENTS

	Note	2023	2022
At Amortised Cost		(Rupees in '000)	
Term deposit receipts	15.1	**26,399**	26,399

15.1 These are placed with local banks and carry profit at declared rate of 19.25% (2022: 7.40%) per annum and will mature in March 2024 (2022: June 2023).

16. CASH AND BANK BALANCES

	Note	2023	2022
		(Rupees in '000)	
Cash at bank			
Conventional			
- In current accounts		**78,390**	29,231
- In savings accounts	16.1	**12**	7,565
		78,402	36,796
Islamic			
- In current accounts		**141,876**	87,587
- In savings accounts	16.2	**92,657**	91,358
		234,533	178,945
- Term deposit receipts	16.3	**96,100**	1,100
		330,633	180,045
Cash in hand		**788**	934
		409,823	217,775

16.1 The mark-up rates on the savings and deposit accounts included in cash and bank balance ranges from 3.5% - 8% (2022: 6% - 8%) per annum.

16.2 These accounts are maintained with Islamic banks at rates ranging from 3.5% - 8% (2022: 6% - 8%) per annum.

16.3 This includes term deposit certificates placed with local banks and carry profit at declared rates of 8% - 12% (2022: 7.2% - 10%) per annum.

17. SHARE CAPITAL

17.1 Authorised Share Capital

2023	2022		2023	2022
(Number of Shares)			(Rupees in '000)	
1,390,000,000	1,390,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	**13,900,000**	13,900,000

17.2 Issued subscribed and paid-up share capital

17.2.1 Ordinary Shares

2023	2022		2023	2022
(Number of Shares)			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	**10,512,348**	10,512,348
840,000	840,000	For consideration other than cash	**8,400**	8,400
11,339,588	11,339,588	Bonus shares	**113,396**	113,396
48,456,054	48,456,054	Converted from preference shares	**484,561**	484,561
1,111,870,488	1,111,870,488		**11,118,705**	11,118,705

17.2.2 Cumulative preference shares

2023	2022		2023	2022
(Number of Shares)			(Rupees in '000)	
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	**2,445,853**	2,445,853
(36,342,043)	(36,342,043)	Converted to ordinary shares	**(363,420)**	(363,420)
208,243,277	208,243,277		**2,082,433**	2,082,433

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

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

- the rate of preferential dividend shall be six month KIBOR plus 1.5% per annum. The entitlement of dividend shall not lapse if no dividend is paid during that year and shall be carried forward to subsequent years;

- the preference shareholders will have the right to vote;

- Preference Shares will be convertible at the option of the preference shareholders into Ordinary Shares of the Company. The conversion option can be exercised upon the expiry of 12 months from the issue date by giving a thirty days notice in advance to the issuer. However, the accumulation of preference dividends will cease at the time of filing of conversion notice with the Company's Registrar;

- conversion ratio is to be determined by dividing the aggregate face value of Preference Shares plus the outstanding balance of any accumulated / accrued Preferred Dividend (if not paid till conversion) by Rs. 7.5;

- the Preference Shares are non-redeemable and convertible into Ordinary Shares of the Company;

- there will be no change / revision in the rate of preferred dividend in case of accumulation;

- there is no upper limit of maximum accumulations of preferred dividend;

- cash dividends in priority over any dividend to ordinary shareholders and holders of any subsequent issues / series of preference shares;

- in case of liquidation the preference shareholders shall be entitled to preferred liquidation rights prior to ordinary shareholders; and

- the preference shareholders shall not be entitled to bonus or rights shares, in case the Company / Directors decide to increase the capital of the Company by issue of further shares except for the adjustment in conversion ratio provided hereinabove referred terms and conditions.

If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors. As at June 30, 2023 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 784.60 million (2022: 405.83 million).

17.4 Under the terms and conditions of conversion of such right issue, during 2022 36,342,043 preference shares of Rs. 10 each were converted into 48,456,054 ordinary shares of Rs. 10 each resulting in a difference on conversion of cumulative preference shares into ordinary shares amounting to Rs. 121.14 million. The unpaid cumulative dividend on such preference shares amounting to Rs. 38.21 million will be distributed in subsequent year(s) out of the available profits subject to the approval of the Board of Directors. During the year no preference shares were converted into ordinary shares.

17.5 Shares held by the associated undertakings as at the statement of financial position date were 814,612,827 (2022: 875,573,507) and Mr. Arif Habib is the ultimate beneficial owner of the Company on the basis of effective shareholding.

18. CONTRIBUTION FROM ASSOCIATED UNDERTAKINGS

	Note	2023	2022
		(Rupees in '000)	
- Contribution from associated undertaking - unsecured	18.1	**2,043,000**	780,000
- Contribution from sponsor - unsecured	18.1	**4,957,000**	6,220,000
		7,000,000	7,000,000

18.1 In 2022, the Company transmuted the original agreement and entered in a new Musharakah arrangement effective from July 2021, with Mr. Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors') for collective investment of Rs. 7,000 million on the following terms and conditions:

- The repayment of the principal amount shall be at the sole and absolute discretion of the Company (taking into consideration the availability of its cash flows). However, in the event of liquidation, the Company shall purchase the investors share at mutually agreed price at that time before discharging any obligation.

- The financing shall carry profit at the rate of 3 month KIBOR + 1.75% per annum. However, the payment of the profit shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payments of profit to the Investors.

- In case of Musharakah loss, the loss shall be shared between the parties in consultation with Shariah Advisor.

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long Term Musharakah arrangement is classified as equity in these financial statements. The unpaid profit as at June 30, 2023 in respect of the above mentioned arrangement amounts to Rs. 1,620.36 million (2022: Rs. 270.57 million).

18.2 Movement in contributions from associated undertakings during the year:

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	**7,000,000**	-
Contributions received during the year	**1,263,000**	7,000,000
Repayments made during the year	**(1,263,000)**	-
Balance at end of the year	**7,000,000**	7,000,000

19. SHARE PREMIUM

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

20. HEDGING RESERVE

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

21. LONG-TERM FINANCING - secured

	Note	2023	2022
		(Rupees in '000)	
Local currency loan			
Syndicated loan	21.1 & 21.2	**11,727,984**	13,051,307
Term loan	21.3	**619,009**	842,012
Refinance scheme	21.4	**-**	101,133
		12,346,993	13,994,452
Current maturity		**(584,155)**	(1,447,538)
		11,762,838	12,546,914
Foreign currency loan			
Syndicated loan	21.5	**6,494,349**	5,891,690
Current maturity		**(928,381)**	(928,381)
		5,565,968	4,963,309
		17,328,806	17,510,223

21.1 This includes funded / Musharaka contribution amount drawn (from a syndicate of 16 local banks / Development Financial Institutions (DFIs) under the long-term syndicate finance facility of Rs. 16,200 million, for the expansion project of 7,700 Tons Per Day, led by National Bank of Pakistan as Investment Agent (June 30, 2022: Rs. 16,200 million). The said facility has been structured in Islamic mode of financing (Diminishing Musharaka) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million. The facility carries mark-up at the rate of 6 months KIBOR plus 1.5% (2022: 6 months KIBOR plus 1.5%) per annum calculated on daily product basis with mark-up and principal repayment falling due on semi-annual basis. The facility is secured through first pari passu charge over current and fixed assets of the Company amounting to Rs. 16.18 billion along with additional collaterals. This loan is payable through semi annual instalments in 10 years time starting from July 2018.

21.1.1 During the year, senior lenders of the Company have revised the terms of the existing STFF to include, inter alia, the following:

i) Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years from July 2023 to July 2026;

ii) The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and

ii) Principal repayments have been revised in the following manner:

- From July 2023 to January 2025: Rs. 4,429.64 million principal repayments have been reduced to Rs. 442.96 million.

- From July 2025 to January 2026: Rs. 2,214.82 million principal repayments have been reduced to Rs. 553.70 million.

- From July 2026 to January 2030: the remaining principal amounting to Rs. 10,077.43 million, it has been agreed to pay eight equal biannual installments of Rs. 1,259.68 million.

The restructuring of the liability has resulted in a gain of Rs. 139.02 million which has been recorded as other income however, it has not resulted in the derecognition of the original liability.

21.2 This also includes loan of Rs.1,000 million structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The security includes first pari passu charge on all fixed and current assets amounting to Rs. 1,333 million along with other collaterals and personal guarantees of the Company's related party.

However, during the year ended June 30, 2023, senior lenders of the Company have revised the terms of the existing Diminishing Musharakah to include, inter alia, the following:

i) Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years starting from July 2023 to July 2026;

ii) The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and

ii) Principal repayments have been revised in the following manner:

- From July 2023 to January 2025: Rs. 333.33 million principal repayments have been reduced to Rs. 33.33 million.

- From July 2025 to January 2026: Rs. 166.67 million principal repayments have been reduced to Rs. 41.67 million.

- From July 2026 to January 2030: the remaining principal amounting to Rs. 758.33 million, it has been agreed to pay eight equal biannual installments of Rs. 94.79 million.

21.3 This includes term loans obtained from commercial banks for a period of 3 to 5 years at the rate of 6 months KIBOR plus 1.5% and 6 months KIBOR plus 1.25% payable semi-annually. The loans were disbursed on December 10, 2020 and September 15, 2021 respectively.

21.4 This represents long-term loan agreement with Bank of Punjab under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan was repayable in eight equal quarterly instalments, starting from March 2021. The loan carries mark-up of 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loan is secured by way of first pari passu hypothecation charge on the current and fixed assets of the Company along with additional collaterals. This loan has been fully repaid by December 2022.

21.5 This represents 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.357 million, USD 11.357 million, USD 15.143 million disbursed by Deutsche Investitions-und Entwickilingsgeselischaft mbH (DEG) through Arif Habib Equity (Private) Limited (AHEPL), OPEC Fund for International Development (OFID) and Islamic Corporation Development (ICD) respectively for the expansion project of Line III.

The Company has executed cross currency swaps with Habib Bank Limited at the exchange rate of PKR 139.5 and PKR 141.4 per USD and Faysal Bank Limited through AHEPL at the exchange rate of PKR 162 and PKR 164.5 per EURO to hedge the Company’s foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% with mark-up / principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first parri passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

22. LONG-TERM TRADE PAYABLES

	2023	2022
	(Rupees in '000)	
Local currency payables	**491,207**	577,214
Less: Current maturity	**(70,988)**	(106,318)
	420,219	470,896
Foreign currency payables	**71,107**	64,329
Less: Current maturity	**(20,692)**	(12,397)
	50,415	51,932
	470,634	522,828

22.1 In 2017, the Company had entered into a construction contract with CEEC Tianjin (Pakistan) Electric Power Construction (Private) Limited for the construction of Line III. During 2022, the Company entered into an extension of payment contract for settlement of the amount. As per the terms of the contract, the Company is liable to pay a revised amount of Rs. 847.68 million alongwith USD 0.4 million over a period of 4 years.

23. LONG-TERM LEASE LIABILITY

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	**31,675**	43,430
Finance cost on lease	**2,251**	3,335
Payment	**(16,600)**	(15,090)
Balance at end of the year	**17,326**	31,675
Less: Current maturity shown under current liability	**(17,326)**	(14,348)
	-	17,327

23.1 The maturity analysis of lease liabilities is as follows:

	Future minimum lease payments	Interest	Present value of future minimum lease payments
	.... Rupees in '000		
Less than one year	18,259	933	17,326
Between two to five years	-	-	-
More than five years	-	-	-
	18,259	**933**	**17,326**

24. STAFF RETIREMENT BENEFITS

	Note	2023	2022
		(Rupees in '000)	
Provision for gratuity	24.5	**170,307**	136,270

24.1 Number of employees covered under scheme		**475**	480

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

24.3 Plan assets held in trust are governed by local regulations which mainly includes Trust Act,1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

24.4 The latest actuarial valuation of the Plan as at June 30, 2023 were carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

24.5 Balance sheet reconciliation as at June 30

	Note	2023	2022
		(Rupees in '000)	
Present value of defined benefit obligations	24.6	**211,493**	189,543
Fair value of plan assets	24.7	**(41,186)**	(53,273)
Deficit		**170,307**	136,270

24.6 Movement in the defined benefits obligations

	2023	2022
Present value of defined benefits obligations as at July 01	**189,543**	155,115
Current service cost for the year	**37,545**	35,860
Interest cost for the year	**23,603**	14,187
Benefits paid during the year	**(22,578)**	(33,403)
Remeasurements:		
Experience adjustments	**(16,620)**	17,784
Present value of defined benefits obligation as at June 30	**211,493**	189,543

24.7 Movement in fair value of plan assets

	2023	2022
Fair value of plan assets as at July 01	**53,273**	46,150
Contribution during the year	**34,025**	40,710
Expected return on plan assets	**6,258**	5,104
Benefits paid during the year	**(22,578)**	(33,403)
Actuarial loss on plan assets	**(29,792)**	(5,288)
Fair value of plan assets as at June 30	**41,186**	53,273

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

	2023	2022
	(Rupees in '000)	
Current service cost	**37,545**	35,860
Interest cost	**23,603**	14,187
Return on plan assets	**(6,258)**	(5,104)
	54,890	44,943

24.9 Remeasurements recognised in other comprehensive income

	2023	2022
Experience adjustments	**(16,620)**	17,784
	(16,620)	17,784
Actuarial loss on plan assets	**29,792**	5,288
Total Remeasurements chargeable in Other Comprehensive Income	**13,172**	23,072

24.10 Net recognized liability

	2023	2022
Balance as at July 01	**136,270**	108,965
Charge for the year	**54,890**	44,943
Remeasurements chargeable in other comprehensive income	**13,172**	23,072
Contribution during the year	**(34,025)**	(40,710)
	170,307	136,270

24.11 Composition of plan assets

	2023		2022	
	Amount	**Percentage**	Amount	Percentage
	(Rupees in '000)		(Rupees in '000)	
Cash and / or deposits	**889**	**2.16%**	324	0.61%
Loans to members	**40,297**	**97.84%**	52,949	99.39%
	41,186	**100.00%**	53,273	100.00%

24.12 Significant actuarial assumptions

	2023	2022
Financial assumptions		
Discount rate	16.25%	13.25%
Expected rate of eligible salary increase in future years	15.25%	12.25%
Average expected remaining working life time of employees	15.43 Years	15.43 Years
Demographic assumptions		
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rate	Moderate	Moderate
Retirement assumption	Age 60	Age 60

24.13 Description of the risks to the Company

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

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

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

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

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

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

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

24.14 Sensitivity analysis for the year ended June 30, 2023

	2023	
	PV of defined benefit obligation (Rupees in '000)	Rate effect
Discount rate effect		
Original liability	211,493	16.25%
1% increase	197,686	17.25%
1% decrease	227,127	15.25%
Salary increase rate effect		
Original liability	211,493	15.25%
1% increase	227,182	16.25%
1% decrease	197,412	14.25%
Withdrawal rate effect		
Original liability	211,493	
10% increase	213,128	
10% decrease	210,113	
Mortality rate effect		
Original liability	211,493	
+1 year	213,526	
-1 year	213,808	

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

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

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

24.16 Maturity profile

The average duration of defined benefit obligation is 7.39 years.

