



**Annual Report
2022**

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
Meezan 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 42nd Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2022 will be held on Friday, November 25, 2022 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 December 27, 2021.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2022 together with Auditors' and Directors' Reports thereon.
3. To appoint Statutory Auditors and to fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chairman.
5. Any other item with the permission of the Chair.

(By Order of the Board)



LAHORE:
November 04, 2022

(MUHAMMAD KAMRAN)
COMPANY SECRETARY

NOTES:

1. The Share Transfer Books of the Company will remain closed from November 18, 2022 to November 25, 2022 (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. Shareholders who have not yet submitted copy of the CNIC/NTN certificate to the Company are requested to send the same at the earliest.
5. 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.
6. 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.
7. The Company has circulated the annual report along with notice of Annual General Meeting to its members through email at their registered emails as also allowed under Section 223(6) of the Companies Act. However, the shareholders who wish to receive the hard copy of the financial statements are requested to send a request using the "Standard Request Form" (also available on the Company's website <http://www.dandotcement.com>) at the Company address.

8. Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to notify by the SECP. The shareholders having physical shareholding are accordingly encouraged to open their account with Investor Account Services of CDC or Sub-account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sales of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
9. 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,

In this past year, Pakistan faced disastrous floods dislocating close to 30 million people from their homes. We pray for everyone affected by this calamity and have pledged to rebuild a few villages through our foundation. We hope that our small initiative can bring some relief to those in need. The company has taken great strides in its mission to create shareholder value through implementing various global practices to improve all areas. In order to become a sustainable corporation, modernization in these practices is essential with a focus on ESG governance principles. Throughout the year, your board has performed its duties admirably well and in accordance of all corporate governance and SECP rules and regulations.

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.
- Meetings 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 BMR project and financial revival of the Company. The Board has been playing an active role in formulating these plans and has effectively communicated them to the executive management for implementation.
- In this year, to carry out the above tasks, the Board has met frequently and regularly, 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.



MUHAMMAD FAROOQ NASEEM

Chairman

Lahore: November 04, 2022

Directors' Report to the Shareholders

The Board of Directors presents the 42th annual report along with the audited financial statements of the company for the year ended June 30, 2022.

Principal Activity and Operational Performance

Dandot Cement Company Limited (the Company) is a Public Listed Company. The principal activity of the Company is production and sale of cement. During the year, cement production & related sales volume remained suspended due to closure of plant operations for BMR activity since September 2019. Net loss for the year is PKR. 326.55 million (2021: PKR. 77.74 million) and loss per share is PKR. 1.42 (Restated: 2021: PKR. 0.79). Due to closure of operations and financial losses, dividend has not been recommended by the board of directors for the current year.

Future Prospects

Industry:

Pakistan's economy has been adversely affected due to the fact of political instability, destructive floods, economic instability, depreciating PKR against USD, super commodity cycle, and the Russia-Ukraine war. High inflation and interest rates have reduced purchasing power and high construction costs have waned demand. However, as some stability is found, cement demand will increase due to the growing population's need for basic infrastructure, and upgrading of the old.

Principal Risks and Uncertainties

- Increasing coal, fuel and electricity prices.
- Higher Interest rates.
- Aggressive devaluation of Pak Rupee against the dollar.
- Increasing supply with stagnant demand.

Company's Plan

In a year filled with uncertainties and volatility the company has progressed steadily towards the completion of the BMR. The project time line is maintained and expected completion is before next financial year. The BMR aims to bring the carbon emission of the company on par with the Pakistan Emission Standard and improve production metrics. 5 MW solar has also been installed to optimize the power mix and also reduce carbon footprint. The company is achieving its milestones on the path to create value and stability for all stakeholders of the Company.

Auditors' Observations

The company is in the process of Balancing, Modernization and Replacement (BMR) and the management is fully confident that the company shall commence commercial production in financial year 2022-23 and 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 confirmations have been circulated but against that some replies have not been received. However, such balances have been verified by auditors' through alternative audit procedures.

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 directors of the company. The details of the remuneration paid to the executive director (chief executive) of the Company is disclosed in Note 40 of these financial statements.

Meetings of the Board of Directors (BOD)

During the year ending June 30, 2022, 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	5
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 Mandviwala (Chairman)	5
- 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 in the process of BMR. Further, your company being a responsible corporate citizen is always conscious to discharge its obligations towards its valued human resources.

Pattern of Shareholding

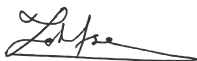
The pattern of shareholding and additional information required in this regard is enclosed.

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants are retiring during the year and the appointment of new auditors will be made in Annual General Meeting of the Company.

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: November 04, 2022



MUHAMMAD FAROOQ NASEEM
Director

Pattern of Shareholding

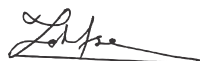
As at June 30, 2022

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
209	1	100	5,110
176	101	500	62,436
87	501	1,000	73,808
154	1,001	5,000	420,409
46	5,001	10,000	346,195
10	10,001	15,000	122,808
8	15,001	20,000	146,322
3	20,001	25,000	73,359
3	25,001	30,000	80,040
1	35,001	40,000	30,100
2	40,001	45,000	85,000
4	45,001	50,000	196,000
2	60,001	65,000	126,000
1	65,001	70,000	70,000
4	70,001	75,000	284,793
1	90,001	95,000	95,000
3	95,001	100,000	294,712
1	100,001	105,000	104,000
1	110,001	115,000	115,000
1	115,001	120,000	115,500
1	120,001	125,000	123,000
1	145,001	150,000	146,500
1	180,001	185,000	182,625
1	210,001	215,000	211,862
1	275,001	280,000	276,500
1	285,001	290,000	288,000
1	380,001	385,000	381,024
1	495,001	500,000	500,000
1	520,001	525,000	524,660
1	670,001	675,000	672,750
1	695,001	700,000	700,000
1	1,000,001	1,005,000	1,000,379
1	1,540,001	1,545,000	1,543,839
1	2,540,001	2,545,000	2,544,494
1	2,560,001	2,565,000	2,563,000
1	2,705,001	2,710,000	2,705,506
1	2,790,001	2,795,000	2,790,226
1	3,245,001	3,250,000	3,250,000
1	6,400,001	6,405,000	6,401,563
1	8,325,001	8,330,000	8,327,491
1	9,145,001	9,150,000	9,147,499
1	80,055,001	80,060,000	80,058,506
1	120,985,001	120,990,000	120,987,298
740			248,173,314

Categories Of Shareholders	Shares held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	9,156	0.0037%
Associated Companies, undertakings and related parties. (Parent Company)	201,045,804	81.0102%
NIT and ICP	1,100	0.0004%
Banks Development Financial Institutions, Non Banking Financial Institutions.	200	0.0001%
Insurance Companies	182,625	0.0736%
Modarabas and Mutual Funds	0	0.0000%
Shareholders holding 10% or more	201,045,804	81.0102%
General Public		
a. Local	38,229,945	15.4045%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	6,239,728	2.5143%
2- Foreign Companies	328,031	0.1322%
3- Others	2,136,725	0.8610%

Catagories of Shareholding required under Code of Coprorate Governance (CCG) As on June 30, 2022

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Calicom Industries (Private) Limited (CDC)	201,045,804	81.0102
Mutual Funds (Name Wise Detail)			
		-	0.0000
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	Hamid Mahmood (CDC)	1,308	0.0005
2	Mrs. Roohi Farooq Naseem (CDC)	1,308	0.0005
3	Muhammad Farooq Naseem (CDC)	1,308	0.0005
4	Zaka Muhammad Naseem (CDC)	1,308	0.0005
5	Shafqaat Ahmed (CDC)	1,308	0.0005
6	Taha Muhammad Naseem (CDC)	1,308	0.0005
7	Murtaza Yousuf Mandviwalla (CDC)	1,308	0.0005
Executives:			
		-	0.0000
Public Sector Companies & Corporations:			
		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance			
		182,825	0.0737
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)	201,045,804	81.0102
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: November 04, 2022

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 the process of BMR activity, directors' training was not possible. However, remaining directors will be enrolled soon for the Directors' Training Program.



