



Annual Report 2021

DANDOT CEMENT COMPANY LIMITED

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Company Information

Board of Directors (BOD)

Taha Muhammad Naseem
Muhammad Farooq Naseem
Mrs. Roohi Farooq Naseem
Zaka Muhammad Naseem
Hamid Mahmood
Murtaza Yousuf Mandviwala
Shafqaat Ahmed

Chief Executive
Chairman of BOD

Audit Committee

Shafqaat Ahmed
Muhammad Farooq Naseem
Hamid Mahmood

Member / Chairman / Secretary
Member
Member

Human Resources & Remuneration Committee

Murtaza Yousuf Mandviwala
Muhammad Farooq Naseem
Taha Muhammad Naseem

Member / Chairman
Member
Member

Chief Financial Officer

Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants, Lahore.

Company Secretary

Muhammad Kamran

Legal Advisor

International Legal Services

Bankers

The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Bank Al-Habib Limited
Askari Bank Limited
JS Bank Limited

Registered Office

5-Zafar Ali Road, Gulberg V, Lahore.

Postal Address

43-A/S Zafar Ali Road, Gulberg V, Lahore.
Telephone: +92-42-35758614-15

Factory

Dandot R.S., Distt. Jhelum.
Telephone: +92-544-211371, Fax: +92-544-211490

Share Registrar

Corplink (Pvt.) Limited.
Wings Arcade 1-K-Commercial, Model Town, Lahore.
Telephone: +92-42-35839182, Fax: +92-42-35869037

Website

www.dandotcement.com

Notice of Annual General Meeting

NOTICE is hereby given that 41st Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2021 will be held on Monday, December 27, 2021 at 43-A/S Zafar Ali Road, Gulberg V, Lahore at 11:30 a.m to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on January 26, 2021.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2021 together with Auditors' and Directors' Reports thereon.
3. To appoint Statutory Auditors and to fix their remuneration. The present Auditors, M/s Amin Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business may be placed before the meeting with the permission of the Chairman.

(By Order of the Board)



(MUHAMMAD KAMRAN)
COMPANY SECRETARY

LAHORE:
December 03, 2021

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from December 20, 2021 to December 27, 2021 (both days inclusive) for determining entitlement to attend the Annual General Meeting.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office situated at 5- Zafar Ali Road Gulberg V, Lahore, of the Company not later than 48 hours before the time of the holding of the Meeting.
3. The shareholders through CDC are requested to bring Original Computerized National Identity Card (CNIC) passport for the purpose of identification to attend the meeting.
4. In case of corporate entity, the Board's resolution or power of attorney with specimen signature of the nominee shall produce at the time of meeting.
5. Shareholders having physical share certificates are requested to immediately notify the change in address, if any to the share registrar of the Company M/s Corplink (Pvt) Limited, Wings Arcade 1-K Commercial Model Town Lahore.
- 6- Shareholders who wish to receive annual reports and notice of the Annual General Meeting through email are requested to provide the following particulars, through a letter duly signed by them,
1- Name, 2-Folio/CDC Account No, 3-email address, 4-Contact Number.
7. Consent for Video Conference facility.

In compliance with Section 134(l)(b) of the Companies Act, 2017, if the Company receive consent from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city.

To avail this facility, please provide following information and submit to registered office of the Company. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

I/We,-----of -----being a member of the DANDOT CEMENT COMPANY LIMITED, being holder of Ordinary Shares as per register Folio No.-----hereby option for video conference facility at-----.

Signature of Member.

Vision

Strives to continue its path of market growth, consolidation and improvement, spanning the areas upto Abroad. Our vision is to establish a strong market presence, focused on customer brand loyalty and satisfaction, on long-term basis.

Envisions to maintain consistent quality, keep abreast with technology as well as up-date our dynamic managerial and human resource capabilities in a competitive business environment, and to accomplish further improvement in its market share in an aggressive growth scenario.

Mission

Mission is to perform to the highest levels of professional excellence within the industry and the national economy, while catering to the needs of our ever dedicated workforce, ensuring reasonable return to the stakeholders while delivering our product to the end consumer at competitive prices to accelerate the sustained development of Pakistan.

Chairman's Review Report

Dear Shareholders,

COVID-19 has affected our lives drastically and I sincerely hope you and everyone around is staying safe from the virus and using all precautionary measures to mitigate the risks. This period has presented unprecedented challenges and the board of directors of your company has performed admirably in such uncertainty.

This report is submitted in terms of Section 192(4) of the Companies Act, 2017 on the overall performance and effectiveness of the Board in achieving the objectives, goals and mission of your Company. Following are the material details;

- The Board used its vast nous of business knowledge and experience to navigate several challenges presented this year. The challenges were not only local but global, and had lasting effects which still have repercussions.
- Meeting of the Board and its committees have been held as per the requisite quorum. Agenda & notices have been circulated in advance, minutes appropriately recorded & maintained, decisions communicated and their execution monitored in compliance, thereafter.
- The Directors of the Board are fully aware of their duties under the Companies Act 2017. Further, they are provided with orientation courses to enable them in performing their duties effectively and diligently. This shall be pursued continuingly.
- In the best interest of the shareholders, the Board has a long-term view of the Company. Its key function is on strategy and legal compliance. Currently, the strategic focus is on the Re-organization, BMR (Balancing Modernization and Replacement) project and financial revival of the Company. The new Board has been playing an active role in formulating these plans and has effectively communicated them to the executive management for implementation.
- In this period, in order to carry out the above tasks, the Board has met frequently and regularly, while maintaining COVID-19 protocols, and has monitored management's performance. It has utilized the services of internal auditors, external auditors and other independent consultants for assistance from time to time.
- The Board believes in transparency, professionalism and legal compliance. It has set the tone to this effect and shall implement & strengthen relevant internal controls and systems to ensure ethical and professional conduct of the Company at all levels.

In the end, I would like to ensure the shareholders that your company is on the right track towards a proper turnaround. Through the values and principles mentioned above, we are persevering ahead, achieving interim goals to get to our final target of creating a successful and profitable company and realizing true potential value.



MUHAMMAD FAROOQ NASEEM

Chairman

Lahore: December 03, 2021

Directors' Report to the Shareholders

The Board of Directors presents the 41th annual report along with the audited financial statements of the Company for the year ended June 30, 2021.

Principal Activity and Operational Performance

Dandot Cement Company Limited (the Company) is a Public Listed Company. The principal activity of the Company is the production and sale of cement. The operational performance of the Company for the year under review as compared with the preceding year is as follows:

		2021	2020	
-	Clinker production	M. Ton	-	8,493
-	Capacity utilization	%age	-	11
-	Cement production	M. Ton	-	21,286
-	Capacity utilization	%age	-	17
-	Sales	M. Ton	-	26,151

The comparative financial results of the company are summarized as below: (Rs. in `000`)

-	Gross sales	-	389,999
-	Net sales	-	296,106
-	Gross loss	-	(193,487)
-	Operating loss	(41,802)	(230,551)
-	Net loss	(77,743)	(695,056)
-	Earnings per share (Rs.)	(0.82)	(7.33)

During the period under review, cement production & related sales volume remained suspended due to closure of plant operations since September 2019. Due to huge financial losses, dividend has not been recommended by the board of directors for the current period.

Future Prospects

Industry:

The past year was challenging for the entire world due to the adverse effects of the Covid-19 pandemic, but the measures which were taken by the government have resulted in the sustainable recovery of Pakistan's economy. There is a remarkable increase in industry sales volume because of the resumption of construction activities after the lock-down situation and announcement of construction related incentive packages by the Government of Pakistan. In Pakistan, the projects of housing sectors and dams are the key drivers for the consumption of cement. Further, the distribution of the COVID-19 vaccine has been started throughout the country to control the effects of the virus.

Principal Risks and Uncertainties

- Increasing supply with stagnant demand.
- Impact of the COVID-19 pandemic.
- Further devaluation of Pak Rupee against the dollar

Company's Plan

In order to meet the legal standards and to avoid any adverse action from the Environmental Department, the Company decided to upgrade the plant through Balancing, Modernization and Replacement (BMR). For the purpose, the Company signed a Memorandum of Understanding (MOU) with a renowned cement contractor from China for BMR. The substantial amount has been approved by financial institutions under the TERF scheme of State Bank of Pakistan (SBP) and remaining amount shall be arranged by the sponsors as fresh equity. The relevant Letters of Credit (LCs) for import of the said machinery under BMR are established. The Company hopes to complete the BMR within its time lines and get back to its commercial operations.

Right Shares Issue

During the year, pursuance of strategic financial management strategy of the Company, the management has decided to increase its equity base by issuance of right shares. The main purpose of Right issue is re-profiling of financial credentials through capitalization and repayment of sponsors' loan. Subsequent to year end, after complying all legal requirements, the Board of Directors approved the allotment of these right shares in their meeting held on August 09, 2021. Resultantly, the paid up capital of the Company would be enhanced to amounting Rs. 2,481.73 million.

Auditors' Observations

The management of the Company has injected significant funds after acquisition. The financial institutions have also approved limits for the import of machinery for Balancing, Modernization and Replacement (BMR), all LC's are established during the year. Based on the efforts of the new management in the right direction, the management is fully confident that the Company will continue its operations as a going concern. Workers' compensation benefits in excess of statutory/legal requirements will be subject to recognition after final determination and verification by the Competent Authority. Letters for the balance confirmation have been circulated but no reply has been received. However, the balance has been confirmed by external auditors' through alternative audit procedures. Furthermore, since order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP), the Company is accruing markup on dues of provident fund in the books of account without any default.

Adequacy of Internal Control

The Board of Directors is aware of its responsibility and all the necessary steps are being taken by the Directors to ensure the effectiveness of the Company's 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 Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements quarterly.

Composition of Board of Directors

The total number of directors are seven including a female director. At present the Board has the following composition:

- Executive Director	1
- Non-Executive Directors	4
- Independent Directors	2

Directors' Remuneration

As per Articles of Association of the Company, the Board of directors is authorized to fix remuneration of Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for the directors of the Company. The details of the remuneration paid to the executive director (chief executive) of the Company is disclosed in Note 41 of these financial statements.

Election of Directors and Meetings of the Board of Directors (BOD)

New election of the directors held on May 11, 2021 and existing directors re-appointed for the next three years.

During the year ending June 30, 2021, following is the detail of meetings of the BOD:

Director Name	Position on Board	Meetings attended
Taha Muhammad Naseem (CEO)	Executive Director	7
Muhammad Farooq Naseem	Non-Executive Director	7
Mrs. Roohi Farooq Naseem	Non-Executive Director	5
Zaka Muhammd Naseem	Non-Executive Director	6
Hamid Mehmood	Non-Executive Director	7
Shafqaat Ahmed	Independent Director	7
Murtaza Yousuf Mandviwalla	Independent Director	7

Note:

The directors who could not attend the meetings were duly granted leave of absence from the board in accordance with the law.

Audit Committee

The Board of Directors has constituted an Audit Committee in compliance with the Code of Corporate Governance with the following members:

Directors' Name	Meeting Attended
- Shafqaat Ahmed (Chairman)	6
- Muhammad Farooq Naseem	5
- Hamid Mehmood	4

Note:

The members of committee who could not attend the meetings were duly granted leave of absence in accordance with the law.

Human Resource & Remuneration Committee

The Board, in compliance with the new Code of Corporate Governance has formed a Human Resource Committee comprising of the following members:

Directors' Name	Meeting Attended
- Murtaza Yousuf Mandviwalla (Chairman)	6
- Muhammad Farooq Naseem	4
- Taha Muhammad Naseem	5

Note:

The members of the committee who could not attend the meetings were duly granted leave of absence in accordance with the law.

Subsequent Events

All subsequent events have been properly disclosed in the relevant notes to the audited financial statements of the Company.

Change in Nature of Business

No change has occurred during the financial year concerning the nature of the business of the Company.

Environmental and Social Responsibility

Your Company being a responsible corporate citizen always tries its level best to protect and create a healthier environment for not only its own employees but also for our surrounding communities. Currently, the plant cannot be operated on desired environmental standards so the Company is working for a BMR. Further, your Company being a responsible corporate citizen is always conscious to discharge its obligations towards its valued human resources.

Pattern of Shareholding

The pattern of shareholding and additional information required in this regard is enclosed.

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2021-22. The Audit Committee has recommended their re-appointment.

Acknowledgment

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the Company in the current year.