24.17 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 67.17 million in 2024 (2023: Rs. 57.71 million).

24.18 The weighted average service duration of employees is 4.97 years.

24.19 Expected maturity analysis of undiscounted retirement benefit payments is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees in 000				
Retirement benefit payments	41,060	40,470	77,853	145,857	305,240

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

	2022-23	2021-22	2020-21	2019-20	2018-19
	(Rupees in '000)				
Present value of defined obligations	**211,493**	189,543	155,115	124,565	116,026
Fair value of plan assets	**(41,186)**	(53,273)	(46,150)	(29,634)	(18,935)
Deficit	**170,307**	136,270	108,965	94,931	97,091

24.21 Experience adjustments

	2022-23	2021-22	2020-21	2019-20	2018-19
Experience adjustment	**(16,620)**	17,784	(2,176)	1,399	(216)

25. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Trade creditors	25.1	**1,522,919**	1,432,854
Bills payable		**1,616,147**	13,851
Accrued liabilities	25.1 & 25.2	**335,109**	861,762
Royalty payable on raw material	25.3	**73,463**	351,614
Excise duty payable on raw material		**6,332**	7,017
Advances from customers	25.4	**488,510**	1,224,700
Retention money payable		**-**	1,130
Federal Excise Duty payable		**255,462**	425,477
Workers' Welfare Fund (WWF)	25.5	**5,012**	5,012
Withholding tax payable		**168,235**	56,577
Current portion of deferred income - government grant		**-**	1,997
Leave encashment payable		**49,839**	38,103
Loan from previous sponsors		**735**	735
Others		**5,632**	206
		4,527,395	4,421,035

25.1 Creditors and accrued liabilities include Rs. 172.12 million and Rs. 2.96 million (2022: Rs. 39.77 million and Rs. 0.36 million) respectively in respect of amounts due to related parties.

25.2 In 2022, the Company filed petitions against the imposition of Quarter Tariff/ Distribution Margin Charges levied through its electricity bills. Interim reliefs were granted to the Company against these levies by the Sindh High Court (SHC). During the year, the matter was decided against the Company by the SHC and therefore, the Company has paid Rs. 621.09 million to Hyderabad Electricity Supply Company (HESCO).

25.3 As per amendment T.O/M&MDD/15-3/2021/334 dated 30 June 2021 in Sindh Mining concession rules 2002, with effect from July 1, 2021 rates were revised in respect of royalty on extraction of limestone and shale, payable to the Government of Sindh. In 2021, the Company filed a petition in Sindh High Court against the increase in rates and the Company paid royalty on previous applicable rates in 2022. During the year, the decision was made against the Company and therefore, the Company paid Rs. 441.32 million.

25.4 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.20 is satisfied.

	2023	2022
	(Rupees in '000)	
Opening balance	**1,224,700**	606,381
Advance received during the year	**20,329,498**	2,820,139
Revenue recognised during the year	**(21,065,688)**	(2,201,820)
Closing balance	**488,510**	1,224,700

25.5 Movement in workers' welfare fund during the year:

	2023	2022
Opening balance	**5,012**	5,012
Expense recognised during the year	**-**	-
Repayments made during the year	**-**	-
	5,012	5,012

26. ACCRUED MARK-UP

	2023	2022
	(Rupees in '000)	
On long-term financing	**1,301,845**	947,106
On loan from related parties	**292,722**	310,377
On short-term financing	**328,899**	125,791
	1,923,466	1,383,274

27. SHORT-TERM FINANCING - secured

	Note	2023	2022
		(Rupees in '000)	
Conventional			
Running finance	27.1	**300,000**	350,000
Export Refinance Facility (ERF)	27.2	**200,000**	200,000
		500,000	550,000
Islamic			
Istisna / Running Musharaka			
Maturity within three months	27.3	**3,812,000**	-
Maturity after three months		**-**	1,233,927
Islamic Export Refinance Facility (IERF)	27.3	**700,000**	1,000,000
		4,512,000	2,233,927
		5,012,000	2,783,927

27.1 This represents short-term running finance facility from a commercial bank amounting to Rs. 300 million (2022: Rs. 350 million). This carries mark up at the rate of 1 month KIBOR plus 1.5% (2022: 1 month KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 467 million.

27.2 This represents facility of State Bank of Pakistan's (SBP) Export Refinance Facility (ERF) aggregating to Rs. 200 million repayable with a maximum tenure of 180 days from the date of disbursement. The ERF facility availed during the year carry markup at the rate of 7.5% to 13% per annum and KIBOR minus 3%. This facility has been obtained on annually renewable basis. As at the reporting date, unavailed amount under this facility amounts to Rs. Nil. This is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 267 million.

27.3 This represents Istisna / Musharaka / Murabaha facilities aggregating to Rs. 7,250 million (2022: Rs.7,050 million) repayable with a maximum tenure of 180 days from the date of disbursement. The IERF facility availed during the period carry markup at the rate of 7.5% to 13% per annum and KIBOR minus 3% while other working capital facilities carry applicable profit at the rates ranging from KIBOR plus 1% to KIBOR plus 3% (2022: KIBOR plus 1% to KIBOR plus 2%). These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. 2,738 million (2022: Rs. 4,816 million). These are secured by first pari passu charge against current and fixed assets of the Company.

28. CONTINGENCIES AND COMMITMENTS

Contingencies

28.1 In 2017, the Company filed a suit 2269/2016 dated October 27, 2016 in the Sindh High Court (SHC) against CoscoSaeed Karachi Private Limited and others challenging its detention of the Company's cargo for the want of certain charges. On November 3, 2016, the Court ordered the release of the Company's cargo against deposit of Defence Saving Certificates amounting Rs. 11.65 million with the Nazir of the Court. Accordingly, the Company's cargo was released upon deposit of the requisite security. Legal counsel of the Company believes that the Company has a good arguable case on merits while next date of hearing of the same is awaited.

28.2 A case was initiated on October 03, 2017 via suit 1129 of 2017 in the Court of Senior Civil Judge, Hyderabad against the Company for recovery of advertisement fees, the Company had engaged a legal counsel for that but the appellants have not produced any calculations in their appeal and hence the documents filed by them in the courts don't claim any specific amount. The case was dismissed by the Court and the appellants have preferred an appeal there against. The management is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.3 Popular Cement Industries approached the SHC seeking an order restraining the Company from excavating limestone from one of its quarries / mines - the prayer of the applicant was granted by the Court through its order dated February 25, 2019 passed under suit no. 349 of 2019, barring the Company from excavation of limestone from a mining lease. The matter is pending and a favourable outcome is expected by the Company's legal counsel.

28.4 A Constitutional Petition C.P No. 4374/2019 was filed by the Company on June 27, 2019 to challenge the levy of Sindh Infrastructure Development Cess. An interim relief was granted by the Court through its order dated July 26, 2019. On June 06, 2021, the SHC decided in its judgement that the submitted bank guarantees be encashed and paid to the collectorate. On August 31, 2021, the Supreme Court of Pakistan has suspended the judgement passed by the SHC and stayed the encashment of bank guarantees. As at June 30, 2023, amount involved in the matter is Rs. 112 million against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

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

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

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

During the year ended June 30 2021, LHC decided the case against the Company and other cement manufacturers for which the Company has decided to prefer an appeal before the Supreme Court of Pakistan.

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

28.6 In 2008, a customer had filed claim of Rs. 1.20 million before the Court of District & Session Judge Karachi (East), for recovery of financial loss due to sub-standard supply of cement via appeal no. 14/2008 and appeal no. 16/2013. The Honourable Judge has decided the order in favour of the customer. Thereafter, the Company filed a revision application against the order before the SHC. The management based on the advice of the lawyer is confident that the outcome of the case would be in favour of the Company and hence no provision is made in these financial statements.

28.7 During the year ended June 30, 2013, the Company reversed liability amounting to Rs. 115.93 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

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

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

28.8 The Company filed petition against the imposition of Fuel Cost Adjustment (FCA) amounting to Rs. 154 million levied though its electricity bills. During the year, interim relief was granted to the Company against this levy by the SHC. Subsequent to the year end, the interim relief was vacated by the SHC and ultimate outcome of the case is still awaited. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.9 SALES TAX MATTERS

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

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

In 2015, a demand notice of Rs. 440 million was issued to the Company for recovery of FED and sales tax. The Company simultaneously approached CIR (Appeals) and SHC for relief. Stay was granted by the SHC on 2 April 2015. In 2018, CIR (Appeals-II) also decided the matter in favour of the Company and hence the stay granted by the High Court of Sindh became redundant and the Suit thereof was withdrawn in 2019. The concerned tax authority has preferred an appeal against the order of CIR (Appeals-II), before ATIR, which is pending for hearing.

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

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

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

28.9.4 During the year ended June 30, 2020, the Company received show-cause notice u/s 11(2) of the Act dated September 05, 2019 covering transactions of input tax claimed during tax periods from July 2018 to June 2019 alleging an amount of Rs. 946 million as inadmissible under the Act, the DCIR passed order vide no. 01/06/2020 dated August 06, 2020. The Company filed an appeal u/s 45B of the Act which was pending for hearing as on the date of this letter. On September 29, 2020, CIR (Appeals-I) has granted a stay, through order # 2020/211, against the mentioned DCIR's order.

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

During the year ended June 30, 2022, the management of the Company replied to the notice of DCIR. During the hearing, the learned DCIR started proceedings for the whole amount as contained in original show cause notice i.e. Rs. 946 million which was against the CIR-Appeals order as mentioned, therefore the management of the Company challenged the actions of DCIR before Hon'ble Sindh High Court which granted stay order against the proceedings.

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

28.9.5 Appeal before ATIR is preferred by the department against CIR-Appeal's order no. 9 dated August 25, 2017 which was decided in favour of the Company (earlier CIR-Appeals had deleted this sales tax demand of Rs. 12.8 million).

28.9.6 A Special Sales Tax Reference Application No. 413/2019 was filed by the Commissioner Inland Revenue Zone–II on November 23, 2018 against the Appellate Tribunal Order decided in favour of the Company amounting to Rs. 0.34 million. The case pertained to claim of input sales tax on certain communication expenses. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.9.7 Appeal before CIR-Appeals is preferred by the Company against Order-in-Original (ONO) # 19/07/2019 dated April 30, 2019 creating demand of Rs 45.24 million including penalty of Rs 2.15 million. CIR-Appeals through its order no.12 dated February 06, 2020 deleted demand of Rs. 42.08 million and corresponding penalty as well. The Company has filed before Appellate Tribunal Inland Revenue (ATIR) against disallowance of Rs. 1.35 million which is pending for hearing. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.9.8 The DCIR passed order vide no. 05/07/2020 dated December 27, 2019 creating demand of Rs.13.05 million along with penalty of Rs. 0.65 million. The Company filed appeal u/s 45B of the Act. The CIR-Appeals vide its order vacated the demand created to the extent of Rs.1.55 million. The Company paid Rs. 4.82 million and filed appeal against the remaining disallowance before ATIR hearing of this is pending till the date of this order.

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

28.10 INCOME TAX MATTERS

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

The Company has carried forward minimum tax of previous years amounting to Rs. 528.28 million at the reporting date and the Company expects to adjust the amount against the future taxable profits. The Company is of the opinion that the Company has strong arguable case and at an appropriate stage the matter can be agitated before Supreme Court of Pakistan in case the adjustment is challenged by the tax authorities. In the above view, the management of the Company is confident that the ultimate outcome in this regard would be favourable.

28.10.2 The Company has challenged the applicability of Alternate Corporate Tax (ACT) via Constitutional Petition and filed Income Tax Return of TY 2016 based on Minimum Tax and accordingly no effect of ACT is taken in the tax liability and an interim order dated September 25, 2019 has been granted by the High Court of Sindh that no coercive action is to be taken against the Company till the pendency of the Constitutional Petition. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.10.3 The Finance Act, 2017 had introduced tax on every public company at the rate of 7.5% of its profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Liability in this respect, if any, is recognized when the prescribed time period for distribution of dividend expires. The Finance Act 2018 amended the Section 5A of the Ordinance whereby the prescribed amount of distribution of profit as dividend reduced from 40% to 20% and the levy of tax on profit in case where companies do not distribute the prescribed amount reduced from 7.5% to 5%. The SHC decided in favour of the Company against which the department has preferred an appeal in the Supreme Court of Pakistan. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

28.11 Commitments

	Note	2023	2022
		(Rupees in '000)	
Commitments against open letter of credit for coal	28.11.1	**261,948**	-
Commitments against letter of guarantees	28.11.2	**10,512,804**	7,557,880
Ijarah rentals	28.11.3	**135,416**	83,789
Total Commitments		**10,910,168**	7,641,669

28.11.1 The amount utilized in respect of these facilities is Rs. 7.86 billion (2022: Rs. 3.77 billion).

28.11.2 This includes Corporate Guarantee of Rs. 9,388 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier) being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's long-term financing as disclosed in Note 21.