MUHAMMAD FAROOQ NASEEM
Chairman
Lahore: November 04, 2022



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, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



Amin Mudassar & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Faisalabad: November 04, 2022
UDIN: CR202210203THFBAbmNV

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, 2022, 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, 2022 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- a) As explained in note 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.58.65 million and Rs.0.67 million respectively. The company did not account for expense and liability of salaries and benefits pertaining to previous years amounting Rs.118.63 million since September 01, 2019 for which petition was filed in Hon'ble Labour Court by the company for their retrenchment as referred to note 21 to the financial statements. However, basis of balances written back and non-provisioning of benefits remained un-substantiated 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.0.67 million, current liabilities and accumulated loss as at June 30, 2022 would have been higher by Rs.495.08 million.
- b) We could not confirm variation in carrying value of overdue liability in respect of loan from Economic Affairs Division (EAD) and accrued interest thereon amounting Rs.35.23 million and Rs.72.20 million respectively as referred to note 12 and 18.1 to the financial statements in absence of direct balance confirmation and unable to obtain sufficient appropriate audit evidence by performing alternative audit procedures against these balances. Consequently, we were unable to determine whether adjustments to these balances were necessary.

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 qualified 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 year ended June 30, 2020, 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. 326.55 million during the year ended June 30, 2022 and as of that date its accumulated loss was Rs. 5,457.47 million. As of June 30, 2022, the company's current liabilities exceeded its current assets by Rs.363.94 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.

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)	<p>Capital Work in Progress</p> <p><i>(Refer to note 23 to the financial statements)</i></p> <p>The company's spending on capital work in progress (BMR) is material, as shown by the total value of additions in note 23. 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.</p>	<p>Our procedures performed included:</p> <ul style="list-style-type: none"> • 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.
(ii)	<p>Recoverable value of Property, plant and Equipment</p> <p><i>(Refer to note 22 to the financial statements)</i></p> <p>As at June 30, 2022, the carrying value of operating fixed assets is amounting Rs.4,124.45 million which includes Machinery and Heavy Vehicles amounting Rs.3,531.56million and Rs.13.34 million respectively.</p> <p>The company assesses at the end of each reporting period whether there is any indication of impairment of operating fixed assets. Close down of operations of the company due to BMR triggered for impairment indicator of operating fixed assets of the company. The management of the company had engaged independent external expert to evaluate any impairment of the aforesaid classes of Property, Plant and Equipment.</p> <p>We considered this matter as key audit matter due to significant value of these assets at reporting date.</p>	<p>Our audit procedures in relation to management's impairment assessment, amongst others, included the following:</p> <ul style="list-style-type: none"> • Assessed the methodology used by management to assess the recoverable value of Machinery and Heavy Vehicles; • Evaluating the nature, scope and objectives of the management's expert's work; • The methodology used by the management's expert to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuations report by the management's expert • Physical inspection of property, plant and equipment • Reviewing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards

(iii) Valuation of Stores, spares and loose tools

(Refer to note 26 to the financial statements)

As at June 30, 2022, the carrying value of stores, spares and loose tools is amounting Rs.212.52 million which includes General Stores, Spare Parts and Loose Tools.

The company assesses at the end of each reporting period whether there is any indication of impairment of stores, spares and loose tools. Close down of operations of the company due to BMR triggered for impairment indicator of stores, spares and loose tools. The management of the company had engaged independent external expert to determine the net realizable value of the stores, spares and loose tools.

Due to the significance of the balances involved, this is considered as a key audit matter.

Our audit procedures in relation to management's impairment assessment, amongst others, included the following:

- Observation of inventory counts for stores, spares and loose tools;
- Physical inspection of stores, spares and loose tools.
- Evaluating the adequacy of provision for slow moving and obsolete stores, spares and loose tools.
- Evaluating the nature, scope and objectives of the management's expert's work.
- The methodology used by the management's expert to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuations report by the management's expert.
- Reviewing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards.

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: November 04, 2022
UDIN: RR202110203vGCWaboYX

Statement of Financial Position

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (2021: 500,000,000) ordinary shares of PKR.10 each		5,000,000,000	5,000,000,000
Issued, subscribed and paid up share capital	4	2,481,733,140	948,399,800
Share premium reserve	5	787,987,658	31,800,740
Share deposit money	6	-	2,001,870,008
Accumulated loss		(5,457,470,279)	(5,203,551,914)
Revaluation surplus on property, plant and equipment	7	2,270,834,457	2,343,466,017
Long term loan from holding company	8	1,344,303,116	738,419,941
		1,427,388,092	860,404,592
NON CURRENT LIABILITIES			
Long term financing from banking companies	9	2,136,351,061	1,873,250,420
Government grant	10	74,822,849	-
Payable to provident fund trust	11	140,825,263	-
Other loans and liabilities	12	-	-
Deferred liabilities	13	900,891,194	958,677,734
Long term advances and deposits	14	3,692,306	3,563,334
		3,256,582,673	2,835,491,488
CURRENT LIABILITIES			
Trade and other payables	15	448,184,838	597,107,509
Deposits, accrued liabilities and advances	16	61,866,947	54,028,497
Unclaimed dividend		1,081,940	1,081,940
Payable to provident fund trust	17	9,212,712	89,307,046
Mark up accrued	18	93,994,967	240,830,448
Current portion of non current liabilities	19	110,929,845	65,037,845
Current portion of government grant	10	14,214,128	-
Provision for taxation	20	-	-
		739,485,377	1,047,393,285
CONTINGENCIES AND COMMITMENTS			
	21	-	-
		5,423,456,142	4,743,289,365

The annexed notes from 1 to 49 form an integral part of these financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

As at June 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	22	4,124,449,526	4,182,492,866
Capital work in progress	23	867,783,909	133,189,717
Intangible assets	24	1,258,333	1,408,333
Long term deposits and prepayments	25	54,420,730	10,286,715
		<u>5,047,912,498</u>	<u>4,327,377,631</u>
CURRENT ASSETS			
Stores, spares and loose tools	26	212,514,394	225,732,514
Stock in trade	27	7,575,898	89,992,553
Trade debts	28	-	-
Loans and advances	29	10,608,027	9,810,165
Trade deposits, short term prepayments and current account balances with statutory authorities	30	76,290,344	69,258,163
Cash and bank balances	31	68,554,981	21,118,339
		<u>375,543,644</u>	<u>415,911,734</u>
		<u>5,423,456,142</u>	<u>4,743,289,365</u>