TAHA MUHAMMAD NASEEM
Chief Executive
Lahore: December 03, 2021



MUHAMMAD FAROOQ NASEEM
Director

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Pattern of Shareholding

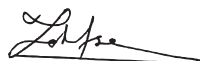
As at June 30, 2021

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
209	1	100	4,945
202	101	500	76,837
94	501	1,000	83,286
153	1,001	5,000	410,045
36	5,001	10,000	250,405
14	10,001	15,000	174,460
6	15,001	20,000	106,834
3	20,001	25,000	72,500
2	25,001	30,000	57,088
1	35,001	40,000	39,000
1	40,001	45,000	42,500
2	45,001	50,000	97,500
1	50,001	55,000	53,000
1	55,001	60,000	59,500
2	70,001	75,000	142,293
1	85,001	90,000	86,000
1	90,001	95,000	93,000
1	95,001	100,000	95,212
1	120,001	125,000	124,000
1	145,001	150,000	150,000
1	180,001	185,000	182,625
1	200,001	205,000	200,500
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	285,001	290,000	286,000
1	365,001	370,000	366,377
1	380,001	385,000	381,024
2	495,001	500,000	1,000,000
1	595,001	600,000	600,000
1	700,001	705,000	704,250
1	1,050,001	1,055,000	1,053,000
1	1,540,001	1,545,000	1,543,839
1	1,945,001	1,950,000	1,947,000
1	2,705,001	2,710,000	2,705,506
1	3,245,001	3,250,000	3,250,000
1	3,380,001	3,385,000	3,382,999
1	3,495,001	3,500,000	3,495,737
1	3,765,001	3,770,000	3,766,552
1	30,590,001	30,595,000	30,594,535
1	36,715,001	36,720,000	36,718,390
753			94,839,980

Categories Of Shareholders	Shares held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	3,500	0.0037%
Associated Companies, undertakings and related parties. (Parent Company)	67,312,925	70.9753%
NIT and ICP	1,100	0.0012%
Banks Development Financial Institutions, Non Banking Financial Institutions.	200	0.0002%
Insurance Companies	182,625	0.1926%
Modarabas and Mutual Funds	0	0.0000%
Shareholders holding 10% or more	67,312,925	70.9753%
General Public		
a. Local	20,192,246	21.2909%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	4,682,628	4.9374%
2- Foreign Companies	328,031	0.3459%
3- Others	2,136,725	2.2530%

**Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2021**

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Calicom Industries (Private) Limited (CDC)	67,312,925	70.9753
Mutual Funds (Name Wise Detail)		-	0.0000
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	Hamid Mahmood (CDC)	500	0.0005
2	Mrs. Roohi Farooq Naseem (CDC)	500	0.0005
3	Muhammad Farooq Naseem (CDC)	500	0.0005
4	Zaka Muhammad Naseem (CDC)	500	0.0005
5	Shafqaat Ahmed (CDC)	500	0.0005
6	Taha Muhammad Naseem (CDC)	500	0.0005
7	Murtaza Yousuf Mandviwalla (CDC)	500	0.0005
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance		182,825	0.1928
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	Calicom Industries (Private) Limited (CDC)	67,312,925	70.9753
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:			Nil



TAHA MUHAMMAD NASEEM
Chief Executive
Lahore: December 03, 2021

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

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

1- The total number of directors are 7 (seven) as per following:

- Male 6
- Female 1

2- The composition of board is as follows:

Category	Names
- Executive Director	Taha Muhammad Naseem (CEO)
- Non-Executive Director	Muhammad Farooq Naseem (Chairman) Mrs. Roohi Farooq Naseem (Female Director) Zaka Muhammad Naseem Hamid Mehmood
- Independent Director	Shafqaat Ahmed Murtaza Yousuf Mandviwala

The independent directors meet the criteria of independence under clause 6(3) of CCG.

- 3- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4- The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 6- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9- The Board had arranged Directors' Training Program for Mr. Taha Muhammad Naseem, Mr. Hamid Mahmood and Mr. Shafqaat Ahmed. However, remaining directors will be enrolled for the Directors' Training Program.
- 10- The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 11- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

- 12- The board has formed committees comprising of members given below:
- a) Audit Committee is as follows:
- i. Shafqaat Ahmed (Chairman)
 - ii. Muhammad Farooq Naseem
 - iii. Hamid Mehmood
- b) HR and Remuneration Committee is as follows:
- i. Murtaza Yousuf Mandviwala (Chairman)
 - ii. Muhammad Farooq Naseem
 - iii. Taha Muhammad Naseem
- 13- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14- The meetings of the audit committee and HR and Remuneration Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG.
- 15- The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- 16- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by 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, head of internal audit, company secretary or director of the company;
- 17- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18- We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with; Explanation as required under the regulations is mentioned below;
- Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations; therefore, the company did not made appointment of a third independent director.
- 19- We confirm that all other requirements of the Regulations have been complied with except for the requirements under Regulation 19 and 24. The Company has adopted explanation approach as the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") allowed the Companies to either comply or explain the reason otherwise. The management is of the view, that the employee holding the position of CFO and Company Secretary is suitably qualified and professionally capable with the relevant experience to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the Company. Further, due to pandemic COVID-19, directors' training was not possible. However, remaining directors will be enrolled soon for the Directors' Training Program.



MUHAMMAD FAROOQ NASEEM
Chairman
Lahore: December 03, 2021



TAHA MUHAMMAD NASEEM
Director

Independent Auditor's Review Report

To the members of Dandot Cement Company Limited

Review Report on the Statement of Compliance contained in the 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 **Dandot Cement Company Limited** for the year ended June 30, 2021 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, 2021.



Amin Mudassar & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Faisalabad: December 03, 2021

Independent Auditor's Report

To the members of Dandot Cement Company Limited Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Dandot Cement Company Limited**, which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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, 2021 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

As explained in note 20(i) to the financial statements, the company had written back outstanding liability in respect of some Past Dues Payable, Payable against Gratuity and Interest on Workers' Profit Participation Fund Payable retrospectively aggregating Rs. 317.12 million and not accounted for related expense and liability during the previous years and current year amounting Rs.53.54 million and Rs.6.91 million respectively. The company did not account for expense and liability of salary and provident fund contribution during the previous years and current year amounting Rs.70.87 million and Rs.47.76 million respectively since September 01, 2019 for which petition was filed in Hon'ble Labour Court by the company for their retrenchment as referred to note 20(i) to the financial statements. However, basis of balances written back and non-provisioning of benefits remained unsubstantiated in the absence of any agreement(s) or related approval(s). Had the company accounted for and not reversed the outstanding liability related to prior years, loss for the year would have been higher by Rs.54.68 million, current liabilities and accumulated loss as at June 30, 2021 would have been higher by Rs.496.22 million.

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.

Material Uncertainty relating to Going Concern

We draw attention to note no. 1.2 to the financial statements, which indicates that the financial statements have been prepared on going concern basis. During the previous year, the management of the company decided to complete close down the Plant to undertake Balancing, Modernization and Replacement (BMR) activity. The company has commenced the Balancing, Modernization and Replacement (BMR) related activities and has arranged adequate facility limits from financial institutions to import the equipment for Balancing, Modernization and Replacement (BMR) of existing Plant. As stated in note no. 1.2 to the financial statements, the company has sustained loss amounting Rs. 77.74 million during the year ended June 30, 2021 and as of that date its accumulated loss was Rs. 5,203.55 million. As of June 30, 2021, the company's current liabilities exceeded its current assets by Rs.631.48 million and deferment of its obligations. These events or conditions, along with other matters as set forth in note no. 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to note 11.1 and note 17.1 to the financial statements respectively which describes overdue liability in respect of loan from Economic Affairs Division (EAD) and accrued interest thereon amounting Rs.35.23 million and Rs.67.27 million respectively. We did not receive reply of direct balance confirmation circulated in respect of these balances, however, carrying amount of aforesaid balances has been confirmed through alternative procedures.

Further, we also draw attention to the matter of outstanding balance of provident fund as explained in note 16.1 to the financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matter(s)

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. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty relating to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matter(s):

S. No. Key audit matter(s)

How the matter was addressed in our audit

(I) Capital Work in Progress

(Refer to note 22 to the financial statements)

The company's spending on capital work in progress (BMR) is material, as shown by the total value of additions in note 22. The assessment and timing of whether such assets meet the criteria set out in IAS 16 Property, Plant and Equipment as set out in the company's accounting policies. In addition, determining whether there is any indication of impairment of the carrying value of assets being developed. As a result, there is a risk that the company's expenditure on tangible non-current assets is inappropriately capitalized.

Our procedures performed included:

- assessing the design, implementation and testing the operating effectiveness of controls in respect of process of identification of elements of costs of an asset under IAS 16 Property, Plant and Equipment and the identification of potential indicators of impairment;
- performing sample tests of capital expenditure including an examination of management's assessment as to whether the project spending meet the recognition criteria set forth in IAS 16 Property, Plant and Equipment, and reviewing the capital work in progress (BMR) status reports for these assets to check for indicators of impairment; and
- for capital work in progress (BMR), developed an understanding of the business case, challenging key assumptions and estimates using our business and industry understanding and experience.

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

Management is responsible for the other information. The other information comprise 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

Except for the effects of the matters described in the Basis for Qualified Opinion section of our report, based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Amin Mudassar & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Faisalabad: December 03, 2021

Statement of Financial Position

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (2020: 100,000,000) ordinary shares of Rs.10 each		5,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	4	948,399,800	948,399,800
Share premium reserve	5	31,800,740	31,800,740
Share deposit money	6	2,001,870,008	-
Accumulated loss		(5,203,551,914)	(5,201,976,599)
Revaluation surplus on property, plant and equipment	7	2,343,466,017	2,419,633,353
Long term loan from holding company	8	738,419,941	2,532,527,126
		860,404,592	730,384,420
NON CURRENT LIABILITIES			
Long term financing from banking companies	9	1,873,250,420	2,022,113,765
Payable to provident fund trust	10	-	-
Other loans and liabilities	11	-	-
Deferred liabilities	12	958,677,734	989,710,316
Long term advances and deposits	13	3,563,334	3,563,334
		2,835,491,488	3,015,387,415
CURRENT LIABILITIES			
Trade and other payables	14	597,107,509	699,141,931
Deposits, accrued liabilities and advances	15	54,028,497	62,543,995
Unclaimed dividend		1,081,940	1,081,940
Payable to provident fund trust	16	89,307,046	90,207,951
Mark up accrued	17	240,830,448	215,319,584
Current portion of non current liabilities	18	65,037,845	92,081,512
Provision for taxation	19	-	-
		1,047,393,285	1,160,376,913
CONTINGENCIES AND COMMITMENTS	20	-	-
		4,743,289,365	4,906,148,748

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



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	21	4,182,492,866	4,306,965,277
Capital work in progress	22	133,189,717	19,095,481
Intangible assets	23	1,408,333	-
Long term deposits and prepayments	24	10,286,715	10,328,905
		<u>4,327,377,631</u>	<u>4,336,389,663</u>
CURRENT ASSETS			
Stores, spares and loose tools	25	225,732,514	232,860,397
Stock in trade	26	89,992,553	119,153,645
Trade debts	27	-	11,441,977
Loans and advances	28	9,810,165	11,372,801
Trade deposits, short term prepayments and current account balances with statutory authorities	29	69,258,163	188,166,437
Cash and bank balances	30	21,118,339	6,763,828
		<u>415,911,734</u>	<u>569,759,085</u>
		<u>4,743,289,365</u>	<u>4,906,148,748</u>



ZAKA MUHAMMAD NASEEM
Director

Statement of Profit or Loss

For the Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales			
Local sales		-	389,999,371
Less: Excise duty		-	52,302,620
Sales tax		-	40,677,050
Commission / discount		-	914,101
		-	93,893,771
Net sales		-	296,105,600
Cost of sales	31	-	(489,593,137)
Gross loss		-	(193,487,537)
Distribution cost	32	-	(2,401,669)
Administrative expenses	33	(41,802,161)	(34,661,819)
		(41,802,161)	(37,063,488)
Operating loss		(41,802,161)	(230,551,025)
Other operating income/(expenses)-net	34	128,838,547	(17,871,404)
		87,036,386	(248,422,429)
Finance cost	35	(195,806,801)	(371,291,194)
Loss before taxation		(108,770,414)	(619,713,623)
Taxation	36	31,027,763	(75,342,841)
Loss after taxation		(77,742,651)	(695,056,464)
Earnings/(loss) per share - Basic and Diluted	37	(0.82)	(7.33)

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



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

Statement of Comprehensive Income

For the Year Ended June 30, 2021

	2021 Rupees	2020 Rupees
Loss after taxation	(77,742,651)	(695,056,464)
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	-	-
Other comprehensive income	-	-
Total comprehensive loss for the year	(77,742,651)	(695,056,464)