28.11.3 Ijarah rentals

	2023	2022
	(Rupees in '000)	
Total of future Ijarah payments under the agreement are as follows:		
Not later than one year	**49,264**	32,472
Later than one year but not later than five years	**86,152**	51,317
	135,416	83,789

29. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2023	2022
		(Rupees in '000)	
Local		**27,055,752**	20,140,505
Sales tax		**(4,353,301)**	(3,276,716)
Federal excise duty		**(2,611,688)**	(2,440,578)
		(6,964,989)	(5,717,294)
Commission		**(80,431)**	(66,092)
Net local sales		**20,010,332**	14,357,119
Exports	29.2	**9,348,584**	3,492,578
Freight		**(419,820)**	(354,819)
Net exports		**8,928,764**	3,137,759
		28,939,096	17,494,878

29.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, two (2022: two) of the Company's customers constitute towards 28.38% (2022: 36.13%) of the net revenue during the year amounting to Rs. 8.21 billion (2022: Rs. 6.47 billion).

29.2 Exports comprise of sales made in following continents:

	2023	2022
	(Rupees in '000)	
Asia	**3,854,568**	2,603,468
Europe	**1,676,723**	469,584
Africa	**3,817,293**	419,526
	9,348,584	3,492,578

30. COST OF SALES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	30.1	**606,709**	526,930
Raw materials consumed		**2,418,483**	1,417,879
Packing material consumed		**1,308,982**	880,290
Stores, spares and loose tools		**581,063**	488,387
Fuel and power		**16,613,110**	10,037,780
Insurance		**91,010**	76,451
Repairs and maintenance		**397,121**	272,924
Depreciation		**964,909**	799,341
Other production overheads		**120,791**	97,428
		23,102,178	14,597,410
Work-in-process and semi-finished goods			
Opening		**790,526**	747,945
Purchases		**-**	717,797
Closing		**(1,845,770)**	(790,526)
		(1,055,244)	675,216
Cost of goods manufactured		**22,046,934**	15,272,626
Finished goods			
Opening		**406,208**	146,329
Closing		**(381,887)**	(406,208)
		24,321	(259,879)
		22,071,255	15,012,747

30.1 These include Rs. 33.42 million against staff retirement benefits (2022: Rs. 27.63 million).

31. SELLING AND DISTRIBUTION EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	31.1	**84,983**	79,554
Export expenses		**1,579,421**	660,304
Depreciation		**1,810**	2,742
Marking fee		**21,903**	12,496
Advertisement and sales promotion		**189,867**	200,205
Others		**17,914**	10,423
		1,895,898	965,724

31.1 These include Rs. 10.26 million (2022: Rs. 10.30 million) against staff retirement benefits.

32. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	32.1	**143,950**	113,741
Travelling and conveyance		**16,081**	6,528
Printing and stationery		**3,804**	4,086
Repair and maintenance		**31,178**	15,754
Legal and professional charges		**31,939**	30,604
Auditor's remuneration	32.2	**4,383**	3,324
Rent, rates and taxes		**2,471**	2,354
Postage and telephone		**7,362**	3,265
Entertainment		**14,916**	12,015
Ijarah payments		**36,481**	21,092
Fees and subscription		**32,673**	27,631
Depreciation	32.3	**14,364**	22,980
Amortisation		**423**	2,535
Charity and donations		**676**	3,083
Others		**26,406**	17,592
		367,107	286,584

32.1 These include Rs. 11.21 million (2022: Rs. 8.90 million) against staff retirement benefits.

32.2 Auditor's remuneration

	2023	2022
	(Rupees in '000)	
Audit Services		
Audit fee	**2,600**	1,923
Half yearly review fee	**484**	440
Out of pocket expenses	**933**	628
	4,017	2,991
Fee for review of compliance with Code of Corporate Governance	**275**	250
Certifications for regulatory purposes	**91**	83
	4,383	3,324

32.3 This incudes depreciation charged on right of use asset.

33. OTHER (LOSS) / INCOME

	Note	2023	2022
		(Rupees in '000)	
Gain on disposal of fixed assets		**1,006**	10,977
Grant income		**1,997**	11,484
Scrap sales		**192**	302
Exchange loss - net	33.1 & 33.2	**(1,023,933)**	(248,965)
Gain on restructuring of local long-term syndicate financing	21.1.1	**139,022**	-
Gain on modification of long-term trade payables		**-**	264,301
		(881,716)	38,099

33.1 This includes gain amounting to Rs. 454.75 million (2022: Rs. 179.33 million) on principal repayment of foreign currency loan realised during the year.

33.2 This represents the difference between the exchange rate on the date of shipment of goods and pament of foreign currency purchase price of the goods or receipts against exports. However, outstanding liability against purchase or receivable against exports is remeasured at the rate prevailing on the date of statement of financial position and the difference is also recorded in exchange gain or loss.

34. FINANCE INCOME / (COSTS) - NET

	2023	2022
	(Rupees in '000)	
Finance income:		
Income from PLS Savings account and term deposit- Islamic	**16,483**	6,743
Income from defence savings certificates	**1,295**	1,364
	17,778	8,107
Finance costs:		
Mark-up on short-term financing	**(934,111)**	(716,203)
Mark-up on loan from related parties	**-**	(19,587)
Mark-up on long-term trade payables	**(76,222)**	(43,476)
Unwinding of transaction cost	**(9,223)**	(10,082)
Mark-up on long-term financing	**(2,767,829)**	(1,797,277)
Mark-up on lease liability	**(2,251)**	(3,335)
Bank charges and commission	**(41,151)**	(52,975)
	(3,830,787)	(2,642,935)
	(3,813,009)	(2,634,828)

35. TAXATION

		Note	2023	2022
			(Rupees in '000)	
Current	- for the year	35.4	**(302,580)**	(140,805)
	- prior year		**-**	(1,161)
Deferred			**552,484**	1,028,646
			249,904	886,680

35.1 Relationship between income tax and accounting loss

	2023	2022
Loss before taxation	**(80,911)**	(1,330,626)
Minimum tax u/s 113	**(302,580)**	(140,805)
Prior year tax	**-**	(1,161)
Tax effect on taxable temporary differences	**(618,108)**	(994,757)
Tax effect on deductible temporary differences	**1,174,034**	2,028,961
Others	**(3,442)**	(5,558)
	249,904	886,680

35.2 For contingencies relating to taxation, please refer note 28.10.

35.3 The tax returns have been filed up to tax year 2022 (corresponding to financial year ended June 30, 2022) which are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

35.4 Current tax charge has been calculated taking into account tax credit available under section 65E of the Income Tax Ordinance, 2001.

35.5 The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for purpose of taxation is available. According to management, the tax provision made in these financial statements is sufficient.

36. LOSS PER SHARE

	2023	2022
	(Rupees in '000)	
Basic		
Profit / (loss) after taxation attributable to ordinary shareholders	**168,993**	(443,946)
Adjustment for cumulative preference shares' dividend	**(378,772)**	(230,747)
Loss after taxation for calculation of basic loss per share	**(209,779)**	(674,693)
Ordinary shares at July 1	**1,111,870**	1,063,414
Effect of conversion of cumulative preference shares	**-**	31,156
Weighted average number of ordinary shares outstanding at June 30 (in thousands)	**1,111,870**	1,094,570
Loss per share in rupee - basic	**(0.19)**	(0.62)

Diluted

Diluted earnings per share has not been presented for year ended June 30, 2023 as it has anti-dilutive effect on earnings per share.

The effect of dividend of Cumulative Preference Shares is not accounted for in calculation of weighted average number of potential ordinary shares.

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

Financial risk management

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

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

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

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

37.1 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 in '000) ----------					
Financial assets						
At amortised cost						
Long term investments	**-**	**26,873**	**26,873**	-	25,578	25,578
Long term deposits	**-**	**63,359**	**63,359**	-	74,359	74,359
Trade receivables	**276,087**	**-**	**276,087**	233,616	-	233,616
Advances and other receivables	**129,796**	**-**	**129,796**	120,104	-	120,104
Trade deposits and short term prepayments	**13,135**	**-**	**13,135**	30,135	-	30,135
Short-term investments	**26,399**	**-**	**26,399**	26,399	-	26,399
Cash and bank balances	**409,823**	**-**	**409,823**	217,775	-	217,775
At fair value through profit or loss						
Derivative financial asset	**3,509,149**	**-**	**3,509,149**	1,621,753	-	1,621,753
	4,364,389	**90,232**	**4,454,621**	2,249,782	99,937	2,349,719
Financial liabilities						
At amortised cost						
Long-term financing	-	**17,328,806**	**17,328,806**	-	17,510,223	17,510,223
Current portion of long term financing	**1,512,536**	**-**	**1,512,536**	2,375,919	-	2,375,919
Trade and other payables	**3,388,862**	**-**	**3,388,862**	2,193,820	-	2,193,820
Long-term trade payables	**91,680**	**470,634**	**562,314**	118,715	522,828	641,543
Unclaimed Dividend	**126**	**-**	**126**	126	-	126
Accrued mark-up	**1,923,466**	**-**	**1,923,466**	1,383,274	-	1,383,274
Long-term lease liability	-	**-**	**-**	-	17,327	17,327
Current portion of Lease liability	**17,326**	**-**	**17,326**	14,348	-	14,348
Short-term financing	**5,012,000**	**-**	**5,012,000**	2,783,927	-	2,783,927
	11,945,996	**17,799,440**	**29,745,436**	8,870,129	18,050,378	26,920,507
On statement of financial position date gap	**(7,581,607)**	**(17,709,208)**	**(25,290,815)**	(6,620,347)	(17,950,441)	(24,570,788)
Net financial (liabilities) / asset						
Interest bearing	**(8,341,840)**	**(17,772,567)**	**(26,114,407)**	(6,431,046)	(17,950,441)	(24,381,487)
Non-interest bearing	**760,233**	**63,359**	**823,592**	(70,586)	-	(70,586)
	(7,581,607)	**(17,709,208)**	**(25,290,815)**	(6,501,632)	(17,950,441)	(24,452,073)

37.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary).

The maximum exposure to credit risk at the reporting date is:

	2023	2022
	(Rupees in '000)	
Long-term deposits	**63,359**	74,359
Trade receivables	**276,087**	233,616
Advances and other receivables	**129,796**	120,104
Trade deposits	**13,135**	30,135
Bank balances	**409,035**	216,841
	891,412	675,055

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of Banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short-term	Long-term
Allied Bank Limited	PACRA	A1+	AAA
Al Baraka Bank Limited	JCR-VIS	A-1	A+
Askari Bank Limitd	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 Khyber	PACRA	A1	A+
Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA-
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Bank Makramah Limited (formerly Summit Bank Limited)*	JCR-VIS	A-3	BBB-
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	JCR-VIS	A-1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AAA

* The rating has been announced on November 23, 2018. No rating is available for Bank Makramah Limited (formerly Summit Bank Limited) for 2023.

37.2.1 The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2023	2022
	(Rupees in '000)	
Domestic	**332,841**	325,297
Exports	**26,353**	404
	359,194	325,701

37.2.2 The maximum exposure to credit risk for trade debts at the reporting date by the type of customers is as follows:

	2023	2022
	(Rupees in '000)	
Dealers / distributors	**23,542**	54,145
End-user customers / exports	**335,652**	271,556
	359,194	325,701

37.2.3 Expected Credit Loss (ECL)

The aging of trade receivables at the reporting date was:

	2023		2022	
	Gross receivables	**ECL**	Gross receivables	ECL
	(Rupees in '000)		(Rupees in '000)	
1-30 days	**214,187**	**4,993**	187,223	7,647
31-60 days	**22,000**	**513**	35,303	1,442
61-365 days	**58,546**	**13,140**	35,824	15,645
Over 365 days	**64,461**	**64,461**	67,351	67,351
	359,194	**83,107**	325,701	92,085

37.2.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

37.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfil its financial obligations. The following are the contractual maturities of financial liabilities, including interest payment:

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	---------- (Rupees in '000) ----------					
Financial liabilities						
Long-term financing - secured	**18,841,342**	**(19,020,773)**	**(1,219,840)**	**(1,219,840)**	**(11,163,214)**	**(5,417,879)**
Long-term trade payables	**470,634**	**(705,478)**	**(92,599)**	**(68,000)**	**(544,879)**	**-**
Trade and other payables	**4,527,395**	**(4,527,395)**	**(4,527,395)**	**-**	**-**	**-**
Accrued mark-up	**1,923,466**	**(1,923,466)**	**(1,923,466)**	**-**	**-**	**-**
Short-term financing - secured	**5,012,000**	**(5,012,000)**	**(5,012,000)**	**-**	**-**	**-**
Lease liabilities	**17,326**	**(18,259)**	**(9,129)**	**(9,130)**	**-**	**-**
Unclaimed dividend	**126**	**(126)**	**(126)**	**-**	**-**	**-**
	30,792,289	**(31,207,497)**	**(12,784,555)**	**(1,296,970)**	**(11,708,093)**	**(5,417,879)**

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	---------- (Rupees in '000) ----------					
Financial liabilities						
Long-term financing - secured	19,886,142	(19,663,816)	(1,274,587)	(1,397,590)	(16,991,638)	-
Long-term trade payables	522,828	(854,620)	(119,485)	(54,000)	(681,135)	-
Trade and other payables	4,421,035	(4,421,035)	(4,421,035)	-	-	-
Accrued mark-up	1,383,274	(1,383,274)	(1,383,274)	-	-	-
Short-term financing - secured	2,783,927	(2,783,927)	(2,783,927)	-	-	-
Lease liabilities	31,675	(34,858)	(8,300)	(8,300)	(18,258)	-
Unclaimed dividend	126	(126)	(126)	-	-	-
	29,029,007	(29,141,656)	(9,990,734)	(1,459,890)	(17,691,031)	-

37.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

37.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on export sales and import purchases in a currency other than Rupees. Further, the Company has availed foreign currency loans which also exposes it to the currency risk. However the Company has hedged its foreign currency exposure by entering into cross currency swap.