ZAKA MUHAMMAD NASEEM
Director

Statement of Profit or Loss

For the Year Ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses	32	(37,536,918)	(41,802,161)
Operating loss		(37,536,918)	(41,802,161)
Other operating (expenses)/income-net	33	(125,599,152)	128,838,547
		(163,136,070)	87,036,386
Finance cost	34	(221,186,187)	(195,806,801)
Loss before taxation		(384,322,258)	(108,770,414)
Taxation	35	57,772,333	31,027,763
Loss after taxation		(326,549,925)	(77,742,651)
			Restated
Earnings per share - Basic and Diluted	36	(1.42)	(0.79)

The annexed notes from 1 to 49 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, 2022

	2022 Rupees	2021 Rupees
Loss after taxation	(326,549,925)	(77,742,651)
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	-	-
Other comprehensive income/(loss)	-	-
Total comprehensive loss for the year	(326,549,925)	(77,742,651)

The annexed notes from 1 to 49 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, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(384,322,258)	(108,770,414)
Adjustments of items not involving movement of cash:			
Depreciation	22	132,117,735	138,672,411
Amortization	24	150,000	91,667
Gain on disposal of fixed assets	33	(353,146)	-
Reversal of provision for doubtful balances	33	(4,300,000)	(295,852)
Balances written back	33	(1,060,328)	(6,741,282)
Provision for obsolescence of stores, spares and loose tools	33	12,556,200	7,127,884
Provision for obsolescence of stock in trade	27	72,040,124	29,161,092
Stock in trade written off during the year	27	10,376,331	-
Reversal of balances written back		1,800,550	-
Balances written off	33	-	1,692,224
Finance income on long term loan	33	-	(312,627,905)
Finance income on amortization of provident fund mark up	33	(96,253,429)	-
Unwinding of long term finances	9	122,304,430	106,944,486
Short term lease payments	32	3,980,280	3,900,000
Finance cost	34	98,525,421	88,663,455
		351,884,367	56,588,178
Net cash used before working capital changes		(32,437,891)	(52,182,236)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		661,920	-
Trade debts		4,300,000	11,737,829
Loans and advances		(797,862)	(87,398)
Trade deposits, short term prepayments and current account balances with statutory authorities		(4,237,169)	-
Increase / (decrease) in current liabilities			
Trade and other payables		(149,662,893)	(95,293,140)
Deposits, accrued liabilities and advances		7,866,923	(8,515,498)
Payable to Provident fund trust		(2,787,288)	(900,905)
		(144,656,369)	(93,059,111)
Cash used in operations		(177,094,260)	(145,241,347)
Long term deposits and prepayments		128,972	-
Finance cost paid		(95,117,965)	(24,944,184)
Short term lease payments		(3,980,280)	(3,900,000)
Income tax (paid)/refund-net		(2,837,692)	118,903,455
Net cash used in operating activities		(278,901,225)	(55,182,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(56,618,750)	(14,200,000)
Sale proceeds of fixed assets		700,000	-
Capital work in progress		(742,867,982)	(114,094,236)
Intangible assets purchased		-	(1,500,000)
Long term security deposits		44,134,015	-
Net cash used in investing activities		(842,920,747)	(129,794,236)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received from holding company		605,883,175	211,886,000
Long term loan repaid to banking companies		(27,403,998)	(8,432,000)
Long term loan received from banking companies		303,129,186	-
Share deposit money received		293,921,985	84,840
Right subscription expenditures		(6,271,735)	(4,208,017)
Net cash inflows from financing activities		1,169,258,613	199,330,823
Net increase in cash and cash equivalents		47,436,642	14,354,511
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		21,118,339	6,763,828
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31	68,554,981	21,118,339

The annexed notes from 1 to 49 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, 2022

	Capital Reserve		Share Deposit Money		Revenue Reserve	Capital Reserve	Long Term Loan From Holding Company	Total
	Issued, subscribed and paid-up capital	Share premium	Face value	Premium				
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	-	-	(1,794,107,185)	211,970,840
Right subscription expenditures	-	-	-	(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 July 01, 2021	948,399,800	31,800,740	1,337,385,350	664,484,658	(5,203,551,914)	2,343,466,017	738,419,941	860,404,592
Loss after taxation for the year	-	-	-	-	(326,549,925)	-	-	(326,549,925)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(326,549,925)	-	-	(326,549,925)
Share deposit money received/adjusted during the year	-	-	195,947,990	97,973,995	-	-	(294,006,825)	(84,840)
Loan received during the year	-	-	-	-	-	-	899,890,000	899,890,000
Right subscription expenditures	-	-	-	(6,271,735)	-	-	-	(6,271,735)
Right shares issued during the year	1,533,333,340	756,186,918	(1,533,333,340)	(756,186,918)	-	(2,289,520,258)	-	-
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 7	-	-	-	-	72,414,580	(72,414,580)	-	-
Revaluation surplus on revalued disposed asset - net	-	-	-	-	216,980	(216,980)	-	-
Balance as at June 30, 2022	2,481,733,140	787,987,658	-	-	(5,457,470,279)	2,270,834,457	1,344,303,116	1,427,388,092

The annexed notes from 1 to 49 form an integral part of these financial statements.



ZAKA MUHAMMAD NASEEM
Director



MUHAMMAD KAMRAN
Chief Financial Officer

Notes to the Financial Statements

For the Year Ended June 30, 2022

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. The registered office of the company is situated at 5-Zafar Ali Road, Gulberg - V, Lahore. The factory is situated at Dandot Railway Station, District Jhelum, Pakistan.

1.2 After the acquisition, sponsors arranged significant funds to bridge the deficit 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 plant's emission levels as prescribed by relevant environmental standards. 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 namely Tianjin Cement Industry Design and Research Institute Company Limited (TCDRI) from China for BMR. The revised total financial outlay of the BMR is estimated at PKR 5.88 billion including \$14.92 million for import of new machinery and equipment. Up to signing of these financial statements, an amount of PKR 1.24 billion has been disbursed by the financial institutions under the DF / TERF scheme of State Bank of Pakistan (SBP) and an aggregated amount of PKR 1.17 billion has been arranged by the sponsors of the Company. Hopefully, the Company will complete BMR activities within its time lines and will resume its commercial operations in current financial year 2022-23. Hence, 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 a 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 PKR 326.55 million, accumulated loss was PKR 5,457.47 million and the company's current liabilities are exceeding its current assets by PKR 363.94 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 comprise of:

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

Notes.....

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

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

2.2 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 (PKR / 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 doubtful/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, 2021. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

Notes.....

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, 2022

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, 2022. 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 21 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 costs) and the redemption value is recognized in the profit or loss over the period of the borrowings

Notes.....

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 Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognised as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are recorded.

3.5 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.

3.6 Dividend

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

3.7 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.

3.8 Contingencies and Commitments

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

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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

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.

Notes.....

3.14 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.

3.15 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.

3.16 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.

3.17 Financial Instruments

3.17.1 Financial Assets

a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows 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 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.

Notes.....

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.

3.17.2 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.

3.18 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.

3.19 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.