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



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

Statement of Cash Flows

For the Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(108,770,414)	(619,713,623)
Adjustments of items not involving movement of cash:			
Depreciation	21	138,672,411	145,905,933
Amortization	23	91,667	-
Profit on deposit and saving accounts	34	(321,257)	(537,538)
Loss on disposal of fixed assets	34	-	209,067
Reversal of provision for doubtful balances	34	(295,852)	(30,000)
Balances written back	34	(6,741,282)	-
Provision for obsolescence of stores, spares and loose tools	34	7,127,884	-
Stores, spares and loose tools written off during the year	34	-	7,944,845
Provision for obsolescence of stock in trade	26	29,161,092	-
Provision for doubtful debts	34	-	5,259,944
Balances written off	34	1,692,224	3,381,252
Finance income on long term loan	34	(312,627,905)	-
Finance expense on long term loan	35	-	137,540,770
Unwinding of long term finances	9	106,944,486	143,312,940
Short term lease payments	33	3,900,000	3,831,265
Finance cost	35	88,663,455	90,063,191
		56,266,921	536,881,669
Net cash used before working capital changes		(52,503,493)	(82,831,954)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		-	45,816,777
Stock in trade		-	100,864,834
Trade debts		11,737,829	88,593,891
Loans and advances		(87,398)	21,334,875
Trade deposits, short term prepayments and current account balances with statutory authorities		-	(1,662,301)
Increase / (decrease) in current liabilities			
Trade and other payables		(95,293,140)	(210,205,359)
Deposits, accrued liabilities and advances		(8,515,498)	(129,211,370)
Payable to Provident fund trust		(900,905)	(3,577,149)
		(93,059,111)	(88,045,801)
Cash used in operations		(145,562,604)	(170,877,755)
Finance cost paid		(24,944,184)	(44,234,309)
Interest received		321,257	537,538
Short term lease payments		(3,900,000)	(3,831,265)
Income tax refund/(paid)		118,903,455	(9,088,032)
Net cash used in operating activities		(55,182,076)	(227,493,823)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(14,200,000)	(69,722,054)
Sale proceeds of fixed assets		-	200,000
Capital work in progress		(114,094,236)	(19,095,481)
Intangible assets purchased		(1,500,000)	-
Long term security deposits		-	(8,360)
Net cash used in investing activities		(129,794,236)	(88,625,895)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received from holding company		211,886,000	343,916,000
Long term loan repaid to banking companies		(8,432,000)	(61,491,503)
Long term loan repaid to related party		-	(8,446,000)
Share deposit money received		84,840	-
Right subscription expenditures		(4,208,017)	-
Other loans and liabilities repaid- net		-	(5,102)
Net cash inflows from financing activities		199,330,823	273,973,395
Net increase/(decrease) in cash and cash equivalents		14,354,511	(42,146,323)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,763,828	48,910,151
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	30	21,118,339	6,763,828

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



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

Statement of Changes in Equity For the Year Ended June 30, 2021

	Capital Reserve		Share Deposit Money			Revenue Reserves		Capital Reserve	Long Term Loan From Holding Company	Total
	Issued, subscribed and paid-up capital	Share premium	Face value	Premium	Total value	Accumulated loss	Revaluation surplus on property, plant and equipment			
Balance as at July 1, 2019	948,399,800	31,800,740	-	-	-	(4,587,511,104)	2,500,224,322	1,773,441,126	686,354,884	
Profit after taxation for the year	-	-	-	-	-	(695,056,464)	-	-	(695,056,464)	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	(695,056,464)	-	-	(695,056,464)	
Loan received / transferred during the year	-	-	-	-	-	-	-	759,086,000	759,086,000	
Revaluation surplus on disposal of revalued asset	-	-	-	-	-	301,271	(301,271)	-	-	
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 7	-	-	-	-	-	80,289,698	(80,289,698)	-	-	
Balance as at July 1, 2020	948,399,800	31,800,740	-	-	-	(5,201,976,599)	2,419,633,353	2,532,527,126	730,384,420	
Loss after taxation for the year	-	-	-	-	-	(77,742,651)	-	-	(77,742,651)	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	
Total comprehensive loss for the year	-	-	-	-	-	(77,742,651)	-	-	(77,742,651)	
Loan received / transferred during the year	-	-	1,337,385,350	668,692,675	2,006,078,025	-	-	(1,794,107,185)	211,970,840	
Right subscription expenditures	-	-	-	(4,208,017)	(4,208,017)	-	-	-	(4,208,017)	
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 7	-	-	-	-	-	76,167,336	(76,167,336)	-	-	
Balance as at June 30, 2021	948,399,800	31,800,740	1,337,385,350	664,484,658	2,001,870,008	(5,203,551,914)	2,343,466,017	738,419,941	860,404,592	

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



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

Notes to the Financial Statements

For the Year Ended June 30, 2021

1 THE COMPANY AND ITS OPERATIONS

1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The Company started its production on 1983 and has been engaged in production and marketing of cement. Since 2019, the company is a subsidiary of Calicom Industries (Pvt.) Limited (Holding Company) and acquired under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

1.2 After the acquisition, the sponsors arranged significant funds to bridge the deficits of cash flows of the company. Despite comprehensive annual maintenance, the company could not achieve feasible production levels which could control financial losses and more importantly the plant's emission levels could not meet the environmental levels prescribed under the relevant law. Earlier, the Provincial Cabinet of the Government of Punjab also directed the company to upgrade the plant on both economical viable scale and on modern technology to mitigate the environmental risks.

In order to meet the legal standards and to avoid any adverse action from Environmental Department, the company decided to close down the operations during the financial year 2019-20 and move towards upgrading it through Balancing, Modernization and Replacement (BMR). For the purpose, the Company signed a Memorandum of Understanding (MOU) with a renowned cement contractor from China. The total financial outlay of the BMR is estimated at Rs. 3.8 billion including \$13.3 million for import of new machinery and equipment. During the year, an amount of Rs. 1.85 billion has already been approved by a consortium of financial institutions under the TERF scheme of State Bank of Pakistan (SBP) and remaining amount shall be arranged by the sponsors. Further, all the Letters of Credit (LCs) for import of the said machinery are established by financial institutions of \$13.3 million including LCs of \$1.72 million established through own sources by the sponsors.

During the year, pursuance of strategic financial management strategy of the company, the management decided to increase its equity base by issuance of right shares. The main purpose of Right issue is re-profiling of financial credentials through capitalization and repayment of sponsors' loan.

On the basis of these steps by new sponsors, the management of the company is fully confident that the company will continue its operations as a going concern. Accordingly, these financial statements have been prepared on going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as a going concern. However, company's current year net loss amounting Rs. 77.74 million, accumulated loss was Rs. 5,203.55 million and the company's current liabilities are exceeding its current assets by Rs. 631.48 million that indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, and the company may not be able to realise its assets and discharge its liabilities in the normal course of business.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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comprise of:

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

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

2.2 BASIS OF MEASUREMENT AND PREPARATION

These financial statements have been prepared under historical cost convention except stated in the relevant notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- Surplus on revaluation of property, plant and equipment
- Estimation of contingent liabilities
- Estimated useful life of operating assets
- Estimated useful life of intangible assets
- Deferred taxation
- Provision for taxation
- Provision for expected credit losses
- Provision for impairment of inventories

2.5 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS:

2.5.1 New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the year:

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

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2.5.2 New standards, amendments to approved accounting standards and interpretations that are effective for the Company's accounting periods beginning on or after July 1, 2021

There are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Taxation

Current

Current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws. Company's export sales, if any, fall under presumptive tax regime under Section 154 of the Income Tax Ordinance, 2001.

Deferred

The company accounts for deferred taxation using the liability method on all temporary differences between the amounts for financial reporting purpose and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credit to the extent that it is probable that the future profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date.

3.2 Employees Retirement Benefits

- a) During the year ended June 30, 2019, the company had ceased funded gratuity scheme of employees (workers) as referred to note 20 to the financial statements.
- b) The Company operates a funded contributory provident fund scheme for all eligible employees and contribution is made by both employer and employee @ 10% of basic salary plus dearness allowance and the liability is recognized in financial statements on monthly basis.

3.3 Borrowing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction

Notes.....

costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3.4 Trade and Other Payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the company.

3.5 Dividend

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

3.6 Provisions

A provision is recognized in the reporting when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.7 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

3.8 Property, Plant and Equipment

Operating fixed assets are stated at cost or revalued amount less accumulated depreciation and accumulated impairment except for freehold land which is stated at revalued amount.

Depreciation charge is based on reducing balance method at the rates specified in relevant notes.

Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which asset is disposed off. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Notes.....

Gains and losses on disposal of assets, if any, are included in profit or loss.

The management assesses at each reporting date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss.

3.9 Intangible Assets

Intangible assets acquired are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the license/software.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in relevant notes to these financial statements.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.10 Capital Work In Progress

Capital work in progress is stated at cost excluding impairment losses if any and represents expenditure incurred on fixed assets during their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

3.11 Stores, Spares and Loose Tools

Stores, spares and loose tools are valued at lower of moving average cost and net realizable value. Cost is determined using moving average method except for items in transit which is determined on the basis of cost incurred upto the reporting date. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

3.12 Stock In Trade

These are valued at lower of cost and net realizable value applying the following method:

Raw materials	at weighted average cost
Work in process and finished goods	at average cost covering direct material, labour and manufacturing overheads

Notes.....

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

3.13 Trade Debts

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

3.14 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of change in value.

3.15 Foreign Currency Transactions and Translation

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date.

The company charges all exchange differences to profit or loss account.

3.16 Financial Instruments

3.16.1 Financial Assets

a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

c) Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss

Notes.....

using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

3.16.2 Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.17 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Notes.....

3.18 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets except for which are measured at 12-month ECLs.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

(b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.19 Revenue Recognition:

(a) Sale of goods

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Mark-up on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

(c) Dividend income is recognized when the right to receive such payment is established.

Notes.....

3.20 Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are recognised in profit or loss account as incurred.

3.21 Related Party Transactions

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.22 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

	Note	2021 Rupees	2020 Rupees
4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
86,089,980 (2020: 86,089,980) ordinary shares of Rs.10 each fully paid in cash		860,899,800	860,899,800
8,750,000 (2020: 8,750,000) ordinary shares of Rs.10 each issued as fully paid bonus shares		87,500,000	87,500,000
		<u>948,399,800</u>	<u>948,399,800</u>
5 SHARE PREMIUM RESERVE			
This reserve can be utilized by the company only for the purpose specified in section 81 of the Companies Act, 2017.			
6 SHARE DEPOSIT MONEY			
Share deposit money received/adjusted	6.1	2,006,078,025	-
Right subscription expenditure		(4,208,017)	-
		<u>2,001,870,008</u>	<u>-</u>

Notes.....

6.1 This represents share deposit money received/adjusted from related parties as follows;

Particulars	Nature of relationship	% of shareholding	Note	2021 Rupees	2020 Rupees
Muhammad Farooq Naseem	Director	0.001%		12,120	-
Taha Muhammad Naseem	Director	0.001%		12,120	-
Mrs. Roohi Farooq Naseem	Director	0.001%		12,120	-
Zaka Muhammad Naseem	Director	0.001%		12,120	-
Hamid Mahmood	Director	0.001%		12,120	-
Murtaza Yousuf Mandviwala	Director	0.001%		12,120	-
Shafqaat Ahmed	Director	0.001%		12,120	-
Calicom Industries Pvt. Ltd.	Holding Company	87.217%	8	2,005,993,185	-
				2,006,078,025	-

6.2 During the year, the management decided to increase its equity base by issuance of 153.33 million right shares at a price of Rs. 15 per share, aggregating amounting Rs. 2,300.00 million. The main purpose of right issue is to strengthen and maintain a healthy debt to equity ratio through re-profiling of financial credentials and repayment of sponsors' loan. Subsequent to year end, after complying all legal requirements, the Board of Directors approved the allotment of these right shares in their meeting held on August 09, 2021. Resultantly, the paid up capital of the Company would be enhanced to amounting Rs. 2,481.73 million.

	Note	2021 Rupees	2020 Rupees
7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
Balance as at July 01,		3,305,536,036	3,419,044,444
Disposal during the year		-	(424,326)
		3,305,536,036	3,418,620,118
Less: Transferred to accumulated loss in respect of			
Incremental depreciation		76,167,336	80,289,698
Related deferred tax liability		31,110,602	32,794,384
		107,277,938	113,084,082
Balance as at June 30,		3,198,258,098	3,305,536,036
Less: Related deferred tax liabilities on			
Revaluation at the beginning of the year		885,902,683	918,820,122
Disposal during the year		-	(123,055)
Incremental depreciation on revalued assets		(31,110,602)	(32,794,384)
		854,792,081	885,902,683
		2,343,466,017	2,419,633,353

7.1 Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007, 2016 and 2018, as referred in note 21.5 to these financial statements resulting a surplus of Rs. 1,843.8 million, Rs. 685.61 million, Rs. 1,666.20 million and Rs. 1,096.67 million respectively.