The Company's exposure to foreign currency risk is as follows:

	2023			2022		
	(Rupees in '000)	**(US Dollars in'000)**	**(EUR in'000)**	(Rupees in '000)	(US Dollars in'000)	(EUR in'000)
Long-term trade payables	**(85,797)**	**(300)**	-	(86,300)	(400)	-
Trade receivables	**26,353**	**92**	-	404	2	-
Foreign currency loan						
- denominated in EUR	**(2,073,224)**	**-**	**(6,625)**	(1,837,759)	-	(8,518)
- denominated in USD	**(4,421,125)**	**(15,459)**	**-**	(4,094,456)	(19,876)	-
Gross exposure	**(6,553,793)**	**(15,667)**	**(6,625)**	(6,018,111)	(20,274)	(8,518)
Hedging arrangement	**3,249,332**	**15,459**	**6,625**	4,177,713	19,876	8,518
Net exposure	**(3,304,461)**	**(208)**	**-**	(1,840,398)	(398)	-

The Company's exposure relating to Bills payable will be settled at the rate prevailing at the settlement date for which there is no forward cover and the same is offset through export sales. However, the Company has hedged its foreign currency exposure on foreign currency loan by entering into cross currency swap and any changes in exchange rate thereon will have no effect on profit or loss or equity.

	Average rates		Reporting date rate	
	2023	2022	**2023**	2022
	Rupees		**Rupees**	
US Dollars	**248.04**	179.74	**285.99**	206.00
EURO	**260.52**	201.84	**312.93**	215.75

Sensitivity analysis

A ten percent strengthening or weakening of the Rupee against USD and EUR as at the year end would have increased or decreased the equity and profit or loss by an amount shown in the table below. This analysis assumes that all other variables, in particular the interest rates, remain constant. The analysis was performed on the same basis for 2022.

	2023	2022
	(Rupees in '000)	
Effect on profit or loss on 10% weakening of Rupee	**(5,944)**	(8,590)
Effect on profit or loss on 10% strengthening of Rupee	**5,944**	8,590

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from long-term loan, bank balances, lease liability and short-term running finance. Other risk management procedures are same as those mentioned in the credit risk management.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	2023	2022
	(Rupees in '000)	
Fixed rate instruments		
Financial assets		
- Term deposits	**130,673**	35,673
Variable rate instruments		
Financial assets		
- Bank balances	**92,669**	98,923
Financial liabilities		
- Short term financing	**5,012,000**	2,783,927
- Long term financing	**18,841,342**	19,886,142
	23,853,342	22,670,069

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net decreased / increased the profit or loss of the Company for the year ended June 30, 2023 by Rs. 238.53 million (2022: Rs. 226.70 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

c) Price risk

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

At present, the Company is not exposed to any other price risk.

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

	2023				
	Short term borrowings used for cash management purpose	**Long term Borrowings**	**Hedging Reserve**	**Loan from related party**	**Total**
	(Rupees in '000)				
Balance as at 1 July 2022	**2,909,718**	**20,833,248**	**-**	**310,377**	**24,053,343**
Changes from financing cash flows					
Proceeds of long term loan	-	-	-	-	-
Repayment of long term loan	-	(2,444,044)	-	-	(2,444,044)
Proceeds from related party loan	-	-	-	-	-
Repayment of related party loan	-	-	-	-	-
Total changes from financing activities	-	(2,444,044)	-	-	(2,444,044)
Other changes - interest cost					
Interest expense	934,111	2,767,829	-	-	3,701,940
Interest paid - note 37.4.1	(731,003)	(2,777,561)	-	(17,655)	(3,526,219)
Gain on restructuring	-	(139,022)	-	-	(139,022)
Exchange gain / (loss) on hedged loan	-	1,902,738	-	-	1,902,738
Changes in short-term financing	2,228,073	-	-	-	2,228,073
Total loan related other changes	2,431,181	1,753,983	-	(17,655)	4,167,509
Total equity related other changes	-	-	125,309	-	125,309
Balance as at 30 June 2023	**5,340,899**	**20,143,187**	**125,309**	**292,722**	**25,902,117**

	2022				
	Short term borrowings used for cash management purpose	Long term Borrowings	Hedging Reserve	Loan from related party	Total
	(Rupees in '000)				
Balance as at 1 July 2021	7,809,502	20,533,034	-	976,828	29,319,364
Changes from financing cash flows					
Proceeds from long term loan	-	492,012	-	-	492,012
Repayment of long term loan	-	(1,263,506)	-	-	(1,263,506)
Proceeds from related party loan	-	-	-	1,000,000	1,000,000
Repayment of related party loan	-	-	-	(1,680,000)	(1,680,000)
Total changes from financing activities	-	(771,494)	-	(680,000)	(1,451,494)
Other changes - interest cost					
Interest expense	716,203	1,797,277	-	19,587	2,533,067
Interest paid - note 37.4.1	(719,990)	(1,672,204)	-	(6,038)	(2,398,232)
Exchange gain on hedged loan	-	946,635	-	-	946,635
Changes in short-term financing	(4,895,997)	-	-	-	(4,895,997)
Total loan related other changes	(4,899,784)	1,071,708	-	13,549	(3,814,527)
Total equity related other changes	-	-	-	-	-
Balance as at 30 June 2022	2,909,718	20,833,248	-	310,377	24,053,343

37.4.1 This represents mark-up paid under Islamic mode of financing amounting to Rs. 3.37 billion (2022: 2.39 billion).

37.5 Hedging activities and derivatives

The Company uses derivatives to hedge some of its foreign currency transactions exposures. These include cross currency swaps which are designated as cash flow hedge and qualify for hedge accounting (note 2.18).

Cash flow hedges

During the year, the Company had held cross currency swaps with commercial banks, designated as cash flow hedges of expected future principal repayments of loan from foreign lenders The cross currency swaps were being used to hedge the currency risk in respect of long-term financing as stated in note 21.5 to these financial statements.

The critical terms of the cross currency swap contracts have been negotiated to match the terms of the aforementioned financial liability (note 13). Therefore an economic relationship exists.

Hedge ratio is based on hedging instrument with the same notional amount in foreign currency terms as the underlying exposure results in hedge ratio of 1:1 or 100%.

The following potential sources of ineffectiveness are identified:

- The fair value of the hedging instrument on the hedge relationship designation date (if not zero);

- Changes in the contractual terms or timing of the payments on the hedged item; and

- a change in the credit risk of the Company or the counter party to the cross currency swap.

37.6 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business .The management closely monitors the return on capital along with the level of distribution to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

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

	2023	2022
	(Rupees in '000)	
Total borrowings - note 21 & 27	**23,853,342**	22,670,069
Cash and bank - note 16	**(409,823)**	(217,775)
Net debt	**23,443,519**	22,452,294
Equity	**17,568,027**	17,283,455
Total capital	**41,011,546**	39,735,749
Debt to capital ratio	**57:43**	57:43

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As at June 30, 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 derivatives which are carried at level 2 of fair value hierarchy.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

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

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

The valuation technique used is as follows:

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

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

	2023			
Financial assets	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Derivative assets - at fair value through profit and loss	-	3,509,149	-	3,509,149

39. CASH GENERATED FROM OPERATIONS

	2023	2022
Loss before taxation	**(80,911)**	(1,330,626)
Adjustment for:		
Depreciation and amortisation	**981,506**	827,598
Finance cost on short-term financing - Islamic	**868,637**	682,103
Finance cost on short-term financing - Conventional	**65,474**	87,075
Mark up on lease liability	**2,251**	3,335
Finance cost on long-term financing - Islamic	**2,626,138**	1,636,567
Finance cost on long-term financing - Conventional	**141,691**	160,710
Mark-up on long-term trade payables	**76,222**	43,476
Unwinding of gain on modification of loan	**9,223**	10,082
Exchange loss	**1,023,933**	248,965
Gain on modification of long-term trade payables	**-**	(264,301)
Gain on restructuring of local long-term syndicate financing	**(139,022)**	-
Gain on disposal of property plant and equipment	**(1,006)**	(10,977)
Grant income	**(1,997)**	(11,484)
Finance income	**(17,778)**	(8,107)
Reversal allowance on trade receivables	**(8,978)**	(36,280)
Provision for gratuity	**54,890**	44,943
	5,681,184	3,413,705
Operating profit before working capital changes	**5,600,273**	2,083,079
Change in working capital		
(Increase) / decrease in current assets		
Inventories	**(1,229,246)**	(214,461)
Stores, spares and loose tools	**287,538**	(175,764)
Trade receivables	**(216,835)**	77,914
Advances and other receivables	**316,538**	885,018
Trade deposits and short-term prepayments	**(25,379)**	(14,033)
	(867,384)	558,674
Decrease in current liabilities		
Decrease in trade and other payables	**(505,171)**	(321,770)
Cash generated from operations	**4,227,718**	2,319,983

40. CASH AND CASH EQUIVALENTS

	2023	2022
	(Rupees in '000)	
Cash and bank balances	**409,823**	217,775
Short-term financing		
- Running finance	**(300,000)**	(350,000)
- Istisna	**(3,812,000)**	-
	(3,702,177)	(132,225)

41. ANNUAL PRODUCTION CAPACITY

	Note	2023	2022
		Metric tons	
Production capacity			
- Clinker		3,210,000	3,210,000
- Cement		3,370,500	3,370,500
Actual production			
- Clinker	41.1	2,297,890	1,863,323
- Cement	41.2	1,924,996	1,593,324

41.1 Clinker production capacity utilization is 71.59% (2022: 58.05%) of total installed capacity.

41.2 Cement production capacity utilization is 57.11% (2022: 47.27%) of total installed capacity. Actual production is less than the installed capacity in response to market demand.

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed 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 financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2023	2022
			------------ (Rupees in'000) ------------	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	767	581
		- Payment received	774	571
		- Advance from customer	(69)	(62)
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	371,978	155,509
		- Payment received	353,116	205,227
		- (Advance) / receivable from customer	11,970	(6,892)
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	94,908	37,696
		- Payment received	38,021	66,622
		- (Advance) / receivable from customer	36,915	(20,011)
		- Other receivable	-	39
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	29,347	13,693
		- Lease rental	16,600	15,090
		- Contribution received	456,000	780,000
		- Loan repaid	-	680,000
		- Mark-up accrued	-	1,581
		- Payments made	44,377	31,273
		- (Advanced) / Amount payable against services received	1,773	(1,377)
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Loan received	-	1,000,000
		- Loan repaid	-	1,000,000
		- Mark-up accrued	-	19,587
		- Mark-up paid	16,179	3,407
		- Mark-up payable	-	16,179
		- Guarantee commission accrued	903	872
		- Guarantee commission paid	875	1,037
		- Guarantee commission payable	239	212
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Contribution / loan received	807,000	-
		- Loan repaid	309,013	308,890
		- Mark-up accrued	263,250	223,483
		- Mark-up paid	253,987	221,998
		- Loan payable (including mark-up)	1,191,564	1,491,314
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	4,518	8,374
		- Payment received	4,424	8,511
		- Advance from customer	(192)	(286)
Mr. Arif Habib	Substantial shareholder	- Contribution / loan received	-	6,220,000
		- Contribution / loan repaid	1,263,000	-
		- Mark-up paid	1,263	-
		- Mark-up payable on previous loans	292,722	293,985
Samba Bank Limited	Associated company by virtue of common directorship	- Mark-up paid	16,242	-
		- Bank charges paid	181	-
		- Payable against running finance	300,000	-
		- Mark-up payable on running finance	5,178	-

Name of the related party	Relationship and percentage	Transactions during the year and year end balances	2023	2022
			------------ (Rupees in'000) ------------	
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	3,750	5,410
		- Payments made	3,079	6,082
		- Advances paid	-	(672)
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,389	3,580
		- Payments made	2,389	3,580
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	958,321	443,381
		- Payments made	826,525	475,267
		- Amount payable	169,873	38,078
FLSmidth A/S	Related party by virtue of nominee director	- Purchase of goods	146,077	163,308
		- Payment made	152,732	1,117,560
		- Amount payable / (Advance)	(39,809)	(33,154)
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	-	7,283
		- Payments made	-	7,258
Pakarab Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	6,286	7,521
		- Payments made	5,731	5,830
		- Amount payable	2,246	1,691
All members of Company's Management Team	Key management	- Remuneration and other benefits	276,024	214,917
		- Retirement benefits	20,507	16,890
		- Directors' fees	550	575
		- Advances disbursed to employees	40,425	24,585
		- Advances repaid by employees	36,747	26,276
Staff retirement benefit fund	Other related party	- Charge during the year	54,890	44,943
		- Contribution during the year	34,025	40,710

42.1 Following are the related parties with whom the Company had entered into transactions during the year or have arrangements / agreement in place :

S.No.	Name of Related Party	Relationship	Direct Shareholding %
1	Aisha Steel Mills Limited	Associated Company(Common directorship)	Nil
2	Safe Mix Concrete Limited	Associated Company(Common directorship)	Nil
3	Javedan Corporation Limited	Associated Company(Common directorship)	Nil
4	Rotocast Engineering Company (Pvt) Ltd.	Associated Company(Common directorship)	Nil
5	Mr. Arif Habib	Sponsor / Substantial Shareholder	29.74%
6	Fatima Fertilizer Company Limited	Associated Company(Common directorship)	Nil
7	Pakistan Stock Exchange Limited	Associated Company(Common directorship)	Nil
8	Memon Health & Education Foundation	Associated Company(Common directorship)	Nil
9	Arif Habib Corporation Limited	Associated Company(Common directorship)	1.42%
10	Arif Habib Equity (Private) Limited	Associated Company(Common directorship)	21.27%
11	EFU Life Assurance Limited	Associated Company(Common directorship)	Nil
12	FLSmidth A/S	Related Party Shareholder	1.83%
13	Samba Bank Limited	Associated Company(Common directorship)	Nil
14	Fatima Packaging Limited	Associated Company(Common directorship)	Nil
15	Pakarab Fertilizers Limited	Associated Company(Common directorship)	Nil
16	Staff retirement benefit fund	Other Related Party	Nil

42.2 Outstanding balances with related parties have been separately disclosed in trade debts, other receivables and trade and other payables respectively. These are settled in ordinary course of business.