Notes.....

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.

3.20 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.

3.21 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 as incurred.

Notes.....

3.22 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.

3.23 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 year. 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	2022 Rupees	2021 Rupees
4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
239,423,314 (2021: 86,089,980) ordinary shares of PKR.10 each fully paid in cash		2,394,233,140	860,899,800
8,750,000 (2021: 8,750,000) ordinary shares of PKR.10 each issued as bonus shares		87,500,000	87,500,000
		2,481,733,140	948,399,800
4.1 Movement in issued, subscribed and paid up capital			
Opening balance as at July 01, (94,839,980 Ordinary shares of PKR.10 each fully paid in cash)		948,399,800	948,399,800
Right shares issued during the year (153,333,334 Ordinary shares of PKR.10 each fully paid in cash)	6	1,533,333,340	-
Closing balance as at June 30, (248,173,314 Ordinary shares of PKR.10 each fully paid in cash)		2,481,733,140	948,399,800
4.2 During the year, pursuance of strategic financial management strategy of the company, the Board of Directors approved the allotment of right shares in its meeting. The main purpose of right issue is re-profiling of financial credentials through capitalization and repayment of sponsors' loan.			
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	2,300,000,010	2,006,078,025
Right subscription expenditures		(10,479,752)	(4,208,017)
		2,289,520,258	2,001,870,008
Less: Transferred to;			
- Share capital	4.1	1,533,333,340	-
- Premium reserve		756,186,918	-
		2,289,520,258	-
		-	2,001,870,008

Notes.....

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

Particulars	Nature of relationship	% of shareholding	2022 Rupees	2021 Rupees
General Public	Shareholders	12.779%	293,921,985	-
Related parties:				
- Calicom Industries Pvt. Ltd.	Holding Company	87.217%	2,005,993,185	2,005,993,185
- Muhammad Farooq Naseem	Director	0.001%	12,120	12,120
- Taha Muhammad Naseem	Director	0.001%	12,120	12,120
- Mrs. Roohi Farooq Naseem	Director	0.001%	12,120	12,120
- Zaka Muhammad Naseem	Director	0.001%	12,120	12,120
- Hamid Mahmood	Director	0.001%	12,120	12,120
- Murtaza Yousuf Mandviwala	Director	0.001%	12,120	12,120
- Shafqaat Ahmed	Director	0.001%	12,120	12,120
			2,006,078,025	2,006,078,025
			2,300,000,010	2,006,078,025

7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Balance as at July 01,	3,198,258,098	3,305,536,036
Disposal during the year	(305,606)	-
	3,197,952,492	3,305,536,036
Less: Transferred to accumulated loss in respect of		
Incremental depreciation	72,414,580	76,167,336
Related deferred tax liability	29,577,786	31,110,602
	101,992,366	107,277,938
Balance as at June 30,	3,095,960,126	3,198,258,098
Less: Related deferred tax liabilities on		
Revaluation at the beginning of the year	854,792,081	885,902,683
Disposal during the year	(88,626)	-
Incremental depreciation on revalued assets	(29,577,786)	(31,110,602)
	825,125,669	854,792,081
	2,270,834,457	2,343,466,017

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 22 to these financial statements resulting a surplus of PKR. 1,843.8 million, PKR. 685.61 million, PKR. 1,666.20 million and PKR. 1,096.67 million respectively.

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

Notes.....

8 LONG TERM LOAN FROM HOLDING COMPANY Un-Secured and interest free

	Aggregate % of shareholding	Note	2022 Rupees	2021 Rupees
Loan from Calicom Industries (Pvt.) Ltd	71%			
Balance as at July 01,			738,419,941	2,532,527,126
Add: Loan obtained during the year			605,883,175	211,886,000
			1,344,303,116	2,744,413,126
Less: Transferred to share deposit money		6.1	-	(2,005,993,185)
			-	(2,005,993,185)
			1,344,303,116	738,419,941

8.1 The loan is unsecured, interest free and repayable at discretion of the Company. In line with Technical Release - 32 issued by the Institute of Chartered Accountants of Pakistan (ICAP), this loan is classified in equity.

9 LONG TERM FINANCING FROM BANKING COMPANIES

Demand finance facility - From The Bank of Punjab (BOP)		9.1	2,010,994,102	1,902,762,420
Temporary economic refinance facility (TERF)		9.2	200,760,959	-
			2,211,755,061	1,902,762,420
Less: Current portion				
Payable within next 12 months			(73,296,000)	(25,296,000)
Overdue			(2,108,000)	(4,216,000)
			(75,404,000)	(29,512,000)
			2,136,351,061	1,873,250,420

9.1 Demand Finance Facility - From The Bank of Punjab (BOP)

Demand finance facility - DF 1		9.1.1	1,405,462,629	1,348,695,308
Demand finance facility - DF 2		9.1.2	592,200,223	554,067,112
Demand finance facility - DF 3 (For BMR)		9.1.3	13,331,250	-
			2,010,994,102	1,902,762,420
Less: Current portion				
Payable within next 12 months			(73,296,000)	(25,296,000)
Overdue			(2,108,000)	(4,216,000)
			(75,404,000)	(29,512,000)
			1,935,590,102	1,873,250,420

9.1.1 Demand finance facility - 1

Balance as at July 01,		1,348,695,308	1,549,333,646
Add: Unwinding for the year		56,767,321	46,761,026
		1,405,462,629	1,596,094,672
Less: Finance income		-	(247,399,364)
		1,405,462,629	1,348,695,308

This represents the outstanding principal amount of loan having sanctioned limit of PKR. 1,774.78 million which shall be paid in monthly installments of range from PKR. 8 million to PKR. 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.

Notes.....

Above outstanding loan secured against 1st pari passu charge of PKR. 3,326 million over projects assets (Land, Building, Plant and Machinery), 1st charge of PKR. 268 million on current assets, corporate guarantee and personal guarantee of directors of holding company.

	Note	2022 Rupees	2021 Rupees
9.1.2 Demand finance facility - 2			
Balance as at July 01,		554,067,112	505,716,951
Transferred during the year		-	61,827,242
		554,067,112	567,544,193
Add: Unwinding for the year		65,537,109	60,183,460
		619,604,221	627,727,653
Less: Payments made during the year		(27,403,998)	(8,432,000)
Less: Finance income		-	(65,228,541)
		592,200,223	554,067,112

This represents the outstanding markup of amounting PKR. 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.

Above outstanding markup secured against 1st pari passu charge of PKR. 3,326 million over projects assets (Land, Building, Plant and Machinery), 1st charge of PKR. 268 million on current assets, corporate guarantee and personal guarantee of directors of holding company.

9.1.3 Demand finance facility - 3

Balance as at July 01,	-	-
Addition during the year	13,331,250	-
	13,331,250	-
Current Portion	-	-
	13,331,250	-

This represents principal amount of loan having sanctioned limit of PKR. 250 million obtained for a term of 10 years including 2 years grace period and the principal repayment will take place in 32 equal quarterly installments after the grace period. Markup shall be paid on every quarter at the rate 3 month KIBOR + 2% p.a.

Above loan secured against ranking charge of PKR. 1,333.34 million over projects assets (Land, Building, Plant and Machinery) to be upgraded to JPP/ 1st pari passu, pledge of 51% shares of the company, directors' personal guarantee, corporate guarantee of holding company and its associated companies.