Based upon recent revaluation report, the forced sale value of above said land, buildings, plant and machinery and vehicles are amounting Rs. 242.63 million, Rs. 180.99 million, Rs. 2,721.60 million and Rs. 37.59 million respectively.

Notes.....

8 LONG TERM LOAN FROM HOLDING COMPANY

Un-Secured and interest free

	Aggregate % of shareholding	Note	2021 Rupees	2020 Rupees
Loan from Calicom Industries (Pvt.) Ltd	71%			
Balance as at July 01,			2,532,527,126	1,773,441,126
Add: Loan obtained during the year			211,886,000	343,916,000
Loan taken over by holding company				
BankIslami loan-1			-	286,375,000
BankIslami loan-2			-	128,795,000
			2,744,413,126	2,532,527,126
Less: Transferred to share deposit money		6.1	2,005,993,185	-
		8.1	738,419,941	2,532,527,126

8.1 This includes loan of Bank Islami Pakistan Limited (BIPL) transferred to holding company. However, the loan is secured against 1st pari passu charge of Rs. 400 million on Plant and Machinery of the company, pledge of 11,413,500 company shares and personal guarantees of all the directors of holding company. The loan is interest free and repayable on the discretion of company.

9 LONG TERM FINANCING FROM BANKING COMPANIES

Secured - From Bank of Punjab Limited (BOP)

	Note	2021 Rupees	2020 Rupees
Demand finance facility - DF 1	9.1	1,348,695,308	1,549,333,646
Demand finance facility - DF 2	9.2	554,067,112	505,716,951
Demand finance facility - DF 3	9.3	-	23,618,835
	9.4	1,902,762,420	2,078,669,432
Less: current portion			
Payable within next 12 months		(25,296,000)	(56,555,667)
Overdue		(4,216,000)	-
		(29,512,000)	(56,555,667)
		1,873,250,420	2,022,113,765

9.1 Demand finance facility - 1

Balance as at July 01,	1,549,333,646	1,557,617,550
Add: Unwinding for the year	46,761,026	46,207,600
	1,596,094,672	1,603,825,150
Less: Payments made during the year	-	(54,491,504)
Less: Finance income	(247,399,364)	-
	1,348,695,308	1,549,333,646

9.2 Demand finance facility - 2

Balance as at July 01,	505,716,951	451,302,095
Addition/transferred during the year	61,827,242	-
	567,544,193	451,302,095
Add: Unwinding for the year	60,183,460	61,414,856
	627,727,653	512,716,951
Less: Payments made during the year	(8,432,000)	(7,000,000)
Less: Finance income	(65,228,541)	-
	554,067,112	505,716,951

Notes.....

	Note	2021 Rupees	2020 Rupees
9.3 Demand finance facility - 3			
Balance as at July 01,		23,618,834	-
Addition during the year		-	36,760,000
		23,618,834	36,760,000
Add: Unwinding for the year		1,330,408	-
		24,949,242	36,760,000
Less: Finance income		-	(13,141,166)
		24,949,242	23,618,834
Less: Transferred during the year		(24,949,242)	-
		-	23,618,834

9.4 These loans are secured against 1st pari passu charge of Rs. 3,326 million over projects assets (Land, Building, Plant and Machinery), 1st charge of Rs. 268 million on current assets, debt subordination agreement of holding company amounting to Rs. 2,117 million, pledge of 11,650,000 shares of the company by new sponsors, corporate guarantee and personal guarantee of directors of holding company. During the year, the company renegotiated and managed to reschedule the outstanding liabilities at December 31, 2020 as under:

DF-1 This represents the outstanding principal of Rs. 1,774.78 million which shall be paid in monthly installments of range from Rs. 8 million to Rs. 31.78 million commencing from January 31, 2023. Markup shall be paid every month @ 4.65% p.a fixed up to February 28, 2025 and after that markup shall be 3 month KIBOR without any floor or cap using KIBOR rate at the last working day of previous quarter. The finance has been presented at amortized cost by using effective rate of markup.

DF-2 This represents the outstanding markup of amounting Rs. 1,291.46 million which shall be paid in 99 installments commenced from January 31, 2021. The finance has been presented at amortized cost by using effective rate of markup.

DF-3 This represented the outstanding mark-up on DF-1 for the period January-2020 to June 2020 which has been consolidated in DF-2 with effect from December 31, 2020.

10 PAYABLE TO PROVIDENT FUND TRUST

Principal	10.1	17,515,432	18,416,337
Less: current portion		-	-
Payable within next 12 month		17,515,432	18,416,337
Overdue		-	-

Notes.....

10.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order in 2009 that the company should provide mark-up on all outstanding principal amount to that date and will pay an installment of Rs. 0.5 million per month to clear these dues from October, 2009. Since that order, the company is providing markup in the books of account without any default.

	Note	2021 Rupees	2020 Rupees
11 OTHER LOANS AND LIABILITIES- Unsecured LOANS			
From Economic Affairs Division, Government of Pakistan (EAD)	11.1	35,232,000	35,232,000
OTHER LIABILITIES			
Peace agreement arrears	11.2	293,845	293,845
		(35,525,845)	(35,525,845)
Less: current portion			
Payable within next 12 months		-	-
Overdue		(35,525,845)	(35,525,845)
		(35,525,845)	(35,525,845)
		-	-

11.1 (a) This represents the balance of Pak rupee loan of Rs. 340.84 million originally advanced in 1984 in Japanese Yen to the State Cement Corporation of Pakistan (Private) Limited. After privatization in 1992, under sale agreement, loan was payable to EAD under the assurance of Privatization Commission Government of Pakistan. This was secured by bank guarantee.

The amount of the original loan was in Japanese Yen 5,199,457,960 carrying interest @ 8.5% p.a. In 1987 the yen loan was converted into Pak rupee loan at exchange rate of 1 Yen=0.122111 Pak Rupee carrying interest @ 11% and exchange risk fee @ 3% per annum payable to the EAD in 30 equal half yearly installments.

(b) In 2004, management of Gharibwal Cement Limited (GCL) paid Rs. 134 million against outstanding principal and requested for restructuring of this loan. The competent authority has accorded its approval and waived off outstanding markup to date amounting to Rs. 87.78 million. After rescheduling, principal was outstanding of Rs. 132 million and future mark up @ 14% p.a. (11% mark up and 3% exchange risk fee) payable in ten equal half yearly installments. The rescheduled amount was to be secured by bank guarantee or creating second charge against fixed assets of the company in favor of EAD.

11.2 This represents increment arrears on current workers' salaries for the financial years ended on June 30, 2007, June 30, 2008 and June 30, 2009. As per peace agreement with CBA dated May 09, 2009, these arrears were payable in 72 equal monthly installments of Rs. 0.53 million each. These are interest free and unsecured.

Notes.....

	Note	2021 Rupees	2020 Rupees
12 DEFERRED LIABILITIES			
Deferred taxation	12.1	958,677,734	989,710,316
		958,677,734	989,710,316
12.1 Deferred taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		103,885,652	103,807,633
Surplus on revaluation of assets		854,792,082	885,902,683
		958,677,734	989,710,316
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(646,741,427)	(718,769,505)
Minimum taxes paid		(58,787,486)	(82,261,153)
Provision for doubtful balances		(4,411,295)	(4,497,092)
Provision for obsolete stores, spares and loose tools		(2,067,086)	-
Deferred tax asset not recognized		712,007,294	805,527,750
		-	-
Deferred tax liability	12.2	958,677,734	989,710,316
12.2 Movement of deferred taxation:			
Balance as at July 01,		989,710,316	918,820,122
Add: Charge/(reversal) during the year			
Statement of profit or loss		(31,032,582)	70,890,194
Statement of comprehensive income		-	-
		(31,032,582)	70,890,194
		958,677,734	989,710,316

12.3 During the year, net deferred tax assets for the deductible temporary differences, carry forward of unused tax losses and minimum tax amounting Rs. 712.01 million (2020: Rs. 805.53 million) has not been recognized because there are remote chances that taxable profit would be available in foreseeable future against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2022.

Notes.....

12.4 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2017	18,068,355	2022
2018	16,333,542	2023
2019	19,928,123	2024
2020	4,452,647	2025
2021	4,819	2026

12.5 Business losses would expire as follows :

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business losses will expire
2016	194,103,878	2022
2017	407,209,509	2023
2018	633,579,313	2024
2020	330,192,375	2026
2021	165,067,043	2027

12.6 Depreciation losses pertaining to tax years 1996 to 2021 amounting Rs. 499.99 million have no expiry limits.

	Note	2021 Rupees	2020 Rupees
13 LONG TERM ADVANCES AND DEPOSITS			
Un-secured and Interest free			
Security deposits	13.1	3,563,334	3,563,334

13.1 These represent securities from distributors and contractors. These are being utilized by the company as authorized by the agreement with parties or deposited with separate bank account in compliance with section 217 of the Companies Act, 2017.

14 TRADE AND OTHER PAYABLES

Trade creditors		398,283,343	501,399,528
Past dues payable	14.1	167,743,402	166,683,759
Past utility bills		19,460,417	19,460,417
Workers' profit participation fund payable	14.2	3,780,109	3,780,109
Others payable		7,840,238	7,818,118
		597,107,509	699,141,931

14.1 This represents the amounts payable for the closure period of the factory on account of accumulated salaries and benefits, one day deduction and legal expenses payable to the employees and CBA.

14.2 Workers' Profit Participation Fund Payable

Balance as at July 01,	3,780,109	3,780,109
Less: Payments during the year	-	-
	3,780,109	3,780,109

Notes.....

	Note	2021 Rupees	2020 Rupees
15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Advances from customers - unsecured	15.1	-	3,905,432
Accrued expenses		47,998,184	52,708,651
Excise duty payable		163,295	163,295
Royalty payable		3,683,400	3,683,400
Income tax withheld payable		2,183,618	2,083,217
		54,028,497	62,543,995
15.1 Advances from customers			
Gross advances from customers		3,905,432	3,905,432
Less: Balances written back during the year		(3,905,432)	-
		-	3,905,432
16 PAYABLE TO PROVIDENT FUND			
Overdue balance		71,791,614	71,791,614
Current portion of provident fund trust	10	17,515,432	18,416,337
		89,307,046	90,207,951
16.1 On April 08, 2021, the company received show cause notice and hearing notice from the Securities & Exchange Commission of Pakistan (SECP) in respect of failure to pay Provident Fund contribution as per requirements of Companies Act, 2017 and Companies Ordinance 1984 (Repealed). During the hearings, the company submitted requisite explanations and payment plan on September 21, 2021 to HOD, Adjudication Department, SECP Islamabad through its Corporate Advisor. However, the company has been providing markup on dues of Provident Fund in the books of account without any default.			
17 MARK UP ACCRUED			
Mark up accrued on:			
Secured loan - The Bank of Punjab		13,792,236	-
Unsecured loans	17.1	227,038,212	215,319,584
		240,830,448	215,319,584
17.1 This represents the mark up payable on loans or balances payable to Economic Affairs Division (EAD) and Provident Fund Trust of amounting Rs. 67.27 million (2020: Rs. 62.33 million) and Rs. 159.77 million (2020: Rs.152.99 million) respectively.			
18 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term financing from banking companies	9	29,512,000	56,555,667
Long term financing from others	11	35,525,845	35,525,845
		65,037,845	92,081,512
19 PROVISION FOR TAXATION			
Balance as at 1st July,		-	-
Less: Adjusted during the year		-	-
Add: Provision for the taxation-current		4,819	4,452,647
		4,819	4,452,647
Less: Tax deducted at source / advance tax		(4,819)	(4,452,647)
		-	-

Notes.....