42.3 Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives	
	2023	2022	**2023**	2022	**2023**	2022
	(Rupees '000)					
Managerial remuneration	**19,218**	17,550	**-**	-	**256,806**	197,367
Retirement benefits	**1,600**	1,600	**-**	-	**18,907**	15,290
Directors' fees	**-**	-	**550**	575	**-**	-
	20,818	19,150	**550**	575	**275,713**	212,657
	1	1	**7**	6	**44**	36

The Executives are provided with free use of company maintained cars and are also provided with medical facilities in accordance with their entitlements.

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year.

42.4 Directors' fee paid to 2 (2022: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.55 million (2022: Rs. 0.58 million).

43. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2023	2022
Number of employees as at June 30		
- factory	**420**	426
- office	**85**	74
	505	500
Average number of employees during the year		
- factory	**421**	424
- office	**84**	77
	505	501

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on September 28, 2023.

Chief Financial Officer | Chief Executive | Director

Pattern of Shareholding

As at June 30, 2023
Ordinary Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Nasim Beg	1	5,243	0.00
Mr. Mohammad Kashif Habib	1	2,623,082	0.24
Mr. Samad A. Habib	1	2,621	0.00
Mr. Javed Kureishi	1	1	0.00
Syed Salman Rashid	1	58,662,119	5.28
Mr. Khursheed Anwer Jamal	1	85,352	0.01
Ms. Zainab Kashif	1	8	0.00
	7	**61,378,4266**	**5.52**
Associated Companies, Undertakings and Related Parties	**9**	**643,150,882**	**57.84**
Banks Development Financial Institutions, Non-Banking Financial Institutions	**4**	**18,872,470**	**1.70**
Insurance Companies	**2**	**996,999**	**0.09**
Modarabas and Mutual Funds	**6**	**3,406,494**	**0.31**
General Public			
Local	10,065	292,588,131	26.31
Foreign	930	2,176,725	0.20
	10,995	**294,764,856**	**26.51**
Foreign Companies	**16**	**1,929,608**	**0.17**
Others	**85**	**87,370,753**	**7.86**
Total	**11,124**	**1,111,870,488**	**100.00**

Shareholders holding 10% or more	No. of Shareholders	No. of Shares Held	Percentage (%)
Arif Habib Equity (Pvt) Ltd	1	207,778,060	18.69
Muhammad Arif Habib	1	227,719,000	20.48

Details of purchase/sale of Shares by Directors, Executives and their Spouse(s)/minor children during FY 2022-23

Name	Date of Transaction	Nature	No. of Shares Held	Rate Per Share Rs.
Syed Salman Rashid	June 07, 2023	Sell	12,000,000	4.13
Rehana Salman	June 07, 2023	Purchase	12,000,000	4.13

Pattern of Shareholding

As at June 30, 2023
Ordinary Shares

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
727	1	100	18,994
1,322	101	500	546,210
1,401	501	1,000	1,354,878
3,298	1001	5,000	9,996,804
1,423	5,001	10,000	11,556,319
1,069	10,001	20,000	16,403,944
470	20,001	30,000	12,006,622
481	30,001	50,000	19,890,668
449	50,001	100,000	33,694,158
386	100,001	500,000	83,329,816
41	500,001	1,000,000	29,802,957
42	1000,001	5,000,000	87,794,201
5	5,000,001	10,000,000	36,089,500
8	10,000,001	100,000,000	333,888,357
1	100,000,001	207,780,000	207,778,060
1	227,715,001	227,720,000	227,719,000
11,124	**Total**		**1,111,870,488**

Pattern of Shareholding

As at June 30, 2023
Preference Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Nasim Beg	1	1,205	0.00
Mr. Mohammad Kashif Habib	1	603,308	0.29
Mr. Samad A. Habib	1	602	0.00
	3	**605,115**	**0.29**
Associated Companies, Undertakings and Related Parties	**3**	**171,461,945**	**82.34**
Modarabas and Mutual Funds	**1**	**756,990**	**0.36**
General Public			
Local	421	30,739,661	14.76
Foreign	12	4,840	0.00
	424	**30,744,501**	**14.76**
Others		**4,674,726**	**2.24**
	4	**208,243,277**	**100.00**

Shareholders holding 10% or more	No. of Shareholders	No. of Shares Held	Percentage (%)
Arif Habib Equity (Pvt) Ltd	1	79,695,831	35.06
Muhammad Arif Habib	1	227,719,000	38.27

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
39	1	100	892
163	101	1,000	69,628
123	1001	5,000	277,590
37	5,001	10,000	261,165
46	10,001	50,000	1,083,251
12	50,001	100,000	873,856
7	100,001	500,000	2,441,142
10	500,001	1,000,000	7,833,547
2	1,000,001	4,000,000	6,190,000
1	5,000,001	10,000,000	5,616,687
2	10,000,001	50,000,000	30,899,688
2	50,000,001	100,000,000	152,695,831
444	**Total**		**208,243,277**

فزیکل حصص کو بک انٹری فارم میں تبدیل کرنے سے حصص داران کو کئی طریقوں سے سہولت ملے گی یعنی شیئرز کی محفوظ تحویل، شیئرز کی فوری خرید و فروخت کے لیے آسانی سے دستیاب مارکیٹ، حصص کے گم یا ضائع ہونے کے رسک سے چھٹکارا ، فزیکل شیئرز کے مقابلے میں کم رسمی کارروائیوں کے ساتھ آسان اور محفوظ منتقلی۔ کمپنی کے حصص داران فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے میں مدد کے لئے کمپنی کے شیئر رجسٹرار سے رابطہ کرسکتے ہیں۔

کسی بھی سوال / مسئلہ / معلومات کے لئے، حصص داران مندرجہ ذیل پتے پر کمپنی کے شیئر رجسٹرار سے رابطہ کرسکتے ہیں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ
سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس
مرکزی شاہراہ فیصل، کراچی

کمپنیز ایکٹ، 2017 کی دفعہ 134 (3) کے تحت اہم حقائق کا بیان

ایجنڈا آئٹم نمبر 4

تکنیکی ترقی کے تیز رفتار ی اور پرانی ٹیکنالوجی کی بڑھتی ہوئی ناکاری کے پیش نظر، ہم آپ کو سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان ("SECP") کی ایک اہم پیشرفت سے آگاہ کرنا چاہتے ہیں۔ S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کے ذریعے، SECP نے لسٹڈ کمپنیوں کو QR-enabled کوڈ اور ویب لنک کا استعمال کرتے ہوئے اپنے حصص داران کو اجلاس کا نوٹس اور سالانہ رپورٹ (جس میں آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ، اور چیئرمین کی جائزہ رپورٹ شامل ہے) تقسیم کرنے کی اجازت دی ہے۔ مزید یہ کہ، SECP نے سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے سالانہ مالیاتی گوشواروں کی ترسیل بند کرنے کی توثیق کی ہے۔

مذکورہ ایس آر او کے مطابق ، یہ کمپنی کے حصص دارانوں کی منظوری سے مشروط ہے۔

تکنیکی ترقی کو بروئے کار لانے کے ہمارے عزم اور کارپوریٹ سماجی ذمہ داری کے لئے ہماری وابستگی کے مطابق ، خاص طور پر ماحولیاتی استحکام کے لحاظ سے ، کمپنی مستقبل میں سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعہ سالانہ رپورٹ کی تقسیم کو روکنے کے لئے حصص داروں کی منظوری چاہتی ہے۔ اس کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک عام قرارداد تجویز کی ہے، جیسا کہ منسلک نوٹس میں بیان کیا گیا ہے، حصص داران کی طرف سے غور اور منظوری کے لئے۔ اس قرارداد کا مقصد اراکین کو کیو آر کوڈ اور ویب لنک کے ذریعے نوٹس آف جنرل میٹنگ اور سالانہ رپورٹ کی تقسیم کو ممکن بنانا ہے۔ (بشمول سالانہ آڈٹ شدہ گوشواروں اور دیگر متعلقہ رپورٹس)

یہ تبدیلی نہ صرف ہمارے تمام حصص داران کے لئے کمپنی کے گوشواروں تک آسان رسائی کی سہولت فراہم کرے گی ، قطع نظر ان کے مقام سے ، بلکہ یہ سی ڈی / ڈی وی ڈی / یو ایس بی (ز) کی تیاری سے وابستہ غیر ضروری اخراجات میں بھی کمی واقع ہوگی۔

تاہم اگر کوئی حصص دار سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنا چاہتا ہے تو مذکورہ ایس ای سی پی کی ہدایت کے مطابق اسے مفت فراہم کی جائے گی۔ لٰہذا ارکان کے اس حق یا استحقاق میں کوئی تبدیلی نہیں کی جائے گی۔

کمپنی کے کسی بھی ڈائریکٹر کو اس مجوزہ تبدیلی میں کوئی ذاتی دلچسپی نہیں ہے ، سوائے اس کے کہ وہ کمپنی کے حصص داروں اور ڈائریکٹروں کی حیثیت سے اپنے کردار میں ہیں۔

9 . خصوصی کاروائی کی قرارداد پر رائے شماری بزریعہ ای و وٹنگ و پوسٹل بیلٹ :

ممبران کو مطلع کیا جاتا ہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی جانب سے 05 دسمبر، 2022 کو جاری کردہ نوٹیفکیشن کے ذریعے ترمیم شدہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 ("ریگولیشنز") کے مطابق، SECP نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ "خصوصی کاروائیوں" پر ممبران کو الیکٹرانک ووٹنگ کی سہولت اور ڈاک کے ذریعے ووٹنگ کا حق فراہم کریں۔

اس کے مطابق 25 اکتوبر 2023 بروز بدھ صبح 11:30 بجے منعقد ہونے والے سالانہ اجلاس عام میں ضروریات کے مطابق اور مذکورہ ریگولیشنز میں شامل شرائط کے تابع کمپنی کے حصص داران کو خصوصی کاروائی کے لئے الیکٹرانک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹنگ کا حق استعمال کرنے کی اجازت ہوگی، ۔

حصص داران کی سہولت کے لئے ، بیلٹ پیپر کو اس نوٹس کے ساتھ منسلک کیا گیا ہے اور یہ ڈاؤن لوڈ کے لئے http://www.powercement.com.pk پر کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

ای ووٹنگ کا طریقہ کار:

أ. ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان حصص داران کو ای میل کے ذریعے مطلع کی جائیں گی جن کے پاس 17 اکتوبر 2023 کو کاروبار کے اختتام تک کمپنی کے حصص داران کے رجسٹر میں ان کے درست شناختی کارڈ نمبر،موبائل نمبر اور ای میل پتے دستیاب ہیں۔

ب. ویب ایڈریس ، لاگ ان کی تفصیلات ، اور پاس ورڈ ، ممبروں کو ای میل کے ذریعہ مطلع کیا جائے گا۔ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے ویب پورٹل سے ایس ایم ایس کے ذریعے ممبروں کو سیکیورٹی کوڈ سے آگاہ کیا جائے گا۔

ج. ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے ذریعے تصدیق کی جائے گی۔

د. ای ووٹنگ لائنیں 19 اکتوبر 2023 صبح 9 بجے سے شروع ہوں گی اور 24 اکتوبر 2023 کو شام 5 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی ممبر کی طرف سے قرارداد پر ووٹ ڈال دیا گیا تو بعد میں اسے تبدیل کرنے کی اجازت نہیں دی جائے گی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

تمام ممبران اس بات کو یقینی بنائیں کہ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی کے ساتھ دستخط شدہ بیلٹ پیپر 24 اکتوبر 2023 کو سالانہ اجلاس سے ایک دن قبل عارف حبیب سینٹر 23 ایم ٹی خان روڈ، کراچی ، پاکستان پر ڈاک یا ای میل corporate@powercement.com.pk کے ذریعے چیئرمین اجلاس تک پہنچ جائے ۔ بیلٹ پیپر پر دستخط شناختی کارڈ پر دستخط ہونے چاہیئے۔

خصوصی نوٹ برائے کاغذی(Physical) حصص کی بک انٹری (Book Entry Form) میں منتقلی:

کمپنیز ایکٹ 2017 کے دفعہ 72 اور ایس ای سی پی کے جاری کردہ لیٹر نمبر CDC/ED/Misc.2016-639-640 تاریخ 26 مارچ، 2021، کے تحت لسٹڈ کمپنیوں کو ان کے ذریعہ جاری کردہ موجودہ تمام فزیکل حصص کو بک انٹری فارم میں تبدیل کرنا لازم ہے۔ مندرجہ بالا ہدایات کو پیش نظر رکھتے ہوئے ، فزیکل حصص رکھنے والے حصص داران سے درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے حصص کو فزیکل سے بک انٹری فارم میں تبدیل کریں ۔

5۔ ای میل کے ذریعے آڈٹ شدہ گوشواروں کی فراہمی:

حصص داران نے 15 اکتوبر 2016 کو اپنی 25 ویں سالانہ اے جی ایم میں SRO 787(1)/2014 مورخہ 08 ستمبر 2014 اور SRO 470(1)/2016 مورخہ 31 مئی 2016 کے تحت پرنٹ شدہ شکل میں سالانہ آڈٹ شدہ مالیاتی گوشوارے بھیجنے کے بجائے CD/DVD/USB/ای میل کے ذریعے سافٹ کاپی میں سالانہ رپورٹس بھیجنے کی منظوری پہلے ہی دے دی ہے۔

لہذا، کمپنی نے کمپنیز ایکٹ 2017 کی سیکشن 223(6) کے تحت بھی اجازت کے مطابق اپنے حصص داروں کو ان کے رجسٹرڈ ای میلز پر ای میل کے ذریعے سالانہ رپورٹس فراہم کی ہیں۔ تاہم، وہ حصہ دار جو مالیاتی گوشواروں کی ہارڈ کاپی وصول کرنا چاہتے ہیں، ان سے درخواست ہے کہ وہ " درخواست فارم" (کمپنی کی ویب سائٹ http://www.powercement.com.pk پر بھی دستیاب ہے) کا استعمال کرتے ہوئے کمپنی کے رجسٹرڈ دفتر میں درخواست جمع کرائیں۔