Notes.....

	Note	2022 Rupees	2021 Rupees
9.2 Temporary Economic Refinance Facility (TERF)			
Loan from:			
- The Bank of Punjab		150,000,000	-
- BankIslami Pakistan Limited		50,147,561	-
- Bank Al-Habib Limited		41,152,000	-
- JS Bank Limited		48,498,375	-
	9.2.1	289,797,936	-
Less: Transferred to Government Grant	10	(96,783,638)	-
Add: Un-winding during the year		7,746,661	-
Less: Current portion		-	-
		200,760,959	-

9.2.1 These loans represent the financing obtained under Temporary Economic Refinance Facility (TERF) of State Bank of Pakistan for a term of 10 years including 2 years grace period and the principal repayment will take place in 32 equal quarterly installments after the grace period. During the year, the Financial Institutions made partial disbursements to import new machinery for the purpose of BMR on following terms and condition:

Lender	Sanctioned Limit (million)	Mark-up as per Agreement	Security
The Bank of Punjab	750	SBP rate (1%)+3% p.a	Ranking charge of PKR. 1,333.34 million over projects assets (Land, Building, Plant and Machinery) to be upgraded to JPP/ 1st pari passu. Further, pledged 51% shares of the company.
BankIslami Pakistan Limited	300	SBP rate (1%)+3% p.a	Ranking charge of PKR. 400 million on moveable and immovable fixed assets to be upgraded to JPP/ 1st pari passu.
BankAl-Habib Limited	250	SBP rate (1%)+3% p.a	Ranking charge of PKR. 334 million over plant and machinery to be upgraded to 1st pari passu charge.
JS Bank Limited	300	SBP rate (1%)+4% p.a	Ranking charge of PKR. 315 million over plant and machinery to be upgraded to 1st pari passu charge.
	<u>1,600</u>		

9.2.2 These loans have been recognized at amortized cost. The differential markup has been recognized as Government Grants (as mentioned in note 10) which will be amortized to un-allocated capital expenditures over the period of facility.

Notes.....

	Note	2022 Rupees	2021 Rupees
10 GOVERNMENT GRANT			
Balance as at July 01,		-	-
Received/adjusted during the year	9.2	96,783,638	-
Charged during the year		(7,746,661)	-
		<u>89,036,977</u>	-
Current portion of government grant		<u>(14,214,128)</u>	-
		<u>74,822,849</u>	-

10.1 Government Grants have been recorded against subsidized loans obtained from the financial institutions under temporary economic refinance facility (TERF) introduced by the State Bank of Pakistan (SBP).

11 PAYABLE TO PROVIDENT FUND TRUST

Principal		88,307,665	17,515,432
Markup	11.1	61,730,310	-
		<u>150,037,975</u>	17,515,432
Less: Current portion			
Payable within next 12 month		9,212,712	-
Overdue		-	17,515,432
		<u>9,212,712</u>	<u>17,515,432</u>
		<u>140,825,263</u>	-
11.1 Mark up on provident fund:			
Balance as at July 01,		-	-
Addition during the year		159,771,646	-
Fair value adjustment	34	(96,253,429)	-
		<u>63,518,217</u>	-
Less: Payments made during the year		1,787,907	-
		<u>61,730,310</u>	-

11.2 During the year, the company submitted requisite explanations and payment plan to HOD, Adjudication Department, Securities & Exchange Commission of Pakistan (SECP) Islamabad through its Corporate Advisor. The SECP has approved the payment plan and advised to pay whole outstanding dues of Provident Fund Trust starting from July 01, 2022 in 36 installments of PKR.1.00 million, 72 installments of PKR. 2.50 million and 12 installments of PKR. 2.76 million. Further, the company has been providing markup on principal amount of Provident Fund balance in the books of account without any default. This has been recognised at amortized cost.

Notes.....

	Note	2022 Rupees	2021 Rupees
12 OTHER LOANS AND LIABILITIES - Unsecured			
LOANS			
From Economic Affairs Division, Government of Pakistan (EAD)	12.1	35,232,000	35,232,000
OTHER LIABILITIES			
Peace agreement arrears	12.2	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)
		-	-

- 12.1 (a)** This represents the balance of Pak rupee loan of PKR. 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 PKR. 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 PKR. 87.78 million. After rescheduling, principal was outstanding of PKR. 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.

- 12.2** 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 PKR. 0.53 million each. These are interest free and unsecured.

13 DEFERRED LIABILITIES

Deferred taxation	13.1	900,891,194	958,677,734
		900,891,194	958,677,734

Notes.....

13.1 Deferred taxation	Note	2022 Rupees	2021 Rupees
This is composed of the following:			
Deferred tax liability/(asset) on taxable/(deductible) temporary differences arising in respect of:			
Accelerated tax depreciation		1,050,464,866	958,677,734
Unused tax business losses carried forward		(488,256,969)	(501,744,114)
Unused tax depreciated losses carried forward		(149,573,672)	(144,997,313)
Minimum taxes paid		(40,733,338)	(58,787,486)
Provision for doubtful balances		(3,164,295)	(4,411,295)
Provision for obsolete stock		(20,891,636)	-
Provision for obsolete stores, spares and loose tools		(4,042,790)	(2,067,086)
Deferred tax asset not recognized		557,089,028	712,007,294
Deferred tax liability	13.2	<u>900,891,194</u>	<u>958,677,734</u>
13.2 Movement of deferred taxation:			
Balance as at July 01,		958,677,734	989,710,316
Add: Charge/(reversal) during the year			
Statement of profit or loss		(57,786,540)	(31,032,582)
Statement of comprehensive income		-	-
		<u>(57,786,540)</u>	<u>(31,032,582)</u>
		<u>900,891,194</u>	<u>958,677,734</u>

13.3 During the year, net deferred tax assets for the deductible temporary differences, carry forward of unused business tax losses and minimum tax amounting PKR. 557.09 million (2021: PKR. 712.01 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 business tax losses and unused tax credits can be utilized. However, the management anticipates that outstanding deferred tax liability shall be set off against unused depreciation losses after successful completion of BMR activities. Therefore, recognition of deferred tax asset shall be reassessed as at June 30, 2023.

13.4 Business losses would expire as follows:

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire
2017	407,209,509	2023
2018	633,579,313	2024
2020	330,192,375	2026
2021	165,067,043	2027
2022	147,596,481	2028

13.5 Depreciation losses pertaining to tax years from 1996 to 2022 amounting PKR. 515.77 million have no expiry limits.

13.6 Minimum tax would expire as follows:

Accounting year to which minimum tax depreciation relates	Amount of minimum tax (Rupees)	Accounting year in which minimum tax will expire
2018	16,333,542	2023
2019	19,928,123	2024
2020	4,452,647	2025
2021	4,819	2026
2022	14,207	2027

Notes.....