- 19.1 Provision for the current year represents tax on income chargeable under minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

- a) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs.2.46 million on account of inadmissible input tax and non payment of output sales tax along with surcharge and penalty. The company had filed appeals during the year 2009 against the orders of Deputy Commissioner Inland Revenue Appeals. The Commissioner (Appeals) had decided the case against the company. The company has filed appeals against the decisions of the Commissioner (Appeals) with Appellate Tribunal Inland Revenue. However, the company has accounted for the liability of Rs.2.46 million which shall be paid in case of any un-favorable the decision of Appellate Tribunal Inland Revenue.
- b) Mr. Amin Ullah Khan and Mr. Nasrullah Khan filed a case on June 30, 1983 in Civil Court, Lahore regarding principal and compounded interest thereon. Case was referred to Mr. Justice Tariq Shamim on May 24, 2016. If matter is decided against the company, the maximum exposure would be Rs.17.50 million on account of principal and compound interest claimed. The Company has good arguable case and there is very likelihood that the same be decided in its favour. Further, the claimant are not pursuing their claim almost more than one decade. Accordingly, we will also not pursue this matter unless required.
- c) The Company filed the titled appeal in Mines and Mineral Department, Lahore against a Demand Notice dated November 27, 2013 for a sum of Rs. 67.12 million which mainly includes penalty @ 1% per day issued by Director General, Mines and Mineral Punjab. The Company has good arguable case and there is very likelihood that the same be decided in its favour. Further, the claimant is not pursuing his claim almost more than one decade. Accordingly, we will also not pursue this matter unless required.
- d) Writ petition has been filed by Collector Sale Tax in High Court, Islamabad in December 21, 2002 regarding wrong adjustment on electricity, sui gas, purchase of store and machinery by company of amounting Rs. 14.38 million. However, the Honorable High Court decided the case in favour of the company.
- e) The Competition Commission of Pakistan (the Commission), vide order dated August 27, 2009, has imposed penalty on 20 cement factories of Pakistan at the rate of 7.5% of the turnover value as disclosed in the last annual financial statements. The Commission has imposed penalty amounting Rs. 41.71 million on the company for alleged violation of section 4(1) of the Competition Commission Ordinance, 2007. The cement manufacturers including company challenged the commission order in the court in year 2010 bearing Writ Petition No.2654/2010 and Honorable High Court granted stay to the companies against adverse action by the commission. Further, the Company has filed an appeal on April 24, 2008 before the Competition Appellate Tribunal. Based on legal advice the company has not accounted for the liability of aforesaid amount.
- f) A complain was moved by Aftab Ahmad Khan (MPA) on 29.03.2005 in Punjab Provisional Assembly regarding spreading pollution /smoke and noise in factory area. Environment Tribunal passed an order against company after inspection by Environment Protection Department. The Company had filed an appeal in 2010 bearing No.73/2010 in honorable Lahore High Court. The matter is pending adjudication. The Company has good arguable case and there is very likelihood that the same be decided in its favour.
- g) On January 23, 2009 the SNGPL encashed bank guarantee amounting Rs. 88 million against arrears of gas bills from the financial year 2006 to 2008. Till June 30, 2009, after adjustment of bank guarantee total arrears amounting Rs.35.38 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. Application was filed on September 10, 2011 by SNGPL in Civil Court and the same

Notes.....

has been dismissed due to non prosecution of case. SNGPL has filed an application for restoration of case which is pending adjudication.

- h) On November 11, 2019, the company filed a petition in Honorable Labour Court under standing order 11-A of the Industrial and Commercial Employment Ordinance, 1968 to "Close Down" the factory for the purpose of comprehensive Balancing, Modernization and Replacement (BMR) and to seek permission for retrenchment of workers at factory. On January 29, 2021, Honorable Labour Court has decided the case in favor of the company along with particular directions. Later on an appeal is filed under section 46(3) of the Punjab Industrial Relations Act, 2010 by the workers. This appeal is pending before the Honorable Punjab Labour Appellate Tribunal.
- i) During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting Rs.317.12 million in respect of provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against workers Gratuity and ceased to account for the aforesaid benefits. Accordingly, the company has not accounted for accumulated provision against interest on Workers' Profit Participation Fund Payable, Payable against workers Gratuity, provision of salary and employee benefits amounting Rs.1.25 million (2020: Rs. 0.85 million), Rs.49.89 million (2020: Rs.43.38 million), Rs. 113.29 (2020: Rs.67.68 million) and Rs. 5.34 (2020: Rs.3.19 million) respectively. As per opinion of the new management, these liabilities are not valid and based on unjustified agreements. However, worker's compensation benefits, will be subject to final determination by the competent authority and the company undertakes to comply with the consequential implications of such determination.
- j) On June 25, 2021, the company received show cause notice to provide explanation under Section 122(9) of the Income Tax Ordinance for the tax years from 2016 to 2019. Accordingly, the company submitted required explanations within the due date to Deputy Commissioner Inland Revenue, Lahore through its Tax Advisor. Based on discussion held with Tax Advisor, the management is of the opinion that Company has good arguable case and there is very likelihood that the same be decided in its favour.

	Note	2021 Rupees	2020 Rupees
20.2 Commitments			
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	20.2.1	1,500,000	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab	20.2.2	139,165	139,165
Letters of credit issued by various banks on behalf of the company regarding capital expenditures.	20.2.3	1,821,231,250	-

20.2.1 This guarantee is secured by lien in favour of Summit Bank Limited on term deposit receipt amounting Rs. 1.50 million (2020: Rs. 1.50 million).

20.2.2 This guarantee is secured by lien in favour of United Bank Limited on term deposit receipt amounting Rs. 0.14 million (2020: Rs. 0.14 million).

20.2.3 This represent commitments in respect of letters of credit regarding capital expenditures is amounting Rs.1,821.23 million (2020: Rs. Nil).

Notes.....

21 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION				D E P R E C I A T I O N					Book Value as at June 30, 2021	
	To July 01, 2020	Additions	Deletions	Adjustment	To June 30, 2021	Rate %	As at July 01, 2020	For the Year	On disposals		Adjustment
Free hold land	319,069,625	14,200,000	-	-	333,269,625	-	-	-	-	-	333,269,625
Quarry on lease hold land	1,330,978	-	-	1,330,978	-	10 Yrs.	1,330,978	-	-	1,330,978	-
Factory building on free hold land	423,411,450	-	-	-	423,411,450	10	300,208,830	12,320,262	-	-	312,529,092
Office building	34,179,118	-	-	-	34,179,118	5	23,882,496	514,831	-	-	24,397,327
Residential building	143,271,170	-	-	-	143,271,170	10	92,464,730	5,080,644	-	-	97,545,374
Plant and Machinery	6,047,439,800	-	-	-	6,047,439,800	3	2,294,053,072	112,601,602	-	-	2,406,654,674
Office Equipment	13,863,986	-	-	-	13,863,986	10	9,386,543	447,744	-	-	9,834,287
Furniture and fixture	8,487,629	-	-	-	8,487,629	10	7,046,291	143,934	-	-	7,192,225
Heavy vehicles	167,372,363	-	-	-	167,372,363	20	146,521,217	4,170,229	-	-	150,691,446
Light vehicles	51,827,792	-	-	-	51,827,792	20	41,202,349	2,125,089	-	-	43,327,438
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,468,356	12,911	-	-	1,481,267
Electric installation	52,391,664	-	-	-	52,391,664	10	39,898,013	1,249,365	-	-	41,147,378
Weighting scales	151,958	-	-	-	151,958	10	96,324	5,563	-	-	101,887
Library books	72,403	-	-	-	72,403	10	70,034	237	-	-	70,271
	7,264,596,510	14,200,000	-	1,330,978	7,277,465,532		2,957,631,233	138,672,411	-	1,330,978	3,094,972,666
											4,182,492,866

OWNED

21.1 Vehicles include a Shehzor Mazda having cost amounting Rs. 0.65 million is in the name of PFC Commercial Bank and not in the name of the company due to the fact that bank is unable to trace the relevant record of abroadsaid vehicle. Consequently, bank did not issue no objection certificate(N.O.C) for transfer of vehicle in the name of company.

21.2 The company has free hold land of 492.83 acres area situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Dist. Jhelum. Further, The building on free hold land having covered area of approximate 284263 Sq. ft. situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Dist. Jhelum.

Notes.....

21.3 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION					Book Value as at June 30, 2020	
	As at July 01, 2019	Additions	Deletions	Adjustment	As at June 30, 2020	Rate %	As at July 01, 2019	For the Year	On disposals	Adjustment		As at June 30, 2020
 R U P E E S R U P E E S						
OWNED												
Free hold land	303,281,000	15,778,625	-	-	319,069,625	-	-	-	-	-	-	319,069,625
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,330,978	-	-	-	1,330,978	-
Factory building on free hold land	423,411,450	-	-	-	423,411,450	10	286,519,650	13,689,180	-	-	300,208,830	123,202,620
Office building	34,179,118	-	-	-	34,179,118	5	23,340,568	541,928	-	-	23,882,496	10,296,622
Residential building	143,271,170	-	-	-	143,271,170	10	86,819,570	5,645,160	-	-	92,464,730	50,806,440
Plant and Machinery	5,995,872,803	51,566,997	-	-	6,047,439,800	3	2,178,002,792	116,050,280	-	-	2,294,053,072	3,753,386,728
Office Equipment	12,883,899	980,087	-	-	13,863,986	10	8,898,125	488,418	-	-	9,386,543	4,477,443
Furniture and fixture	7,487,884	999,765	-	-	8,487,629	10	6,897,622	150,669	-	-	7,048,291	1,439,338
Heavy vehicles	167,372,363	-	-	-	167,372,363	20	141,308,431	5,212,786	-	-	146,521,217	20,851,146
Light vehicles	53,059,678	-	1,231,886	-	51,827,792	20	39,305,876	2,719,293	822,820	-	41,202,349	10,625,443
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,454,766	13,590	-	-	1,468,356	258,218
Electric installation	51,995,084	396,580	-	-	52,391,664	10	38,509,829	1,388,184	-	-	39,898,013	12,493,651
Weighing scales	151,958	-	-	-	151,958	10	90,142	6,182	-	-	96,324	55,634
Library books	72,403	-	-	-	72,403	10	69,771	263	-	-	70,034	2,369
	7,196,106,342	69,722,054	1,231,886	-	7,264,596,510		2,812,548,120	145,905,933	822,820	-	2,957,631,233	4,306,965,277

Notes.....

	Note	2021 Rupees	2020 Rupees
21.4 Depreciation for the year has been allocated as under:			
Cost of sales		-	142,336,739
Distribution cost		-	141,407
Others	34	136,074,685	-
Administrative expenses	33	2,597,726	3,427,787
		<u>138,672,411</u>	<u>145,905,933</u>
21.5 Land, Buildings, Plant & Machinery, and Vehicles of the Company were first revalued on April 01, 2002, resulting in surplus of Rs.1,843.80 million. Thereafter, the company again revalued its Land, Buildings, Plant & Machinery, and Vehicles on June 30, 2007, June 30, 2016 and June 30, 2018 resulting a surplus of Rs. 685.61 million, Rs. 1,666.20 million and Rs. 1,096.67 million respectively. The revaluation exercises have been carried out by an independent value M/s Surval, recognized valuation consultant, based on Depreciated Replacement Value.			
21.6 Had there been no revaluation, the book value of Land, Buildings, Plant & Machinery and Vehicles at June 30, 2021 would have been Rs. 82.57 million (2020: Rs.68.37 million), Rs. 23.57 million (2020: Rs. 26.04 million), Rs. 426.19 million (2020: Rs. 439.37 million), and Rs. 1.95 million (2020: Rs. 2.44 million) respectively.			
22 CAPITAL WORK IN PROGRESS			
Margin against letters of credit		28,803,450	-
Immature letters of credit	22.1	17,115,982	-
Un-allocated capital expenditure-BMR	22.2	69,467,785	19,095,481
		115,387,217	19,095,481
Advance against purchase of land		17,802,500	-
		<u>133,189,717</u>	<u>19,095,481</u>
22.1 These comprise of opening charges, bank charges and partial payments of cost of documents.			
22.2 Un-allocated capital expenditure - BMR			
As at July 01,		19,095,481	-
Salaries, wages and benefits		38,807,235	14,819,534
Travelling and daily allowances		226,000	88,657
Vehicle running and maintenance		2,404,512	1,186,823
Printing and stationery		30,664	24,675
Entertainment		4,328,320	2,581,638
Others		4,575,573	394,154
		50,372,304	19,095,481
		<u>69,467,785</u>	<u>19,095,481</u>
23 INTANGIBLE ASSETS - Mining rights			
Cost			
As at July 01		-	-
Add: Addition during the year		1,500,000	-
		<u>1,500,000</u>	-
Accumulated Ammortization			
As at July 01,		-	-
Amortization for the year	33	(91,667)	-
		<u>(91,667)</u>	-
Net book value as at June 30,		<u>1,408,333</u>	-
Useful life-years		<u>10</u>	-
24 LONG TERM DEPOSITS AND PREPAYMENTS			
Islamabad Electric Supply Company		9,486,000	9,486,000
Others		800,715	842,905
		<u>10,286,715</u>	<u>10,328,905</u>

Notes.....