6۔ کمپیوٹر ائزڈ قومی شناختی کارڈ / این ٹی این کی لازمی فراہمی:

ان انفرادی حصص داران نے جنہوں نے ابھی تک کمپنی/شیئر رجسٹرار کو اپنے درست شناختی کارڈ کی فوٹو کاپی جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست ہے کہ وہ اپنا شناختی کارڈ (کاپی) جلد از جلد کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو براہ راست بھیجیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا قومی ٹیکس نمبر (این ٹی این) فراہم کریں۔ براہ کرم شناختی کارڈ/این ٹی این کی تفصیلات کی کاپی کے ساتھ فولیو نمبر بھی دیں۔

7۔ ویب سائٹ پر گوشواروں اور رپورٹس کی دستیابی:

کمپنیز ایکٹ 2017 کی سیکشن 223(7) کے احکامات کے مطابق، کمپنی کے 30 جون 2023 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ https://powercement.com.pk/financial-reports/ پر دستیاب ہیں۔

8۔ ویڈیو کانفرنس کی سہولت کے لئے رضامندی:

کمپنیز ایکٹ 2017 کی دفعہ 134 (1) (بی) کی تعمیل کرتے ہوئے کمپنی کے حصص داران ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاسِ عام میں شرکت کر سکتے ہیں اگر حصص داران کراچی کے علاوہ کسی دوسرے شہر میں مقیم ہوں اور مجموعی طور پر 10 فیصد یا اس سے زیادہ حصص رکھتے ہیں تو سالانہ اجلاس میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کے لیے کم از کم دس (10) دن پہلے تحریری طور پر درخواست کریں۔

اس سہولت سے فائدہ اٹھانے کے لئے حصص داران سے درخواست کی جاتی ہے کہ وہ مطلوبہ معلومات کے ساتھ مندرجہ ذیل فارم کمپنی کے رجسٹرڈ آفس میں جمع کرائیں۔

میں/ہم ____________ ساکن/ساکنان ____________، پاور سیمنٹ لمیٹڈ

کے حصص داران ہونے کی حیثیت سے، حصص کے حاملین بحوالہ رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________ کے مطابق

بذریعہ ہذا بمقام ____________ ویڈیو کانفرنس کی سہولت کا انتخاب کرتا ہوں/کرتے ہیں۔

____________ نام اور دستخط

____________ تاریخ

کمپنی اراکین کو سالانہ اجلاسِ عام کی تاریخ سے کم از کم پانچ (05) دن قبل ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں مکمل معلومات کے ساتھ مطلع کرے گی تاکہ وہ اس سہولت تک رسائی حاصل کر سکیں۔

نوٹ:

1۔ حصص کی منتقلی کے کھاتوں کی بندش:

کمپنی کی حصص منتقلی کے کھاتے 18 اکتوبر 2023 سے 25 اکتوبر 2023 تک (بشمول دونوں دن) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99 بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے دفتر میں 16 اکتوبر 2023 کو کاروبار کے اختتام تک موصول ہونے والی منتقلیوں کو سالانہ اجلاسِ عام کے مقصد کے لئے قابل قبول رکھا جائے گا۔

2۔ سالانہ اجلاس عام میں شرکت بزریعہ ویڈیو کانفرنسنگ:

کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ سرکلرز کے مطابق ویڈیو لنک کی سہولت کے ذریعے اپنے حصص داران کو شرکت کی سہولت بھی فراہم کرتی ہے۔ اس سہولت کے ذریعے سالانہ اجلاس میں حصہ لینے کے خواہشمند حصص داران/پراکسیز سے درخواست کی جاتی ہے کہ وہ corporate@powercement.com.pk پر "پاور سیمنٹ لمیٹڈ کی 32 ویں اے جی ایم کے لئے رجسٹریشن" کے موضوع کے ساتھ شناختی کارڈ (دونوں اطراف) یا پاسپورٹ کی درست کاپی کے ساتھ درج ذیل معلومات کا اندراج کریں۔

شیئر ہولڈر کا نام	فولیو / سی ڈی سی نمبر	شناختی کارڈ نمبر	موبائل نمبر	رجسٹرڈ ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات صرف ان حصص داروں / پراکسیز کو مہیا کی جائیں گی جن کی ای میل مع مذکورہ بالا تمام تفصیلات کے سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوجائیں گی۔

3۔ پراکسیز کی تقرری اور اجلاسِ عام میں شرکت:

I. اجلاس میں شرکت اور ووٹ دینے کا حق رکھنے والا رکن کسی دوسرے رکن کو اپنے پراکسی کے طور پر مقرر کرسکتا ہے جسے اجلاس میں شرکت، اظہار خیال اور ووٹ دینے کے ایسے حقوق حاصل ہوں گے جو کسی رکن کو دستیاب ہیں۔

II. سالانہ رپورٹ میں پراکسی کا ایک خالی فارم (انگریزی اور اردو میں) منسلک ہے۔ پراکسی کا فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

III. مؤثر ہونے کے لئے، پراکسی فارم کمپنی کے شیئر رجسٹرار کے دفتر میں میٹنگ سے 48 گھنٹے پہلے موصول ہونا ضروری ہے (ہارڈ کاپی یا اسکین کیا گیا)

IV. سینٹرل ڈپازٹری کمپنی (سی ڈی سی) کے اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی ہدایات پر عمل کرنا ہوگا۔

V. کسی کارپوریٹ ادارے کی طرف سے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی ریزولوشن / پاور آف اٹارنی اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم (یا تو ہارڈ کاپی یا اسکین) کے ساتھ جمع کرانی ہو گی۔

4۔ حصص داران کے پتوں میں تبدیلی:

حصص داران سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کو فوری طور پر شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو مطلع کریں۔

بتیس واں سالانہ اجلاس عام

اس نوٹس کے ذریعے اطلاع دی جاتی ہے کہ پاور سیمنٹ لمیٹڈ ("کمپنی") کے حصص داران کا بتیس واں سالانہ عام اجلاس بروز بدھ 25 اکتوبر 2023 کو صبح 11:30 بجے PSX آڈیٹوریم ، تیسری منزل ایڈمن بلاک اسٹاک ایکسچینج بلڈنگ، ایکسچینج روڈ،کراچی میں منعقدہوگا۔اس کے ساتھ ساتھ شیئرہولڈرز کوویڈیو لنک کےزریعے شرکت کی سہولت بھی میسر کی جائے گی۔

عمومی کاروائی:

1. 28 اکتوبر، 2022 کو منعقد ہونے والی کمپنی کی سالانہ اجلاسِ عام کے منٹس کی تصدیق کرنا۔

2. کمپنی کے سالانہ آڈٹ شدہ گوشوارے برائے سال اختتامیہ 30 جون 2023 اور ان پر بورڈ آف ڈائریکٹرز اور غیر جانبدار آڈیٹرز کی رپورٹس کو زیر غورلانا ور اسکی منظوری دینا ۔

3. آئندہ مالی سال اختتامیہ30 جون 2024 کےلئے آڈیٹرز کی تقرری اور معاوضہ کی منظوری۔ موجودہ آڈیٹرز، M/s. A. F. Ferguson & Co., Chartered Accountants سبکدوش ہوئے اور اہل ہوتے ہوئے خود کو دوبارہ تقرری کے لئے پیش کرتےہے ۔

خصوصی کاروائی:

4. کمپنیز ایکٹ 2017 کی سیکشن 223(6) اور S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق، کمپنی کو حصص داران کو QR کوڈ اور ویب لنک کے ذریعے اجلاسِ عام کا نوٹس (بشمول آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ،چیئرمین کی جائزہ رپورٹ) ترسیل کرنے کا اختیاردلوانے کے لئے، ایک عام قرار داد کے طور پر، مندرجہ ذیل قرار داد پر غور کرنا اور اگر مناسب سمجھیں تو ، ترمیم، اضافہ یا حذف کے ساتھ اس کو منظور کرنا۔

منظور کیا گیا کہ پاور سیمنٹ لمیٹڈ ("کمپنی") سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ S.R.O. 389(I)/2023 کے مطابق کمپنی کے حصص داران کو کیو آر کوڈ اور ویب لنک کے ذریعے اجلاس کا نوٹس/ سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ اور دیگر رپورٹس) تقسیم کرنے کی مجاز ہے۔ اور سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعہ سالانہ رپورٹ کی ترسیل کا عمل بند کیا جائے۔

دیگر کاروائی:

5. چیئر کی اجازت سے کسی دوسرے کام پر غور کرنا۔

(کمپنیز ایکٹ، 2017 کی دفعہ 134(3) کے تحت اہم حقائق سے متعلق ایک بیان اس نوٹس کے ساتھ دیا گیا ہے)

بحکم بورڈ

سلمان گوگن
(کمپنی سیکرٹری)

04اکتوبر 2023
بمقام کراچی

ماحولیات پر کمپنی کے کاروبار کے اثرات

آپ کی کمپنی کا ماحول دوست FLSmidth کا پلانٹ جو IFC اور ورلڈ بینک کے معیارات کو پورا کرتا ہے ، جس میں جدید ترین آن لائن کوالٹی کنٹرول سسٹم ہے۔ پلانٹ مسلسل53 گریڈ کااعلی معیاری سیمنٹ تیار کرنے کی صلاحیت رکھتاہے۔

مزید برآں، ویسٹ ہیٹ ریکوری سسٹم (ڈبلیو ایچ آر ایس) پہلے ہی بجلی کی پیداوار کے لئے نصب کیا جا چکا ہے اور کمپنی اپنی بجلی کی ضروریات کو پورا کرنے کے لئے شمسی توانائی کا استعمال بھی کر رہی ہے۔

کمپنی نے SEPA اور SEQS معیارات کی قانونی اور ریگولیٹری تعمیلات کو پورا کرنے کے لئے ایک سرشار اور اہل HSE عملہ بنایا ہے۔ ماحولیات پر کمپنی کے کاروبار کے اثرات کے بارے میں فعال ہونے کی وجہ سے ، کمپنی نے آر ایس پی ایم (سانس لینے کے قابل معطل ذرات مادہ) اور آر ایف ڈی پر قابو پانے کے لئے کمپنی کے احاطے میں دھول کے سائکابون ، بیگ ہاؤسز ، دھول کو دبانے کا طریقہ کار ، ذاتی حفاظتی سامان ، فضائی آلودگی قابو کرنے کا نظام اور رفتار کی حد قابو کرنےجیسے ڈسٹنگ آلات نصب کیے ہے۔

کمپنی کے پاس اب جنوبی زون میں صاف ستھری ہوا خارج کرنے کا پلانٹ ہے جس میں مکمل آلودگی قابو کرنے کا بیگ ہاؤس نظام ہے۔ پلانٹ کے اخراج کی سطح اب ورلڈ بینک / آئی ایف سی کی ہدایات کے ذریعہ دی گئی حدود سے بھی بہتر ہے۔ بیگ فلٹر جدید ترین یورپی ٹیکنالوجی پر مبنی ہے جس میں Eco E3 فلٹریشن سسٹم کا استعمال کیا جاتا ہے جو پائیداری کے ساتھ دھول کے اخراج کو سب سے زیادہ موثر طریقے سے قابو کرتا ہے اور اس طرح کمپنی کو جنوبی زون میں دیگر سیمنٹ پلانٹس پر برتری فراہم کرتا ہے۔ دھول کو قابو کرنے کے نظام کے اضافی فوائد میں آلات کے مفید میعاد میں بہتری اور توانائی کے نقصانات کو کم کرنا شامل ہے۔

کمپنی ہمیشہ بڑے پیمانے پر اپنے تمام ملازمین اور اسٹیک ہولڈرز کےمحفوظ کام کا ماحول فراہم کرنے کے لئے پرعزم رہی ہے ، اور آئی ایس او 2015:14001 ، آئی ایس او 2018:45001 اور آئی ایس او:2015 9001 کی اسناد اس کے مسلسل نفاذ کی گواہی ہے۔

بیرونی آڈیٹرز کی تقرری

کمپنی کے آڈیٹرز،میسرز اے ایف فرگوسن چارٹرڈ اکاؤنٹنٹس اینڈ کمپنی ریٹائر ہو نے کے بعد اہل ہوتے ہوئ دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی کی سفارشات کی بنیاد پر بورڈ آف ڈائریکٹرز نے سالانہ عام اجلاس میں مالیاتی سال 24-2023کے لئے کمپنی کےبطور آڈیٹر میسرز اے ایف فرگوسن چارٹرڈ اکاؤنٹنٹس اینڈ کمپنی کی دوبارہ تقرری کی توثیق کی -

متعلقہ شخص کے ساتھ کاروباری معاملات

پاکستان اسٹاک ایکسچینج کے ضوابط کی تعمیل کرنے کے لئے، کمپنی نے تمام متعلقہ شخصی لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے ان کے جائزے اور منظوری کے لئے پیش کیا ہے. ان لین دین کو آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاس میں منظور کیا ہے۔ تمام متعلقہ شخصی لین دین کی تفصیلات منسلک آڈٹ شدہ گوشواروں کے نوٹوں میں فراہم کی گئی ہیں۔

اظہارتشکر

ڈائریکٹرز کمپنی سے مستفیدان وابستہ لوگوں کے مسلسل اعتماد اور سرپرستی کے لئے ان کے مشکور ہیں۔ ہم اپنے کاروباری شراکت داروں، بینکاروں اور مالیاتی اداروں کےیقین اور اعتماد کے لئے ان کے مشکور ہیں ۔ ہم وزارت خزانہ، وزارت صنعت و پیداوار، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، مسابقتی کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی جانب سے فراہم کردہ مسلسل تعاون اور رہنمائی کے شکر گزار ہیں

ڈائریکٹرز کمپنی کے تمام ملازمین کی مسلسل کوششوں اور لگن، شراکت داری، وفاداری اور سخت محنت کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