	Note	2022 Rupees	2021 Rupees
14 LONG TERM ADVANCES AND DEPOSITS			
Un-secured and Interest free			
Security deposits	14.1	<u>3,692,306</u>	<u>3,563,334</u>
<p>14.1 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.</p>			
15 TRADE AND OTHER PAYABLES			
Trade creditors		248,620,824	398,283,343
Past dues payable	15.1	168,483,250	167,743,402
Past utility bills		19,460,417	19,460,417
Workers' profit participation fund payable	15.2	3,780,109	3,780,109
Other payable		7,840,238	7,840,238
		<u>448,184,838</u>	<u>597,107,509</u>
<p>15.1 This represents the amounts payable for closure period of the factory on account of accumulated salaries and benefits, one day deduction and legal expenses payable to the employees and CBA.</p>			
<p>15.2 Workers' Profit Participation Fund Payable</p>			
Balance as at July 01,		3,780,109	3,780,109
Less: Payments during the year		-	-
		<u>3,780,109</u>	<u>3,780,109</u>
16 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses	16.1	58,934,347	47,998,184
Excise duty payable		163,295	163,295
Royalty payable		614,160	3,683,400
Income tax withheld payable		2,155,145	2,183,618
		<u>61,866,947</u>	<u>54,028,497</u>
<p>16.1 This includes sales tax/penalty of PKR 2.46 million against which an appeal is pending before Appellate Tribunal Inland Revenue, Lahore.</p>			
17 PAYABLE TO PROVIDENT FUND TRUST			
Overdue balance		-	71,791,614
Current portion of provident fund trust	11	9,212,712	17,515,432
		<u>9,212,712</u>	<u>89,307,046</u>
18 MARK UP ACCRUED			
Mark up accrued on:			
Secured loan -Banking companies		10,730,299	13,792,236
Unsecured loans	18.1	83,264,668	227,038,212
		<u>93,994,967</u>	<u>240,830,448</u>

Notes.....

- 18.1 This represents the mark up payable on loans or balances payable to Economic Affair Division (EAD) and Provident Fund Trust amounting PKR. 72.20 million (2021: PKR. 67.27 million) and PKR. 11.07 million (2021: PKR.159.77 million) respectively.

	Note	2022 Rupees	2021 Rupees
19 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term financing from banking companies	9	75,404,000	29,512,000
Long term financing from others	12	35,525,845	35,525,845
		<u>110,929,845</u>	<u>65,037,845</u>
20 PROVISION FOR TAXATION			
Balance as at 1st July,		-	-
Less: Adjusted during the year		-	-
		-	-
Add: Provision for the taxation-current	35	14,207	4,819
		<u>14,207</u>	<u>4,819</u>
Less: Tax deducted at source / advance tax		(14,207)	(4,819)
		<u>-</u>	<u>-</u>

- 20.1 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.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

- a) 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, the appeal filed by workmen under Section 46(3) of the Punjab Industrial Relations Act, 2010 has been dismissed by the Honorable Punjab Labour Appellate Tribunal, Lahore at Rawalpindi vide order dated 25.03.2022. Afterwards, workmen have filed a petition in Lahore High Court to assail the impugned orders of lower courts. The matter is pending adjudication.
- b) Different retired workers and their legal heirs filed the cases before the Authority under Payment of Wages Act, Jhelum for payment of their past dues amounting PKR. 264.71 million. All these cases/applications under section 15 of the Payment of Wages Act, 1936 for payment of outstanding service dues including gratuity, provident fund, medical bills and unpaid salaries of closure period etc. The Company submitted reply against all these cases and provided with the details of payment previously made amounting PKR.17.55 million to these ex-employees against the aforesaid dues. Based on discussion held with Legal Advisor, the management is of the opinion that the Company has good arguable case and there is very likelihood that the same be decided in its favour.
- c) During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting PKR. 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 on the basis of opinion of its Legal Advisor. Accordingly, the company has not accounted for accumulated provision against past dues payable, interest on Workers' Profit Participation Fund Payable, Payable against workers Gratuity, provision of salary and employee benefits amounting PKR. 8.55 million (2021: PKR. 9.32 million), PKR. 1.92 million (2021: PKR. 1.25 million), PKR. 48.86 million (2021: PKR.49.89 million), PKR. 113.29 (2021: PKR.113.29 million) and PKR. 5.34 (2021: PKR.5.34 million) respectively. As per opinion of the 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 as referred to note no.21.1(a) and (b).
- d) On January 23, 2009 the SNGPL encashed bank guarantee amounting PKR. 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 PKR.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

Notes.....

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

- e) On June 25, 2021, the company received show cause notice to provide explanation under section 122(9) of the Income Tax Ordinance, 2001 on the basis of selection of cases on the direction of the FBR for audit u/s 177 of Income Tax Ordinance, 2001 and u/s section 25 of Sales Tax Act, 1990 for the tax year 2016 to 2019. Accordingly, the company submitted required explanation within the due date to Deputy Commission Inland Revenue, Lahore. The selection of case was challenged before the Hon'ble Lahore High Court, who vide its judgment dated April 27, 2022 decided that the impugned income tax and sales tax audit proceeding initiated on the basis of directive issued by the FBR are declared to be without lawful authority and of no legal effect.
- f) 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. The claim is not legally permissible having the maximum exposure of the company would be PKR. 17,504,646. Due to old matter since 1983, the record of this case could not be traced from the competent court / authority. Further, the claimant did not pursue the case almost for the last more than one decade. Accordingly the case has not any legal status hereafter due to non-availability of any record with the authority.
- g) 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 PKR. 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.
- h) The Company filed an appeal before the secretary Govt. of Punjab, Mines and Mineral Department, Lahore against a Demand Notice dated November 27, 2013 for a sum of PKR. 67.12 million which mainly includes penalty @ 1% per day issued by Director General, Mines and Mineral Punjab. Due to the old matter since November 27, 2013, the record could not be traced from the learned Secretary Govt. of Punjab, Mines & Minerals Departments Lahore. Accordingly, that notice has not any legal status hereafter due to non-availability of any record with the department.

21.2 Commitments	Note	2022 Rupees	2021 Rupees
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	21.2.1	1,500,000	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab	21.2.2	139,165	139,165
Letters of credit issued by various banks on behalf of the company regarding capital expenditures.	21.2.3	2,378,145,381	1,821,231,250

21.2.1 This guarantee is secured by lien in favour of Summit Bank Limited on term deposit receipt amounting PKR. 1.50 million (2021: PKR.1.50 million).

21.2.2 This guarantee is secured by lien in favour of United Bank Limited on term deposit receipt amounting PKR. 0.14 million (2021: PKR. 0.14 million).

21.2.3 This represents commitments in respect of capital expenditures amounting PKR. 2,378.15 million (2021: PKR. 1,821.23 million).

21.2.4 The company has given cross guarantee amounting PKR. 400.00 million to The BankIslami Pakistan Limited, on behalf of the holding company against the loan having carrying value of PKR. 400.00 million.

Notes.....