	Note	2021 Rupees	2020 Rupees
25 STORES, SPARES AND LOOSE TOOLS			
General stores		163,069,980	163,963,405
Spare parts		69,102,899	76,048,973
Loose tools		687,518	792,864
		<u>232,860,397</u>	<u>240,805,243</u>
Provision for obsolete stores, spares and loose tools	25.1	(7,127,884)	-
Stores, spares and loose tools written off during the year		-	(7,944,845)
		<u>(7,127,884)</u>	<u>(7,944,845)</u>
		<u>225,732,514</u>	<u>232,860,397</u>
25.1 Provision for slow moving and obsolete stores, spares and loose tools			
Balance as at July 01,		-	-
Provision for the year	34.2	7,127,884	-
		<u>7,127,884</u>	<u>-</u>
26 STOCK IN TRADE			
Raw material		89,992,553	89,992,553
Work in process		-	29,161,092
Finished goods		-	1,643,834
		<u>89,992,553</u>	<u>120,797,479</u>
Provision for obsolete stock	26.1	-	(1,643,834)
		<u>89,992,553</u>	<u>119,153,645</u>
26.1 Provision for slow moving and obsolete stock			
Balance as at July 01,		1,643,834	-
Provision for the year		-	1,643,834
		<u>1,643,834</u>	<u>1,643,834</u>
Stock written off during the year	34.2	(1,643,834)	-
		<u>-</u>	<u>1,643,834</u>
27 TRADE DEBTS			
These are unsecured but considered good by the management except provision provided as follows:			
Gross trade debts		15,211,361	26,949,190
Less: Provision for doubtful debts	27.1	15,211,361	15,507,213
		<u>-</u>	<u>11,441,977</u>

	Total	Past due but not impaired		
		1-90 days	90-180 days	More than 180 days
2021 Rupees	-	-	-	-
2020 Rupees	11,441,977	-	-	11,441,977

Notes.....

	Note	2021 Rupees	2020 Rupees
27.1 Movement in doubtful debts			
Balance at the beginning of the year		15,507,213	10,247,269
Provision for the year		-	5,259,944
Reversal of provision		(295,852)	-
Balance as at end of the year		<u>15,211,361</u>	<u>15,507,213</u>
28 LOANS AND ADVANCES			
Loans:			
Considered good:			
Loan to employees		8,015,573	8,004,182
Advances:			
Considered good:			
To employees		1,794,592	1,723,073
To suppliers / contractors		-	1,645,546
		<u>1,794,592</u>	<u>3,368,619</u>
		<u>9,810,165</u>	<u>11,372,801</u>
29 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES			
Advance income tax		58,288,128	177,196,402
Sales tax receivable		10,970,035	10,970,035
		<u>69,258,163</u>	<u>188,166,437</u>
30 CASH AND BANK BALANCES			
Cash in hand		71,726	48,222
Cash at banks in:			
Current accounts		16,764,137	3,378,076
Saving accounts		1,304,181	471,017
Deposit accounts	30.1	2,978,295	2,866,513
		<u>21,046,613</u>	<u>6,715,606</u>
		<u>21,118,339</u>	<u>6,763,828</u>

30.1 This includes amounting Rs.1.64 million (2020: Rs.1.64 million) deposited against guarantees as referred to note 20.2.

30.2 Saving and deposit accounts bear mark up at the rates ranging from 5.28% to 8.05% (2020: 4.05% to 10.25%) per annum.

Notes.....

	Note	2021 Rupees	2020 Rupees
31 COST OF SALES			
Raw materials consumed	31.1	-	6,248,945
Salaries, wages and benefits		-	35,971,214
Fuel, gas and electricity		-	164,662,576
Stores and spares		-	14,209,592
Vehicle running and maintenance		-	1,209,646
Packing material		-	10,785,826
Depreciation	21.4	-	142,336,739
Others		-	3,581,575
		-	379,006,113
Work in process:			
Opening		29,161,092	99,407,959
Closing		(29,161,092)	(29,161,092)
		-	70,246,867
Cost of goods manufactured		-	449,252,980
Finished goods:			
Opening		1,643,834	41,983,991
Closing	26	(1,643,834)	(1,643,834)
		-	40,340,157
		-	489,593,137
31.1 RAW MATERIALS CONSUMED			
Opening balance		89,992,553	78,626,529
Purchase of raw material		-	5,315,012
Salaries, wages and benefits		-	2,791,484
Electricity		-	2,315,012
Royalty and excise duty		-	3,905,615
Stores and spares		-	3,287,846
		89,992,553	96,241,498
Closing balance	26	(89,992,553)	(89,992,553)
		-	6,248,945
32 DISTRIBUTION COST			
Salaries, wages and benefits		-	2,150,000
Depreciation	21.4	-	141,407
Others		-	110,262
		-	2,401,669
33 ADMINISTRATIVE EXPENSES			
Director's remuneration		6,000,000	-
Salaries, wages and benefits		10,869,904	12,953,753
Rent, rates and taxes	33.1	3,900,000	3,831,265
Travelling and daily allowances		652,435	214,799
Repairs and maintenance		492,153	140,160
Auditor's remuneration	33.2	2,335,750	1,994,100
Legal and professional		3,241,764	4,186,509
Postage, telephone and telegrams		425,517	340,827
Printing and stationery		117,748	6,391
Entertainment		786,495	422,380
Fee and subscriptions		1,374,129	1,129,992
Depreciation	21.4	2,597,726	3,427,787
Amortization	23	91,667	-
Others	33.3	8,916,873	6,013,856
		41,802,161	34,661,819

Notes.....

	Note	2021 Rupees	2020 Rupees
33.1	This represents the short term lease payments during the year.		
33.2 Auditor's remuneration			
Amin, Mudassar & Co. Chartered Accountants			
		1,658,800	1,508,000
		233,250	62,700
		220,400	220,400
		223,300	203,000
		2,335,750	1,994,100
33.3	This includes sales tax surcharge/penalties amounting Rs. 2.46 million as refer to note no.20 of these financial statements.		
34 OTHER OPERATING INCOME/(EXEPNSES)-NET			
34.1 Other Income			
Income from financial assets			
		321,257	537,538
Income from non financial assets			
		295,852	30,000
	9.1 & 34.3	312,627,905	-
		6,741,282	-
		319,986,296	567,538
34.2 Less: Other Operating Expenses			
		1,692,224	3,381,252
		17,091,865	-
		-	209,067
	26	29,161,092	1,643,834
	25.1	7,127,884	-
		-	7,944,845
		-	5,259,944
	21.4 & 34.4	136,074,685	-
		191,147,749	18,438,942
		128,838,547	(17,871,404)
34.3	Finance income is the difference between present value of all future cash flows and loan recognised in the financial statements. Further, such recognition is in compliance of IFRS-9.		
34.4	This represents depreciation pertaining to cost of sale and distribution expense has been charged to operating expense as cement production and related sale activities remained suspended during the year due to closure of plant for BMR activities.		
35 FINANCE COST			
Interest / mark up on:			
		183,899,313	182,354,296
		-	35,690,484
		4,932,479	4,932,479
		6,786,149	10,398,872
		198,860	374,293
		195,806,801	233,750,424
		-	137,540,770
		195,806,801	371,291,194

Notes.....

	Note	2021 Rupees	2020 Rupees
36 TAXATION			
Income tax			
- Current	19	(4,819)	(4,452,647)
- Deferred	12.2	31,032,582	(70,890,194)
		31,027,763	(75,342,841)

36.1 Income tax assessments of the company have been finalized up to the Tax Year 2020 on the basis of income tax return filed as the company did not receive any corresponding from Income Tax Department except as the matter disclosed in note no. 20 of these financial statements.

36.2 No numeric tax rate reconciliation is presented for current and previous years in these financial statements as the company is either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance, 2001.

37 EARNINGS PER SHARE - BASIC AND DILUTED

Loss for the year - Rupees	(77,742,651)	(695,056,464)
Weighted average number of ordinary shares outstanding during the year - Number	94,839,980	94,839,980
Earnings/(loss) per share - Rupees	(0.82)	(7.33)

38 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

At amortized cost

Long term security deposits	10,286,715	10,328,905
Trade debts	-	11,441,977
Loans and advances	8,015,573	8,004,182
Cash and bank balances	21,118,339	6,763,828
	39,420,627	36,538,892

Financial liabilities

At amortized cost

Long term loans and liabilities	1,938,288,265	2,114,195,277
Long term advances and deposits	3,563,334	3,563,334
Trade and other payables	593,327,400	695,361,822
Deposits, accrued liabilities and advances	47,998,184	52,708,651
Unclaimed dividend	1,081,940	1,081,940
Payable to provident fund	89,307,046	90,207,951
Mark up accrued	240,830,448	215,319,584
	2,914,396,617	3,172,438,559

Notes.....

39 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks;

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management.

Here are presented the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in the market conditions and the Company's activities.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

39.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee etc. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2021 Rupees	2020 Rupees
Long term security deposits	10,286,715	10,328,905
Trade debts	-	11,441,977
Loans and advances	8,015,573	8,004,182
Bank balances	21,046,613	6,715,606
	39,348,901	36,490,670

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

The company has placed funds in financial institutions keeping in view credit ratings. The company assesses the credit quality of the counter parties as satisfactory. The company does not hold any collateral as security against any of its financial assets.

Notes.....

Cash at banks	Rating		Rating Agency	2021 Rupees	2020 Rupees
	Short Term	Long Term			
Habib Bank Limited	A-1+	AAA	JCR-VIS	322,948	271,549
National Bank of Pakistan	A1+	AAA	PACRA	942,220	671,629
Bank Al Habib Limited	A1+	AAA	PACRA	931,799	117,979
Askari Bank Limited	A1+	AA+	PACRA	397,269	98,196
The Bank Of Punjab	A1+	AA+	PACRA	991,913	83,950
Bank Alfalah Limited	A1+	AA+	PACRA	554,246	50,432
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,000	-
Bankislami Pakistan Limited	A1	A1+	PACRA	4,309,100	-
JS Bank Limited	A1+	A-	PACRA	1,462,271	-
Summit Bank Limited	Suspended	Suspended	JCR-VIS	4,639,343	4,527,561
United Bank Limited	A-1+	AAA	JCR-VIS	6,494,504	894,310
				21,046,613	6,715,606

Credit Risk Management

Due to the company long standing business relationship with counter parties and after giving due consideration to their strong financial standings, management does not expect non-performance by the counter parties on their obligation to the company. Accordingly, the credit risk is minimal. Further, the credit risk on bank balances is limited because the banks are under strict regulatory framework of State Bank Of Pakistan (SBP) and have statutory reserves with SBP.

39.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

Contractual maturities of financial liabilities as at June 30, 2021:

Carrying Amount	2021		
	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	----- R u p e e s -----		
Long term loans and liabilities	1,938,288,265	3,107,128,141	65,037,845
Long term advances and deposits	3,563,334	3,563,334	-
Trade and other payables	593,327,400	593,327,400	593,327,400
Deposits, accrued liabilities and advances	47,998,184	47,998,184	47,998,184
Unclaimed dividend	1,081,940	1,081,940	1,081,940
Payable to provident fund	89,307,046	89,307,046	89,307,046
Mark up accrued	240,830,448	240,830,448	240,830,448
	2,914,396,617	4,083,236,493	1,037,582,863
			3,045,653,630

Notes.....

Contractual maturities of financial liabilities as at June 30, 2020:

	2020			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	----- R u p e e s -----			
Loan from banking companies	2,114,195,277	3,064,739,961	92,081,512	2,972,658,449
Long term advances and deposits	3,563,334	3,563,334	-	3,563,334
Trade and other payables	695,361,822	695,361,822	695,361,822	-
Deposits, accrued liabilities and advances	52,708,651	52,708,651	52,708,651	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	90,207,951	90,207,951	90,207,951	-
Mark up accrued	215,319,584	215,319,584	215,319,584	-
	3,172,438,559	4,122,983,243	1,146,761,460	2,976,221,783

Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

39.3 Market Risk

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

39.4 Currency Risk

The company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The company is not exposed to currency risk as at the reporting date.

Notes.....

39.5 Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. In appropriate cases, the management takes out forward contracts to mitigate risk where it is necessary.

39.6 Interest Rate Risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

39.7 Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have increased loss before taxation by Rs. 20.26 million (2020: increased loss by Rs. 22.02 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on loss. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

39.8 Price Risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

39.9 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Notes.....

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The assets and liabilities that are measured at fair value on recurring and non-recurring basis have been disclosed in the relevant notes to the financial statements, if any.

Currently there are no financial assets or financial liabilities which are measured at their fair value.

- 39.10** Certain categories of property, plant and equipment (freehold land, buildings on freehold land, plant and machinery and vehicles) are carried at revalued amounts (level 2 measurement on non recurring basis) determined by a professional valuer based on their assessment of the market values as disclosed in relevant note to these financial statements.

40 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term and short term financing from financial institutions and others. Total capital employed includes total equity as shown in the statement of financial position plus borrowings.

	2021 Rupees	2020 Rupees
Borrowings	2,027,301,466	2,204,109,383
Total equity	860,404,592	730,384,420
Total capital employed	<u>2,887,706,058</u>	<u>2,934,493,803</u>
Gearing ratio	<u>70%</u>	<u>75%</u>

Notes.....