محمد کاشف حبیب
چیف ایگزیکٹو آفیسر

نسیم بیگ
چیئرمین

کراچی: 28 ستمبر 2023

ڈائریکٹرز کی معاوضہ پالیسی

کمپنی کے خود مختار ڈائریکٹرز کو بورڈ آف ڈائریکٹرز کے اجلاس یا بورڈ کی ذیلی کمیٹیوں کے اجلاس میں شرکت کے لئے اجلاس کا معاضہ ادا کیا جاتا ہے جیسا کہ 28 اکتوبر 2019 کو ہونے والے سالانہ عام اجلاس میں منظور کیا گیا تھا۔ معاوضے کی سطح مناسب ہے اور کمپنی کو کامیابی سے اور اضافی قدر کے ساتھ چلانے کے لئے ذمہ داری اور مہارت کی سطح کے مطابق ہے. 30 جون 2023 ء کو ختم ہونے والے مالی سال کے لئے چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کا اعلان مالیاتی گوشواروں کے نوٹ میں کیا گیاہے۔

داخلی مالیاتی گرفتوں کی موزونیت

بورڈ آف ڈائریکٹرز داخلی گرفت کےماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہے اور اس کے مطابق کارکردگی کے ماہر اور موثر طریقہ کار کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالیاتی گوشواروں کو یقینی بنانے کے لئے داخلی مالیاتی گرفتوں کا ایک موثر نظام قائم کیا ہے. کمپنی کا آزاد اندرونی آڈٹ فنکشن باقاعدگی سے مالیاتی کنڑول کے نفاذ کی تشخیص اور نگرانی کرتا ہے۔

بورڈ آڈٹ کمیٹی آپ کی کمپنی کی مالیاتی کارکردگی ، کاروبار اور سرمائے کے اخراجات کے بجٹ ، حکمت عملی کے منصوبوں اور دیگر اہم کارکردگی کے عشاریوں پر غور کرنے کے لئے سہ ماہی اجلاس منعقد کرتی ہے۔ بورڈ آڈٹ کمیٹی بیرونی اور داخلی آڈیٹرز سے داخلی مالیاتی گرفت کے نظام پر رپورٹس وصول کرتی ہے اور اندرونی گرفت کی اثر انگیزی کی نگرانی کے عمل کا جائزہ لیتی ہے۔

حصص داری کی ساخت

کمپنی کے عام اور ترجیحی حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ 30 جون 2023 تک کمپنی کے 1,111,870,488 (2022:1,111,870,488) عام حصص داران اور 208,243,277 (2022:208,243,277) ترجیحی حصص داران تھے۔ حصص داران کا تفصیلی نمونہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ڈائریکٹرز اور اعلی انتظامی سربراہان کا کمپنی کے حصص میں خریدوفروخت

کمپنی کے حصص جو اس کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، انٹرنل آڈٹ کے سربراہ اور ان کے شریک حیات اور خاندان کے نابالغ افراد کی جانب سے خریدے اور فروخت کیے اس کی تفصیل رپورٹ ھذا میں منسلک ہے۔

مزید برآں، تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ وہ کمپنی سیکرٹری کو فوری طور تحریری نوٹس بھیجیں، اگر وہ کمپنی کے حصص میں خود یا ان کے شریک حیات کے ذریعے کسی بھی خرید و فروخت کو فوری تحریری طور پر مطلع کریں اور قیمت کا تحریری ریکارڈ، حصص کی تعداد اور سی ڈی سی کے بیانیہ کی فراہمی ایسے لین دین کے دو دن کے اندر کریں.

خطرات کا انتظام اور خطرے کو کم کرنے کی حکمت عملی

بورڈ آف ڈائریکٹرز نے ممکنہ خطرات کی نشاندہی کی ہے ، آپ کی کمپنی پر ان کے اثرات کا اندازہ کیا اور کاروبار کے لئے متوقع خطرات کو کم کرنے کے لئے حکمت عملی مرتب کی ہے۔ ان حکمت عملیوں کو آپ کی کمپنی کی درجہ بندی میں نافذ کیا گیا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ خطرے کے تخفیف میں کوئی خلا باقی نہ رہے۔

کمپنی کو درپیش بڑے خطرات اور مسائل درج ذیل ہیں:

اُ) منافع پراعلی سطحی بیعانہ کا اثرا و راس کی وجہ سے نچلا دباو۔

ب) مارکیٹ کے کھلاڑیوں کی مسابقتی قیمتوں کی وجہ سے صارفین (خاص طور پر کوئلے اور بجلی کی لاگت) پر کاروبار کرنے کی لاگت میں تیزی سے اضافے کا بوجھ ڈالنے میں ناکامی

ج) زرمبادلہ اور شرح سود کے خطرات کا سامنا

د) پیداواری صلاحیت میں توسیع / نئے پلانٹ کی وجہ سے رسد کی فراہمی

ہ) ملازمین کے چھوڑنے میں اضافے کی وجہ سے معیاری انسانی وسائل کا نقصان

سالانہ رپورٹ کے متعلقہ حصوں میں ان کی مزید وضاحت کی گئی ہے۔

بورڈ کی کمیٹیاں اور اجلاس

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی قائم کی ہے جس میں تین ارکان شامل ہیں جن میں سے تمام نان ایگزیکٹیو ڈائریکٹر ہیں اور چیئرمین ایک خود مختار ڈائریکٹر ہے۔ آڈٹ کمیٹی کی تشکیل لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کی ضروریات کے مطابق کی گئی ہے۔

زیر غور سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور کمیٹی ارکان کی حاضری درج ذیل ہے:

ارکان کے نام	عہدہ	اجلاسوں میں شرکت
جناب خورشید اے جمال*	چیئرمین	3/3
سید سلمان رشید	رکن	2/4
جناب صمد اے حبیب	رکن	3/4
محترمہ سائرہ ناصر*	سابق چیئرپرسن	1/1

*محترمہ سائرہ ناصر ریٹائر ہوئیں اور خورشید اے جمال کو 28 اکتوبر 2022 کو چیئرپرسن مقرر کیا گیا۔

انسانی وسائل اور معاوضہ کمیٹی

بورڈ آف ڈائریکٹرز نے ایک انسانی وسائل اور معاوضہ کمیٹی (ایچ آر & آر کمیٹی) قائم کی ہے جو تین ممبران پر مشتمل ہے۔ ان میں سے دو نان ایگزیکٹیو ڈائریکٹرز ہیں۔ ایچ آر اینڈ آر کمیٹی کی تشکیل لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کی ضروریات کے مطابق کی گئی ہے۔

رواں مالی سال 2023 کے دوران ، ایچ آر اینڈ آر کمیٹی کا ایک اجلاس منعقد ہوا اور ہر رکن کی حاضری درج ذیل ہے:

ارکان کے نام	عہدہ	اجلاسوں میں شرکت
جناب جاوید قریشی	چیئرمین	1/1
سید سلمان رشید	رکن	1/1
جناب محمد کاشف حبیب	رکن	1/1

بورڈ کے لئے تشخیص کے معیار

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کے مطابق بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لئے ایک جامع طریقہ کار بنایا گیاگیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ درج ذیل بنیادوں کے طریقہ کار پر کیا جاتا ہے:

- بورڈ کی نگرانی اوراثر انگیزی
- بورڈ کی تشکیل اور کمیٹیاں
- بورڈ کے اجلاس اور کاروائی
- بورڈ اور انتظامیہ کے تعلقات
- تعلقات اور قیادت کا انتظام
- کارپوریٹ قوانین اور قواعد و ضوابط کے ساتھ ڈائریکٹرز کی واقفیت
- کارپوریٹ گورننس

- کمپنی اپنے ملازمین کے لئے مالی اعانت سے گریجویٹی اسکیم چلاتی ہے جیسا کہ مالی گوشواروں کے متعلقہ نوٹ میں ظاہر کیا گیا ہے۔
- اس سالانہ رپورٹ کے ساتھ حصص کی مجموعی تعداد ظاہر کرنے والے مقررہ فارمیٹ میں شیئر ہولڈنگ کا بیان منسلک کیا گیا ہے۔
- رپورٹ میں گزشتہ 6 سال کے اہم کاروباری اور مالیاتی اعداد و شمار شامل کیے گئے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

کمپنی کے بورڈ آف ڈائریکٹران 30جون 2023 ء تک درج ذیل پر مشتمل ہیں:

ڈائریکٹرز کی کل تعداد	8
مرد	7
خاتون	1

30 جون 2023 تک بورڈ آف ڈائریکٹران کے نام اور تشکیل درج ذیل ہیں:

ڈائریکٹروں کی تشکیل	ڈائریکٹروں کے نام
أ) غیر ایگزیکٹیو ڈائریکٹرز	جناب نسیم بیگ سید سلمان رشید جناب صمد حبیب جناب آندرس پالودان-مولر محترمہ زینب کاشف
ب) خود مختار ڈائریکٹرز	جناب جاوید قریشی جناب خورشید انور جمال
ج) ایگزیکٹو ڈائریکٹر	جناب محمد کاشف حبیب

بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کی کارکردگی کے جائزہ لے لئے رواں مالی سال 2023 کے دوران بورڈ آف ڈائریکٹرز (بی او ڈی) کے پانچ اجلاس منعقد ہوئے اور بورڈ ممبران کی حاضری درج ذیل ہے:

ڈائریکٹروں کے نام	عہدہ	اجلاسوں میں شرکت
جناب نسیم بیگ	چیئرمین	5/5
جناب محمد کاشف حبیب	چیف ایگزیکٹو آفیسر	5/5
سید سلمان رشید	غیر ایگزیکٹیو ڈائریکٹر	4/5
جناب صمد اے حبیب	غیر ایگزیکٹیو ڈائریکٹر	4/5
جناب جاوید قریشی	خود مختار ڈائریکٹرز	4/5
جناب خورشید انور جمال*	خود مختار ڈائریکٹرز	4/4
محترمہ زینب کاشف*	غیرایگزیکٹیو ڈائریکٹر	3/4
جناب آندرس پالودان-مولر	غیرایگزیکٹیو ڈائریکٹر	5/5
محترمہ سائرہ ناصر*	خود مختار ڈائریکٹرز	1/1

*محترمہ سائرہ ناصر ریٹائر ہوئیں، جناب خورشید اے جمال اور محترمہ زینب کاشف 28 اکتوبر 2022 کو منتخب ہوئے۔

اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹروں کو غیر حاضری کی منظوری دی گئی۔

مستقبل پر نظر

جیسا کہ ہم مالی سال 2024میں داخل ہو رہے ہیں، پاکستان کو کافی معاشی اور سیاسی مسائل کا سامنا ہے۔ عالمی کساد، بڑھتی ہوئی افراط زر، مالی رکاوٹوں اور ماحولیاتی بحرانوں کے نتیجے میں ایک پیچیدہ معاشی منظر نامہ نمودار ہوا۔

حکومت نے آئی ایم ایف کے ساتھ نئے پروگرام پر قلیل مدتی معاہدہ پر مذاکرات کئے، جس میں آئی ایم ایف معیشت کو مضبوط بنانے کے لئے نو ماہ میں 3.0 ارب امریکی ڈالر کا قرض فراہم کرے گا۔یہ بین الاقوامی قرض دہندگان سے اضافی قرض لینے میں مدد ملے گی۔

معاشی بحالی کے لیے مالی نظم و ضبط، مالیاتی احتیاط، پائیدار ترقی کے لیے بین الاقوامی تعاون اور اندرونی سیاسی استحکام ضروری ہیں۔ پائیدار اقدامات اعتماد کو بحال کریں گے اور خوشحالی کا راستہ ہموار کریں گے۔

اقتصادی بحران کے باوجود، ہماری کمپنی حالات کا مقابلہ کرنے اور نئے خیالات پیش کرنے کی صلاحیت رکھتی ہے۔

کریڈٹ ریٹنگ

کمپنی کو 30 دسمبر 2022 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے "A- " (سنگل A مائنس) کی طویل مدتی ریٹنگ اور "A-2" (سنگل Aٹو) کی قلیل مدتی ریٹنگ تفویض کی گئی ہے۔

قومی خزانے میں حصہ ڈالنا

کمپنی نے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری لیویز کی مد میں 3.71 ارب روپے (2.57 ارب روپے: 2022) سرکاری خزانے میں جمع کرائے۔

کارپوریٹ تنظیم نو

پاورسیمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 28 ستمبر 2023 کو کراچی میں ہونے والی اپنی میٹنگ میں انتظامیہ کو اختیار دیا ہے کہ وہ عارف حبیب گروپ کی کمپنیوں کی ممکنہ تنظیم نو کے لیے شرائط کا جائزہ لے اور بورڈ آف ڈائریکٹرز کے غور اور منظوری کے لیے ایسی قابل عمل تجاویز پیش کرے جن کے ذریعے ٹیکس کی استعداد کار اور گروپ کمپنیوں کی بیلنس شیٹ کو مضبوط کرنے میں مدد ملے۔

کارپوریٹ گورننس کا ضابطہ

آپ کی کمپنی کے ڈائریکٹرز باقاعدگی سے کمپنی کی حکمت عملی اور کاروباری منصوبوں کا جائزہ لیتے ہیں۔ آڈٹ کمیٹی کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق موثر تعمیل کا اختیار حاصل ہے۔ ہم ضابطہ کے مطابق آپ کی کمپنی میں اچھی کارپوریٹ گورننس کو یقینی بنانے کے لئے تمام ضروری اقدامات کر رہے ہیں۔ تعمیل کی حکمت عملی کے طور پر، ہم درج ذیل کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات، کاروباری نتائج، نقد و رقوم کی ترسیل اور سرمائے میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی نے کھاتہ داری کی مناسب کتابیں برقرار رکھی ہیں۔
- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے۔
- اندرونی کنٹرول کا نظام جامع اور موثر انداز سے نافذ کیا گیا ہے اور اسکی مستقل بنیادوں پر نگرانی اور اصلاح کی جاتی ہے۔
- کمپنی کے ہمیشگی کی بنیاد پر جاری رہنے کی صلاحیت پر کوئی شک نہیں ہے. مزید یہ کہ کمپنی تمام قرضوں کی بروقت ادائیگی کر رہی ہے اور بینکوں کو قرضوں کی ادائیگی کے لئے کمپنی کی طرف سے کوئی نادہندگی نہیں کی گئی ہے۔
- لسٹنگ ریگولیشنز میں تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل شمار انحراف نہیں ہوا ہے۔