22 OPERATING FIXED ASSETS

PARTICULARS	COST REVALUATION				DEPRECIATION				Book Value as at June 30, 2022			
	To July 01, 2021	Additions	Disposal	Adjustment	To June 30, 2022	Rate %	As at July 01, 2021	For the Year		On disposals	Adjustment	As at June 30, 2022
OWNED												
Free hold land	333,269,625	73,881,250	-	-	407,150,875	-	-	-	-	-	-	407,150,875
Factory building on free hold land	423,411,450	-	-	-	423,411,450	10	312,529,092	11,088,236	-	-	323,617,328	99,794,122
Office building	34,179,118	-	-	-	34,179,118	5	24,397,327	489,090	-	-	24,886,417	9,292,701
Residential building	143,271,170	-	-	-	143,271,170	10	97,545,374	4,572,580	-	-	102,117,954	41,153,216
Plant and machinery	6,047,439,800	-	-	-	6,047,439,800	3	2,406,654,674	109,223,554	-	-	2,515,878,228	3,531,561,572
Office equipment	13,863,986	540,000	-	-	14,403,986	10	9,834,287	456,970	-	-	10,291,257	4,112,729
Furniture and fixture	8,487,629	-	-	-	8,487,629	10	7,192,225	129,540	-	-	7,321,765	1,165,864
Heavy vehicles	167,372,363	-	-	-	167,372,363	20	150,691,446	3,336,183	-	-	154,027,629	13,344,734
Light vehicles	51,827,792	-	1,774,608	-	50,053,184	20	43,327,438	1,679,688	1,427,753	-	43,579,353	6,473,831
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,481,267	12,265	-	-	1,493,532	233,042
Electric installation	52,391,664	-	-	-	52,391,664	10	41,147,378	1,124,429	-	-	42,271,807	10,119,857
Weighing scales	151,958	-	-	-	151,958	10	101,887	5,007	-	-	106,884	45,064
Library books	72,403	-	-	-	72,403	10	70,271	213	-	-	70,484	1,919
	7,277,465,532	74,421,250	1,774,608	-	7,350,112,174		3,094,972,666	132,117,735	1,427,753	-	3,225,662,648	4,124,449,526

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

22.2 The company has free hold land of 662.56 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 284,263 Sq. ft. situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Dist. Jhelum.

Notes.....

22.3 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	Disposal	Adjustment	To June 30, 2021	Rate %	As at July 01, 2020	For the Year	On disposals		Adjustment	As at June 30, 2021
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	110,882,358
Office building	34,179,118	-	-	-	34,179,118	5	23,882,496	514,831	-	-	24,397,327	9,781,791
Residential building	143,271,170	-	-	-	143,271,170	10	92,464,730	5,080,644	-	-	97,545,374	45,725,796
Plant and machinery	6,047,439,800	-	-	-	6,047,439,800	3	2,294,053,072	112,601,602	-	-	2,406,654,674	3,640,785,126
Office equipment	13,863,986	-	-	-	13,863,986	10	9,386,543	447,744	-	-	9,834,287	4,029,699
Furniture and fixture	8,487,629	-	-	-	8,487,629	10	7,048,291	143,934	-	-	7,192,225	1,295,404
Heavy vehicles	167,372,363	-	-	-	167,372,363	20	146,521,217	4,170,229	-	-	150,691,446	16,680,917
Light vehicles	51,827,792	-	-	-	51,827,792	20	41,202,349	2,125,089	-	-	43,327,438	8,500,354
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,468,356	12,911	-	-	1,481,267	245,307
Electric installation	52,391,664	-	-	-	52,391,664	10	39,898,013	1,249,385	-	-	41,147,378	11,244,286
Weighing scales	151,968	-	-	-	151,968	10	96,324	5,563	-	-	101,887	50,071
Library books	72,403	-	-	-	72,403	10	70,034	237	-	-	70,271	2,132
	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

Notes.....

	Note	2022 Rupees	2021 Rupees
22.4 Depreciation for the year has been allocated as under:			
Administrative expenses	32	2,318,561	2,597,726
Others	33	129,799,174	136,074,685
		<u>132,117,735</u>	<u>138,672,411</u>

22.5 Land, Buildings, Plant & Machinery, and Vehicles of the Company were first revalued on April 01, 2002, resulting in surplus of PKR. 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 PKR. 685.61 million, PKR. 1,666.20 million and PKR. 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.

22.6 Had there been no revaluation, the book value of Land, Buildings, Plant & Machinery and Vehicles at June 30, 2022 would have been PKR. 156.45 million, PKR. 21.34 million, PKR. 833.50 million, and PKR. 1.53 million respectively.

23 CAPITAL WORK IN PROGRESS

Plant and machinery	23.1	626,892,215	45,919,432
Building	23.2	15,207,928	-
Un-allocated capital expenditure-BMR	23.3	225,683,766	69,467,785
		867,783,909	115,387,217
Advance against purchase of land		-	17,802,500
		<u>867,783,909</u>	<u>133,189,717</u>

23.1 Plant and machinery

Margin against letters of credit		246,403,450	28,803,450
Advances against letters of credit from:			
The Bank of Punjab		163,331,250	-
BankIslami Pakistan Limited		50,160,938	-
Bank Al-Habib Limited		41,152,000	-
JS Bank Limited		48,498,375	-
Management equity		45,443,683	-
		348,586,246	-
Immature letters of credit (LCs charges and arrangement fee)		31,902,520	17,115,982
		<u>626,892,215</u>	<u>45,919,432</u>

23.2 Building

Civil work		9,182,090	-
Advance against civil work		6,025,838	-
		<u>15,207,928</u>	<u>-</u>

23.3 Un-allocated capital expenditure - BMR

As at July 01,		69,467,785	19,095,481
Salaries, wages and benefits		76,449,180	38,807,235
Fuel and power		8,589,373	-
Fee and subscription		224,000	-
Travelling and daily allowances		2,245,640	226,000
Vehicle running and maintenance		7,971,321	2,404,512
Printing and stationery		175,012	30,664
Entertainment		11,993,862	4,328,320
Legal and professional expenses		6,061,015	-
Stores and spares		3,698,827	-
Finance cost		9,528,710	-
Others		29,279,041	4,575,573
		<u>156,215,981</u>	<u>50,372,304</u>
		<u>225,683,766</u>	<u>69,467,785</u>

Notes.....

	Note	2022 Rupees	2021 Rupees
24 INTANGIBLE ASSETS - Mining rights			
Cost			
As at July 01		1,500,000	-
Add: Addition during the year		-	1,500,000
		1,500,000	1,500,000
Accumulated Amortization			
As at July 01,		(91,667)	-
Amortization for the year	32	(150,000)	(91,667)
		(241,667)	(91,667)
Net book value as at June 30, Useful life-years		1,258,333	1,408,333
		10	10
25 LONG TERM DEPOSITS AND PREPAYMENTS			
Islamabad Electric Supply Company		31,542,938	9,486,000
Others		22,877,792	800,715
		54,420,730	10,286,715
26 STORES, SPARES AND LOOSE TOOLS			
General stores		160,284,932	163,069,980
Spare parts		65,549,113	69,102,899
Loose tools		621,005	687,518
		226,455,050	232,860,397
Provision for obsolete stores, spares and loose tools	26.1	(13,940,656)	(7,127,884)
		212,514,394	225,732,514
26.1 Provision for slow moving and obsolete stores, spares and loose tools			
Balance as at July 01,		7,127,884	-
Provision for the year	33.2	12,556,200	7,127,884
Stores, spares and loose tools written off during the year		(5,743,428)	-
		13,940,656	7,127,884
27 STOCK IN TRADE			
Raw material		79,616,022	89,992,553
Provision for obsolete stock	27.1	(72,040,124)	-
		7,575,898	89,992,553
27.1 Provision for slow moving and obsolete stock			
Balance as at July 01,		-	1,643,834
Provision for the year		82,416,655	-
		82,416,655	1,643,834
Stock written off during the year	33.2	(10,376,531)	(1,643,834)
		72,040,124	-
28 TRADE DEBTS			
These are unsecured but considered good by the management except provision provided as follows:			
Gross trade debts		10,911,361	15,211,361
Less: Provision for doubtful debts	28.1	10,911,361	15,211,361
		-	-

Notes.....