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2021			
	Chief Executive	Directors		Executives
		Executive	Non-Executive	
----- R u p e e s -----				
Managerial remuneration	6,000,000	-	-	18,687,092
	6,000,000	-	-	18,687,092
Number of persons	1	-	-	10

	2020			
		Directors		Executives
		Executive	Non-Executive	
----- R u p e e s -----				
Managerial remuneration	3,000,000	-	-	11,529,000
	3,000,000	-	-	11,529,000
Number of persons	1	-	-	7

41.1 The Chief Executive, Directors and executives are entitled to free use of cars according to company's policy.

42 EMPLOYEES' PROVIDENT FUND

The company has maintained an employees' provident fund trust (Trust). The company has to contribute the amount of provident fund to the Trust. Due to severe financial crunch, the company was unable to pay outstanding amount fully. However, mark-up, as return of investment, has been accrued in the books of account of the company.

The following information is based on the latest un-audited financial statements of the provident fund trust.

	2021 Rupees	2020 Rupees
Size of the fund - total assets	503,227,242	497,335,602
Cost of investment made	85,227,701	86,122,211
Percentage of the fund made	16.9%	19.0%
Fair value of investment made	85,227,701	86,122,211

Fair value of investment

The break-up of fair value

	2021		2020	
	Rupees	Percentage	Rupees	Percentage
Unpaid contribution by the company	85,100,915	99.85%	86,001,821	99.86%
Bank balances with scheduled bank	126,786	0.15%	120,390	0.14%

The management has the intention to contribute the outstanding amount of provident fund with related mark-up on attaining the profitable operations of the company. All the amount will be invested by the Trust as per the requirements of the section 218 of the Companies Act, 2017, once received from the company.

Notes.....

2021 **2020**
(----- N u m b e r -----)

43 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Average number of employees during the year

Factory employees

Other employees

181	314
15	12
196	326

Number of employees as at June 30,

Factory employees

Other employees

24	296
18	13
42	311

2021 **2020**
M. Tones **M. Tones**

44 PLANT CAPACITY AND ACTUAL PRODUCTION

Plant Capacity (Ordinary Portland cement)

Plant capacity (Clinker)

Actual production (Ordinary Portland cement)

%age of capacity utilized

Actual production (Clinker)

%age of capacity utilized

504,000	504,000
480,000	480,000
-	21,286
-	17
-	8,493
-	11

44.1 Cement production remained suspended due to closure of plant operations for the purpose of BMR activity.

45 OPERATING SEGMENT

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

45.2 All non-current assets of the company as at June 30, 2021 are located in Pakistan.

46 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on December 03, 2021 by the Board of Directors of the company.

Notes.....

47 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. There were no significant reclassifications / restatements to these financial statements during the year except the following;

Reclassified from Statement of Profit or Lose	Reclassified to Statement of Profit or Lose	2020 Rupees
Other Income	Other Operating Income/(Expenses)-Net	567,538
Other Operating Expenses	Other Operating Income/(Expenses)-Net	18,438,942

48 GENERAL

Figures in these financial statements have been rounded off to the nearest of rupee.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

Summary of Last Ten Year's Financial Result

Description	Rupees in Thousands									
	2021	2020	2019	2018 (Re-stated)	2017 (Re-stated)	2016	2015	2014	2013	2012
Trading Results:										
Net Sales	-	296,106	1,593,517	1,306,529	1,806,252	2,346,937	2,138,895	1,068,198	145,272	1,103,744
Gross Loss	-	(193,488)	(343,681)	(449,031)	(247,046)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)
Operating Loss	(41,802)	(230,551)	(411,284)	(514,262)	(327,396)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)
(Loss)/Profit Before Taxation	(108,770)	(619,714)	609,781	(728,803)	(511,833)	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)
(Loss)/Profit After Taxation	(77,743)	(695,056)	624,545	(717,909)	(500,118)	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)
Balance Sheet:										
Shareholder's Equity	860,405	730,384	666,355	(1,726,566)	(1,874,968)	(1,375,801)	(3,257,739)	(3,254,924)	(2,768,590)	(2,366,059)
Operating Fixed Assets	4,182,493	4,306,965	4,383,558	4,479,853	3,446,070	3,568,929	1,958,251	2,022,858	2,016,895	2,085,626
Net Current Liabilities	(631,482)	(590,618)	(708,739)	(4,154,798)	(3,472,548)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)
Long term Liabilities	2,835,491	3,015,387	3,018,785	2,061,907	1,861,898	1,556,014	963,195	1,371,016	1,059,527	1,321,674
Significant Ratios										
Gross Profit Ratio %	-	(65.34)	(21.57)	(34.37)	(13.68)	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)
Net Profit Ratio %	-	(234.73)	39.19	(54.95)	(27.69)	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)
Fixed Assets Turnover Ratio	-	0.07	0.36	0.29	0.52	0.66	1.09	0.53	0.07	0.53
Current Ratio	0.40	0.49	0.55	0.16	0.23	0.21	0.19	0.22	0.19	0.25

برآں، بلٹورڈ مہ دار کاروباری شہری آپ کی کمپنی اپنے معزز انسانی وسائل کی جانب اپنے فرائض کی ادائیگی کے لئے کئی طور پر باخبر ہے۔

شینر ہولڈنگ کی وضع

شینر ہولڈنگ کی وضع اور اس ضمن میں درکار اضافی معلومات ساتھ منسلک ہیں۔

بیرونی آڈیٹرز

حالیہ آڈیٹرز میسرز ایمین، مڈرائنڈکو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں اور اہلیت کی بنا پر سال 2021-2022 کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز حالیہ برس میں کمپنی کو درپیش بحرانی کیفیت کے دوران اپنے تمام سٹیک ہولڈرز بشمول میٹکرز، ملازمین، سپلائرز، ڈسٹری بیوٹرز اور ریگولیٹرز اور شینر ہولڈرز کی مسلسل حمایت، تعاون اور بھروسے پر تہ دل سے شکر گزار ہے۔



محمد فاروق انجم
ڈائریکٹر



طاہر انجم
چیف ایگزیکٹو

لاہور: 03 دسمبر، 2021ء

نوٹ:

اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو قانون کے تحت بورڈ کی جانب سے غیر حاضری کی رخصت عنایت کی گئی۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل اراکین پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے:

اجلاس میں حاضری	نام ڈائریکٹر
6	- شفقت احمد (چیئر مین)
5	- محمد فاروق نسیم
4	- حامد محمود

نوٹ:

اجلاس میں شرکت نہ کرنے والے کمیٹی اراکین کو قانون کے تحت غیر حاضری کی رخصت عنایت کی گئی۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے ترمیمی کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل اراکین پر مشتمل ہیومن ریسورس کمیٹی تشکیل دی ہے:

اجلاس میں حاضری	نام ڈائریکٹر
6	- مرتضیٰ یوسف مانڈوی والا (چیئر مین)
4	- محمد فاروق نسیم
5	- طلحہ نسیم

نوٹ:

اجلاس میں شرکت نہ کرنے والے کمیٹی اراکین کو قانون کے تحت غیر حاضری کی رخصت عنایت کی گئی۔

مابعد واقعات

کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں تمام مابعد واقعات کو باضابطہ طور پر ظاہر کیا گیا ہے۔

کاروبار کی نوعیت میں تبدیلی

مالیاتی سال کے دوران کمپنی کے کاروبار کی نوعیت کی بابت کوئی تبدیلی واقع نہیں ہوئی ہے۔

ماحولیاتی و سماجی ذمہ داری

بطور ذمہ دار کاروباری شہری آپ کی کمپنی نہ صرف اپنے ملازمین بلکہ ملحقہ آبادیوں کے لئے صحت مند ماحول کے قیام اور تحفظ کے لئے ہر ممکن کوشش کرتی ہے۔ فی الوقت، مطلوبہ ماحولیاتی معیار کے تحت پلانٹ نہیں چلایا جا سکتا ہے لہذا BMR کے لئے کام کر رہی ہے۔ مزید

معقول داخلی نظم و ضبط

بورڈ آف ڈائریکٹرز اپنی ذمہ داریوں سے آگاہ ہے۔ کمپنی کے داخلی نظم و ضبط کے ماحول کو متاثر کن کرنے کے لئے ڈائریکٹرز نے تمام ضروری اقدامات کئے ہیں اور اسی ضمن میں ڈائریکٹرز نے داخلی مالیاتی کنٹرولز کا موثر نظام قائم کیا ہے تاکہ آپریشنز کی موثر روانی، اثاثہ جات کے تحفظ، مروجہ قوانین و ضوابط کی تعمیل اور قابل بھروسہ مالیاتی رپورٹنگ کو یقینی بنایا جاسکے۔ کمپنی کا داخلی آڈٹ فنکشن مالیاتی کنٹرولز کے نفاذ کو جاری رکھنے اور اس کی باقاعدہ نگرانی کے لئے قائم کیا گیا ہے جب کہ آڈٹ کمیٹی سے ماہی بنیادوں پر داخلی نظم و ضبط کے فریم ورک پر عمل درآمد اور مالیاتی اسٹیٹمنٹس پر نظر ثانی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

بشمول خاتون ڈائریکٹر، ڈائریکٹرز کی کل تعداد 7 ہے۔ فی الحال بورڈ کی ترکیب حسب ذیل ہے:

1	- ایگزیکٹو ڈائریکٹر
4	- نان۔ ایگزیکٹو ڈائریکٹرز
2	- خود مختار ڈائریکٹرز

ڈائریکٹرز کا معاوضہ

کمپنی کے ڈائریکٹرز آف ایسوسی ایشن کے مطابق بورڈ آف ڈائریکٹرز وقت بوقت ڈائریکٹرز کے معاوضہ کا تعین کرنے کا مجاز ہے۔ اس ضمن میں، بورڈ آف ڈائریکٹرز نے کمپنی کے ڈائریکٹرز کے لئے معاوضہ پالیسی مرتب کی ہے۔ کمپنی کے ایگزیکٹو ڈائریکٹر (چیف ایگزیکٹو) کو ادا شدہ معاوضہ کی تفصیلات ان مالیاتی اسٹیٹمنٹس کے نوٹ 41 میں درج کی گئی ہیں۔

ڈائریکٹرز کا انتخاب اور بورڈ آف ڈائریکٹرز کے اجلاس

11 مئی 2021ء کو ڈائریکٹرز کے انتخاب کے لئے رائے شماری ہوئی اور موجودہ ڈائریکٹرز کو اگلے تین سال کے لئے دوبارہ مقرر کیا گیا ہے۔ 30 جون 2021ء کو اختتام پذیر سال کے دوران بورڈ آف ڈائریکٹرز کے اجلاس کی تفصیل حسب ذیل ہے:

اجلاس میں حاضری	بورڈ میں عہدہ	نام ڈائریکٹر
7	ایگزیکٹو ڈائریکٹر	- طہ محمد نسیم (CEO)
7	نان۔ ایگزیکٹو ڈائریکٹر	- محمد فاروق نسیم
5	نان۔ ایگزیکٹو ڈائریکٹر	- مسز روجی فاروق نسیم
6	نان۔ ایگزیکٹو ڈائریکٹر	- ذکاء محمد نسیم
7	نان۔ ایگزیکٹو ڈائریکٹر	- حامد محمود
7	آزاد ڈائریکٹر	- شفقت احمد
7	آزاد ڈائریکٹر	- مرتضیٰ یوسف ماندوی والا

ڈیپوں کے منصوبہ جات سیمنٹ کی کھپت میں اضافے کے مرکزی کردار ہیں۔ مزید برآں، وائرس کے اثرات کو کنٹرول کرنے کے لئے ملک بھر میں کرونا ویکسین کی تقسیم کا بھی آغاز ہو گیا ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

- جمود کی طلب کے ساتھ رسد میں اضافہ
- کرونا وائرس کی عالمگیر وبا کے اثرات
- ڈالر کے مقابلے میں پاکستانی روپے کی مزید قدر میں کمی

کمپنی کا منصوبہ

قانونی تقاضوں کو پورا کرنے اور محکمہ ماحولیات کی کارروائی سے بچنے کے لئے کمپنی نے توازن، جدت اور تبدیلی (BMR) کے تحت پلانٹ کی تجدید کا فیصلہ کیا ہے۔ اس مقصد کے لئے کمپنی نے BMR کے لئے چین کے معروف سیمنٹ کنٹریکٹر کے ساتھ سمجھوتہ کی یادداشت (MOU) پر دستخط کئے ہیں۔ اسٹیٹ بینک آف پاکستان (SBP) کی TERF سکیم کے تحت مالیاتی اداروں نے بھاری رقوم جاری کی ہیں اور بطور فریش ایکویٹی بقیہ رقم کا بندوبست سپانسرز کریں گے۔ BMR کے تحت مذکورہ مشینری کی درآمد کے لئے متعلقہ لیٹر آف کریڈٹ (LCs) تیار کر لئے گئے ہیں۔ کمپنی مقررہ وقت میں BMR کو مکمل کرنے اور اپنی تجارتی سرگرمیوں کی بحالی کے لئے پرامید ہے۔