مالیاتی کارکردگی

30 جون 2023 کو ختم ہونے والےمالی سال کے لئے آپ کی کمپنی کی مالیاتی کارکردگی کا تقابلی جائزہ گزشتہ مالی سال کے ساتھ درج ذیل ہے:

تفصیلات	مالی سال 2022	مالی سال 2023
	' روپے ہزاروں' میں	
مجموعی فروخت	23,633,082	36,404,336
منہا: سیلز ٹیکس /مرکزی ایکسائز ڈیوٹی / کمیشن / فریٹ	6,138,204	7,465,240
خالص فروخت	17,494,878	28,939,096
خام منافع	2,482,131	6,867,841
کاروباری منافع	1,304,202	3,732,098
فنانس لاگت	2,634,828	3,813,009
خسارہ قبل از ٹیکس	(1,330,626)	(80,911)
منافع / (خسارہ) بعد از ٹیکس	(443,946)	168,993
فی حصص نقصان (روپے میں)	(0.62)	(0.19)

زیر جائزہ مالی سال 2023 ء میں خالص فروخت میں نمایاں اضافہ دیکھنے میں آیا جو مالی سال 2022ء کے مقابلے میں 65 فیصد زیادہ ہے۔ مقامی سیلز ریونیو میں 5.65 ارب روپے (39 فیصد) کا اضافہ ہوا جبکہ برآمدات میں اسی عرصے کے مقابلے میں 5.79 ارب روپے (185 فیصد) کا اضافہ ہوا۔

پاور سیمنٹ لمیٹڈ نے مالی سال 2023ء کے دوران گزشتہ مالی سال کے مقابلے میں مجموعی خام منافع میں 177 فیصد اضافہ دیکھا۔مجموعی خام منافع کی شرح میں بھی نمایاں بہتری آئی ، جو پچھلے سال کے 14فیصد سے 24فیصد تک پہنچ گئی ہے۔ یہ خاطر خواہ اضافہ بنیادی طور پر کمپنی کے سیمنٹ کی قیمت فروخت میں بہتری کے ساتھ ساتھ مئوثر لاگت کے انتظام کی وجہ سے ہوا جس میں نمایاں کردارخاص طور پر ایندھن اور بجلی کے اخراجات کوکم کرنا ہے۔

رواں مالی سال کے دوران مالیاتی اخراجات میں 3.83 ارب روپےتک کازبردست اضافہ دیکھا گیا جو گزشتہ سال کے 2.64 ارب روپے کے مقابلے میں 45 فیصد زیادہ ہے۔ اس بڑے پیمانے پر اضافے کی بنیادی وجہ شرح سود میں غیر معمولی اضافہ ہے، جس سے بنیادی طور پر کمپنی کو ٹیکس سے پہلے نقصان ، اور جس کے نتیجے میں مالی سال کے لئے 0.19 روپے فی حصص کا نقصان ہوا۔

پیداوار اور فروخت کی کارکردگی

پیداوار	مالی سال 2023	مالی سال 2022	فرق	
	ٹن	ٹن	ٹن	%
سیمنٹ	1,924,996	1,593,324	331,672	20.82
کلنکر	2,297,890	1,863,323	434,567	23.32

فروخت	مالی سال 2023	مالی سال 2022	فرق	
	ٹن	ٹن	ٹن	%
سیمنٹ / کلنکر	1,576,278	1,627,272	(50,994)	(3.13)
سیمنٹ (برآمد)	469,822	75,848	393,974	519.42
کلنکر(برآمد)	355,339	419,830	(64,491)	(15.36)
کل ترسیل	2,401,439	2,122,950	278,489	

آپ کی کمپنی کی جانب سے زیر جائزہ مالی سال کے دوران کلنکر کی پیداوار 2,297,890 ٹن رہی اور پیداواری صلاحیت کو 72 فیصد زیراستعمال لایا گیا جبکہ گزشتہ مالی سال کے دوران58فیصد پیداواری صلاحیت کو زیر استعمال لاتے ہوئے 1,863,323 ٹن پیداوار رہی۔

منافع اور بونس حصص

موجودہ معاشی صورتحال اور طویل مدتی قرضوں کی ادائیگی کے وعدوں کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کوختم ہونے والے مالی سال کے لئے کسی بھی نقد منافع کا اعلان یا بونس حصص جاری نہ کرنے کا فیصلہ کیا ہے۔

ڈائریکٹرز کی رپورٹ

پاور سیمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز30 جون 2023 کو ختم ہونے والے مالی سال کے لئے آپ کی کمپنی کے سالانہ آڈٹ شدہ مالی گوشواروں کے ساتھ یہ رپورٹ آپ کو پیش کرتے ہیں۔

کاروباری ماحول اور معاشی مسائل

زیر جائزہ مالی سال 2023 میں بیرونی شعبے میں بہتری آئی اور کرنٹ اکاؤنٹ خسارہ کم ہو کر 2.4 ارب ڈالر رہ گیا جو مالی سال 2022 میں 17.5 ارب ڈالر تھا۔

گزشتہ مالی سال مسائل سے بھرپور تھا۔ غیر ملکی زرمبادلہ کے ذخائر میں کمی کے ساتھ ساتھ سیاسی اور معاشی خلفشار کی وجہ سے لیٹر آف کریڈٹ میں کمی واقع ہوئی جس کے نتیجے میں مختلف صنعتوں کے لیے خام مال کی قلت پیدا ہوگئی۔ اس طرح صنعتی سرگرمی، خاص طور پر بڑے پیمانے پر مینوفیکچرنگ میں 10.26 فیصد کی کمی آئی۔ بگڑتے ہوئے معاشی حالات کی وجہ سے آئی ایم ایف پروگرام کی بحالی، ایندھن اور بجلی کی قیمتوں میں اضافہ، ٹیکسوں میں اضافہ اور اسٹیٹ بینک کی جانب سے ڈسکاؤنٹ ریٹ میں 22 فیصد تک اضافہ ہواجس کی وجہ سےکاروبار کرنے کی لاگت میں اضافہ ہوا۔ درآمدی پابندیوں نے کرنٹ اکاؤنٹ خسارے پر تو قابو پایا لیکن درآمدات پر منحصر صنعتوں کو متاثر بھی کیا۔ شدید بارشوں، سیلاب اور عالمی کساد نے مختلف شعبوں کو مزید متاثر کیا۔

سیمنٹ کی صنعت

سیمنٹ سیکٹر کو مالی سال 2023 کی ابتدائی ششماہی میں ملکی اور عالمی سطح پر زبردست مسائل کا سامنا کرنا پڑا۔ یہ عدم استحکام عالمی اجناس کی قیمتوں میں اتار چڑھاؤ سے شروع ہوا ، جو جغرافیائی سیاسی دشمنی کا براہ راست نتیجہ تھا۔ ان اتار چڑھاؤ نے نہ صرف ایسی اجناس پر منحصر صنعتوں کو متاثر کیا تھا بلکہ مجموعی طور پر افراط زر کے دباؤ کو بھی پیدا کیا ۔

پاکستان کے اندر اجناس کی قیمتوں میں اضافے اور سیاسی عدم استحکام کے ماحول نے معیشت پر منفی اثر ڈالا ۔ ان غیر یقینی حالات کی وجہ سے درآمدی اخراجات میں اضافہ ہوا، قومی کرنسی کی قدر میں تیزی سے کمی آئی اور افراط زر میں اضافہ ہوا۔

سیمنٹ کی طلب و پیداوار میں15.71 فیصد کمی واقع ہوئی اور یہ گزشتہ سال کے 52.88ملین ٹن کے مقابلے میں 44.5 ملین ٹن رہ گئی۔ مقامی فروخت کا حجم بھی متاثر ہوا اور گزشتہ سال کے 47.63 ملین ٹن سے کم ہو کر 40.01 ملین ٹن تک پہنچ گیا۔ مزید برآں برآمدات کا حجم 13.13 فیصد سکڑ کر 4.56 ملین ٹن رہا جبکہ گزشتہ سال یہ 5.25 ملین ٹن تھا۔

رواں مالی سال 2023 کے دوران سیمنٹ کی مقامی فروخت اور برآمدات میں کمی کی بنیادی وجہ افراط زر کی بلند ترین سطح، تعمیراتی سرگرمیوں میں کمی اور تعمیراتی مواد کی بڑھتی ہوئی قیمتوں سے پیدا ہونے والے مسائل ہیں۔ خاص طور پر جنوبی زون ، جہاں آپ کی کمپنی کام کرتی ہے ،مقامی طلب میں نمایاں کمی کا سامنا رہا ،جو کہ مجموعی ملکی مقامی کھپت کے مقابل کم رہا ، جس کے نتیجے میں 7.23 ملین ٹن کی سالانہ کھپت ہوئی ، جو 11.71 فیصد کی منفی ترقی کی شرح کو ظاہر کرتی ہے۔ اس کے ساتھ ساتھ اس خطے میں برآمدی طلب 3.50 ملین ٹن رہی جو گزشتہ سال کے مقابلے میں 19.53 فیصد کی منفی شرح نمو درج کرتی ہے۔ نتیجتا ، جنوبی زون نے مجموعی ترسیل 10.73 ملین ٹن ریکارڈ کی۔

یہ مسائل سیمنٹ کی صنعت کے ہنگامہ خیز ماحول کی علامت ہیں، اور وہ اس مشکل وقت میں مطابقت پذیری اور اسٹریٹجک منصوبہ بندی کی اہمیت کو اجاگر کرتے ہیں۔

Calendar Of Upcoming Corporate Events

Board Meeting
1st Quarter Ending
September 30, 2023

Last week of October 2023

Board Meeting
Half Year Ending
December 31, 2023

Last week of February 2024

Board Meeting
3rd Quarter Ending
March 31, 2024

Last week of April 2024

Board Meeting
Annual Financial Year Ending
June 30, 2024

Second week of September 2024

Proxy Form

32nd Annual General Meeting

The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi

I/We ____________________________________ S/o, W/o ____________________________,

being member(s) of Power Cement Limited (the Company), holding ____________________ shares as per

Registered Folio No. / CDC Account No. ____________________hereby appoint

________________________________ S/o., W/o ______________________________ (being

member of the Company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on October 25, 2023 and/or any adjournment thereof.

Signed this ____ day of ________________ 2023.

Signature on Rs. 5/- Revenue Stamp

____
Signature of Shareholder

Witnesses:

1. Name: ______________________________
   Address: ______________________________
   CNIC No.: ______________________________
   Signature: ______________________________

2. Name: ______________________________
   Address: ______________________________
   CNIC No.: ______________________________
   Signature: ______________________________

NOTES:

1. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy who shall have such rights as respects to attending, speaking and voting at the meeting as are available to a member.
2. In order to be effective, the Proxy Form must be received at the at the M/s. CDC Share Registrar Services Limited (either hard copy or scanned), not later than 48 hours before the AGM duly signed and stamped and witnessed by the two persons with their signatures, name, address and CNIC number given on the form.
3. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form (either hard copy or scanned).
4. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form (either hard copy or scanned).

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The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi

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پراکسی فارم

بتیس واں سالانہ اجلاسِ عام

کمپنی سیکرٹری

پاورسیمنٹ لمیٹڈ

عارف حبیب سینٹر

23، ایم ٹی خان روڈ، کراچی۔

میں/ہم____________________________ سکنہ/ساکنہ____________________________ بطور ممبر

(ممبران) پاورسیمنٹ لمیٹڈ حامل/حاملین____________________________ حصص بحوالہ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر____________

بذریعہ ہذا جناب/محترمہ____________________________ سکنہ/ساکنہ____________________ کو

اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں/کرتے ہیں تاکہ وہ میری/ہماری جانب سے کمپنی کے بتیس واں سالانہ اجلاسِ عام مؤرخہ 25 اکتوبر 2023، یا مذکورہ اجلاس منسوخ ہونے کی صورت میں کسی بھی اور تاریخ پر اس کی جگہ ہونے والے دیگر اجلاس میں شرکت کرے۔

دستخط شدہ بروز____________________ مؤرخہ____________________ 2023۔

____________________ دستخط حامل/حاملین حصص	پانچ روپے کی ریونیو مہر پر دستخط کیجئے

گواہ نمبر 1

نام:____________________________

پتہ:____________________________

قومی شناختی کارڈ نمبر:____________________

دستخط:____________________

گواہ نمبر 2

نام:____________________________

پتہ:____________________________

قومی شناختی کارڈ نمبر:____________________

دستخط:____________________

اہم نکات:

1۔ کوئی بھی ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کی اہلیت کا حامل کسی دوسرے ممبر کو اپنا پراکسی نامزد کرسکتا ہے جو اس کی جانب سے اجلاس میں شرکت کرنے، رائے دینے اور حق رائے دہی استعمال کرنے کا مجاز ہوگا۔

2۔ پراکسی فارم کارآمد ہونے کے لیئے لازم ہے کہ پراکسی فارم ہمارے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل موصول ہوجانے چاہئیں پراکسی فارم باقاعدہ دستخط اور مہر شدہ ہوں اور دو گواہوں نے اپنے دستخط، نام، پتے اور شناختی کارڈ نمبر سے پراکسی کی تصدیق کی ہو۔

3۔ بصورت افراد، پراکسی فارم کے ساتھ مستفیدی مالک اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول کا منسلک ہونا لازم ہے۔

4۔ اگر پراکسی کسی کاروباری ادارے کی جانب سے ہو تو بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک کرنا لازم ہے۔

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The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi

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POWER CEMENT

مضبوطی ۔ چٹانوں جیسی

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