رائٹ حصص کا اجرا

مذکورہ سال کے دوران، کمپنی کی سٹریٹجک فائنانشیئل مینجمنٹ حکمت عملی کی پیروی میں انتظامیہ نے رائٹ حصص کے اجرا کے ذریعے اپنی ایکویٹی بیس میں اضافے کا فیصلہ کیا ہے۔ سرمایہ داری اور سپانسرز کے قرضوں کی ادائیگی کے ذریعے مالیاتی اعداد و شمار کی ری پروفائلنگ رائٹ اجرا کا بنیادی مقصد ہے۔ سال کے اختتام پر تمام قانونی تقاضوں پر عمل کر کے بورڈ آف ڈائریکٹرز نے 09 اگست 2021ء کو منعقدہ اجلاس میں رائٹ حصص کی الاٹمنٹ کی منظوری دی ہے۔ نتیجتاً، کمپنی کا ادا شدہ سرمایہ بڑھ کر 2,481.73 ملین روپے ہو جائے گا۔

آڈیٹرز کے مشاہدات

کمپنی کی انتظامیہ نے انتظام سنبھالنے کے بعد بھاری رقوم داخل کی ہیں۔ مالیاتی اداروں نے بھی توازن، جدت اور تبدیلی (BMR) کے لئے مشینری کی درآمد اور سال بھر میں جاری LCs کے لئے حدود منظور کی ہیں۔ نئی انتظامیہ کی درست سمت کاوشوں کی بنیاد پر انتظامیہ پر عزم ہے کہ کمپنی جاری کاروباری کے طور پر اپنے آپریشنز جاری رکھے گی۔ لازمی/قانونی ضروریات سے زائد ورکرز کمپنیشن میں مراعات مجاز اتھارٹی کی جانب سے حتمی تعین اور تصدیق کے بعد تسلیم کی جائیں گی۔ بیلنس کی تصدیق کے لئے خطوط ارسال کئے جا چکے ہیں لیکن تاحال کوئی جواب موصول نہ ہوا ہے۔ البتہ بیرونی آڈیٹرز نے متبادل آڈٹ طریقہ کار کے تحت بیلنس کی تصدیق کر دی ہے۔ مزید برآں، سال 2009ء میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ حکم کے تحت بغیر ڈیفالٹ کے کھاتوں کی کتابوں میں پراویڈنٹ فنڈ کے واجبات پر کمپنی مارک اپ برداشت کر رہا ہے۔

حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2021ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی گوشواروں کے ہمراہ اکتالیسویں (41ویں) سالانہ رپورٹ پیش کرتے ہیں۔

مرکزی سرگرمی اور آپریشنل کارکردگی

ڈنڈوٹ سیمنٹ کمپنی لمیٹڈ (کمپنی) ایک پبلک لسڈ کمپنی ہے۔ کمپنی کی بنیادی کاروباری سرگرمی سیمنٹ کی پیداوار اور فروخت ہے۔ گذشتہ برس کی نسبت زیر جائزہ سال کے لئے کمپنی کی آپریشنل کارکردگی مندرجہ ذیل ہے:

2020	2021		
8,493	-	میٹرک ٹن	- کلنٹر پیداوار
11	-	فی صد	- صلاحیت کا استعمال
21,286	-	میٹرک ٹن	- سیمنٹ کی پیداوار
17	-	فی صد	- صلاحیت کا استعمال
26,151	-	میٹرک ٹن	- فروخت
کمپنی کے تقابلی مالیاتی نتائج کا خلاصہ حسب ذیل ہے: ('000' روپوں میں)			
389,999	-		- مجموعی فروخت
296,106	-		- خالص فروخت
(193,487)	-		- مجموعی خسارہ
(230,551)	(41,802)		- آپریٹنگ خسارہ
(695,056)	(77,743)		- خالص خسارہ
(7.33)	(0.82)		- فی حصص آمدنی (روپے)

ستمبر 2019ء سے پلانٹ آپریشنز کی بندش کے باعث زیر جائزہ مدت کے دوران سیمنٹ کی پیداوار اور اس سے متعلقہ فروخت کا حجم معطل رہا۔ بھاری مالیاتی خسارے کے باعث بورڈ آف ڈائریکٹرز نے حالیہ مدت کے لئے منافع منقسمہ تجویز نہیں کیا ہے۔

مستقبل کے امکانات

صنعت:

کورونا وائرس کی عالمگیر وبا کے بدترین اثرات کے باعث گذشتہ برس دنیا کے لئے مشکل ترین سال رہا۔ لیکن حکومتی اقدامات کے باعث پاکستان کی معیشت کی پائیدار بحالی ممکن ہوئی۔ لاک ڈاؤن کے بعد تعمیراتی سرگرمیوں کی بحالی اور حکومت پاکستان کی جانب سے تعمیراتی صنعت کے لئے رعایتی پیکیج کے اعلان کی وجہ سے اس صنعت کے فروخت کے حجم میں نمایاں بہتری ہوئی۔ پاکستان میں ہاؤسنگ سیکٹر اور

- 5- مادی شیئر سرٹیفکیٹس کے حامل حصص داران سے التماس ہے کہ اپنے پتے میں تبدیلی، اگر کوئی ہو، کمپنی کے شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگ آر کیڈ K-1 کمرشل ماڈل ٹاؤن لاہور کو فی الفور مطلع فرمائیں۔
- 6- حصص داران جو سالانہ رپورٹس اور نوٹس سالانہ اجلاس عام بذریعہ ای میل وصول کرنا چاہتے ہیں سے درخواست ہے کہ درج ذیل کوائف ہا قاعدہ اپنے دستخط شدہ لیٹر کے ذریعے فراہم کریں۔

1- نام

2- فولیو/سی ڈی سی اکاؤنٹ نمبر

3- ای میل ایڈریس

4- رابطہ نمبر

7- وڈیو کانفرنس سہولت کی رضامندی

کمپنیز ایکٹ، 2017 کی دفعہ (b)(1) 134 کی تعمیل میں، اگر کمپنی جغرافیائی محل وقوع میں سکونتی مجموعی %10 یا زیادہ شیئر ہولڈنگ کے مالک ارکان سے وڈیو لنک سہولت کے ذریعے اجلاس میں شرکت کیلئے رضامندی اجلاس عام کی تاریخ سے کم از کم 10 یوم قبل وصول کرتی ہے تو کمپنی اس شہر میں وڈیو لنک سہولت کا انتظام کرے گی۔

اس سہولت سے مستفید ہونے کے لئے، براہ مہربانی درج ذیل معلومات کمپنی کے رجسٹرڈ دفتر کو مہیا اور جمع کرائیں۔ کمپنی وڈیو کانفرنس سہولت کے مقام مع اس سہولت تک رسائی کے قابل بنانے کیلئے مکمل ضروری معلومات کی بابت اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

میں رہنم ساکن بحیثیت رکن ڈنڈوت سینٹ کمپنی لمیٹڈ، مالک
عام حصص برطابق رجسٹرڈ فولیو نمبر بذریعہ ہذا میں وڈیو کانفرنس سہولت اختیار
کرنا چاہتا ہوں۔

دستخط کارکن

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے حصص داران کا 41 واں سالانہ اجلاس عام برائے 30 جون 2021ء چھٹمہ مالی سال 43-A/S ظفر علی روڈ، گلبرگ-V، لاہور میں بروز پیر 27 دسمبر 2021ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 26 جنوری 2021ء کو منعقد ہونے والے گذشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2021ء چھٹمہ سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعدان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور و خوض، وصولی اور منظوری دینا۔
- 3- قانونی آڈیٹران کا تقرر اور ان کے صلہء خدمت کا تعین کرنا۔ موجودہ آڈیٹرز میسرز امین مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سکدوش ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔
- 4- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی، جو اجلاس کے رو برو رکھی جاسکتی ہیں



حسب الحکم بورڈ
(محمد کامران) کمپنی سیکرٹری

لاہور

مورخہ 3 دسمبر 2021ء

نوٹ:.....

- 1- رجسٹر ممبران اور کمپنی کی حصص منقلی کتابیں 20 دسمبر 2021ء تا 27 دسمبر 2021ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے استحقاق کے تعین کے لئے بندر ہیں گی۔
- 2- اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسیاں تا نکلہ مؤثر ہو سکیں کمپنی کے رجسٹرڈ دفتر بواقع 5 ظفر علی روڈ، گلبرگ-V، لاہور میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل تک لازماً وصول ہو جانی چاہئیں۔
- 3- سی ڈی سی حصص یافتگان سے التماس ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC)، یا پاسپورٹ شناخت کے مقصد کے لئے اجلاس میں شرکت کے وقت ہمراہ لائیں۔
- 4- بصورت کارپوریٹ اینٹیلٹی، بورڈ کی قرارداد یا مختار نامہ معدنا مزدہ کے نمونہ دستخط اجلاس کے وقت فراہم کرنا ہونگے۔

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پراکسی فارم

دی کمپنی سیکرٹری

ڈنڈوٹ سینٹ کمپنی لمیٹڈ

لاہور۔

میں / ہم

آف

بحیثیت ممبر ڈنڈوٹ سینٹ کمپنی لمیٹڈ اور ہماری جانب سے عارضی حصص کو برقرار

رکھا جیسا کہ فی حصص رجسٹر فوئیو نمبر یہاں پر مسٹر

آف کو بحوالہ فوئیو نمبر

کو بطور نمائندہ مقرر کیا جاتا ہے۔ نیز موصوف ڈنڈوٹ سینٹ کمپنی لمیٹڈ کے ایک ممبر بھی ہیں جو کہ موصوف میری یا ہماری جانب سے پراکسی میں شرکت

کرے اور اپنے رائے کو میری یا ہمارے ایما پر 41 ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز پیر مورخہ 27 دسمبر 2021 کو بوقت

صبح 11:30 بجے منعقد یا التوا ہو میں اپنی رائے (ووٹ) کو استعمال کرے۔

میری / ہماری جانب سے بطور گواہ اس پر آج مورخہ دسمبر 2021 دستخط کیے گئے ہیں۔

دستخط

پانچ روپے کی ٹکٹ چسپاں کریں

گواہ شدہ:

دستخط

نام

ایڈریس

نوٹ:-

1- پراکسی فارم کی معیاد کو برقرار رکھنے کے لیے ضروری ہے کہ اس پر دستخط اور پانچ روپے کی ریونیو سٹیپ کے ساتھ کمپنی کے رجسٹرڈ شدہ آفس

میں جمع کروایا جائے اور اس فارم کو مینٹنگ منعقد ہونے سے تقریباً 48 گھنٹے قبل جمع کروایا جانا ضروری ہے۔

2- کسی بھی فرد کے لیے پراکسی فارم کے استعمال کے فعل کا تحریک نہیں ہو سکتا تا آنکہ کہ وہ فرد کمپنی کا ممبر نہ ہو۔

3- پراکسی فارم پر وہی دستخط کرنا ہو گئے جن کا نمونہ دستخط پٹنی میں رجسٹرڈ ہے۔

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AFFIX
CORRECT
POSTAGE

The Company Secretary,

Dandot Cement Company Limited,
5-Zafar Ali Road, Gulberg V,
Lahore - Pakistan.
Ph: +92-42-35758614-15

Fold Here

Fold Here

Fold Here

Form of Proxy

The Company Secretary
Dandot Cement Company Limited
LAHORE.

I/We _____
of _____
being a member of **Dandot Cement Company Limited** and holder of _____ Ordinary Shares as per Shares Register Folio No. _____ hereby appoint Mr. _____ of _____ Folio No. _____ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend and vote for and on my / our behalf at the 41st Annual General Meeting of the Company to be held on **Monday, December 27, 2021 at 11:30 a.m** and at any adjournment thereof.

As witnessed given under my / our hand (s) _____ day of December 2021.

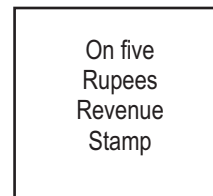
Witness:

Signature: _____

Name: _____

Address: _____

Signature



Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of th Company not later than 48 hours before the time of holding the meeting.
2. No person shall be act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.

Fold Here

AFFIX
CORRECT
POSTAGE

The Company Secretary,

Dandot Cement Company Limited,
5-Zafar Ali Road, Gulberg V,
Lahore - Pakistan.
Ph: +92-42-35758614-15

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