	Note	2022 Rupees	2021 Rupees
28.1 Provision for doubtful debts			
Balance as at July 01,		15,211,361	15,507,213
Reversal of provision	33.1	(4,300,000)	(295,852)
Balance as at June 30,		<u>10,911,361</u>	<u>15,211,361</u>
29 LOANS AND ADVANCES			
Loans:			
Considered good:			
To employees	29.1	8,598,395	8,015,573
Advances:			
Considered good:			
To employees	29.1	1,809,951	1,794,592
To suppliers / contractors		199,681	-
		<u>2,009,632</u>	<u>1,794,592</u>
		<u>10,608,027</u>	<u>9,810,165</u>
29.1 These are secured against provident fund balances.			
30 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES			
Advance income tax		61,083,140	58,288,128
Prepayments		2,704,780	-
Sales tax receivable		12,502,424	10,970,035
		<u>76,290,344</u>	<u>69,258,163</u>
31 CASH AND BANK BALANCES			
Cash in hand		43,450	71,726
Cash at banks in:			
Current accounts		61,958,046	16,764,137
Saving accounts		3,445,153	1,304,181
Deposit accounts	31.1	3,108,333	2,978,295
		<u>68,511,531</u>	<u>21,046,613</u>
		<u>68,554,981</u>	<u>21,118,339</u>
31.1 This includes amounting PKR. 1.64 million (2021: PKR. 1.64 million) deposited against guarantees as referred to note 21.2.			
31.2 Saving and deposit accounts bear mark up at the rates ranging from 7.05% to 8.83% (2021: 5.28% to 8.05%) per annum.			

Notes.....

	Note	2022 Rupees	2021 Rupees
32 ADMINISTRATIVE EXPENSES			
Director's remuneration		12,000,000	6,000,000
Salaries, wages and benefits		4,361,700	10,869,904
Rent, rates and taxes	32.1	3,980,280	3,900,000
Travelling and daily allowances		870,250	652,435
Repairs and maintenance		735,516	492,153
Legal and professional		3,143,245	5,577,514
Postage, telephone and telegrams		517,055	425,517
Printing and stationery		306,361	117,748
Entertainment		934,316	786,495
Fee and subscriptions		1,701,080	1,374,129
Depreciation	22.4	2,318,561	2,597,726
Amortization	24	150,000	91,667
Others	32.2	6,518,554	8,916,873
		37,536,918	41,802,161

32.1 This represents the short term lease (building rentals) payments during the year.

32.2 This includes sales tax surcharge/penalties amounting PKR. 3.76 million (2021: PKR. 2.46 million)

33 OTHER OPERATING (EXPENSES) / INCOME - NET

33.1 Other Income

Income from financial assets

Profit on deposit and saving accounts		436,591	321,257
Reversal of provision for doubtful balances	28	4,300,000	295,852

Income from non financial assets

Finance income on long term loan		-	312,627,905
Finance income on amortization of provident fund mark up	11.1 & 33.3	96,253,429	-
Gain on disposal of fixed assets		353,146	-
Trade payables written back		1,060,328	6,741,282
		102,403,494	319,986,296

33.2 Less: Other Operating Expenses

Balances written off		-	1,692,224
Expenses for authorize capital and right shares		-	17,091,865
Stock in trade written off	27	10,376,531	29,161,092
Provision for obsolete stock	27	72,040,124	-
Provision for obsolescence of stores, spare & loss tools	26.1	12,556,200	7,127,884
Reversal of balances written back		1,800,550	-
Past dues		1,430,067	-
Depreciation	22.4 & 33.4	129,799,174	136,074,685
		228,002,646	191,147,749
		(125,599,152)	128,838,547

Notes.....

33.3 Finance income is the difference between present value of all future cash flows and contractual cash flows recognised in the financial statements. Further, such recognition is in compliance of IFRS-9.

33.4 This represents depreciation pertaining to cost of sale and distribution expense which charged to operating expenses as cement production and related sale activities remained suspended due to closure of plant for BMR activities.

	Note	2022 Rupees	2021 Rupees
34 FINANCE COST			
Interest / mark up on:			
Loans from financial institutions		204,831,749	183,889,313
Other loans - long term		4,932,479	4,932,479
Provident fund		11,065,623	6,786,149
Bank charges		356,337	198,860
		<u>221,186,187</u>	<u>195,806,801</u>
35 TAXATION			
Income tax			
- Current	20	(14,207)	(4,819)
- Deferred	13.2	57,786,540	31,032,582
		<u>57,772,333</u>	<u>31,027,763</u>

35.1 Income tax assessments of the company have been finalized up to the Tax Year 2021 on the basis of income tax return filed as the company did not receive any corresponding from Income Tax Department except the matter disclosed in note no.21 of these financial statements.

35.2 No numeric tax rate reconciliation is presented for the current and previous year 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.

	2022	2021 Restated
36 EARNINGS PER SHARE - BASIC AND DILUTED		
Loss for the year - Rupees	<u>(326,549,925)</u>	<u>(77,742,651)</u>
Weighted average number of ordinary shares outstanding during the year - Number	<u>229,352,580</u>	<u>98,834,881</u>
Earnings per share - Rupees	<u>(1.42)</u>	<u>(0.79)</u>

Notes.....

	2022 Rupees	2021 Rupees
37 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets and financial liabilities		
Financial assets		
At amortized cost		
Long term security deposits	54,420,730	10,286,715
Trade debts	-	-
Loans and advances	8,598,395	8,015,573
Cash and bank balances	68,554,981	21,118,339
	<u>131,574,106</u>	<u>39,420,627</u>
Financial liabilities		
At amortized cost		
Long term loans and liabilities	2,247,280,906	1,938,288,265
Long term advances and deposits	3,692,306	3,563,334
Trade and other payables	444,404,729	593,327,400
Deposits, accrued liabilities and advances	58,934,347	47,998,184
Unclaimed dividend	1,081,940	1,081,940
Payable to provident fund	150,037,975	89,307,046
Mark up accrued	93,994,967	240,830,448
	<u>2,999,427,170</u>	<u>2,914,396,618</u>

38 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.

Notes.....

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:

38.1 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:

	2022 Rupees	2021 Rupees
Long term security deposits	54,420,730	10,286,715
Loans and advances	8,598,395	8,015,573
Bank balances	68,511,531	21,046,613
	<u>131,530,656</u>	<u>39,348,901</u>

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.

Cash at banks	Rating		Rating Agency	2022 Rupees	2021 Rupees
	Short Term	Long Term			
Habib Bank Limited	A-1+	AAA	JCR-VIS	243,448	322,948
National Bank of Pakistan	A1+	AAA	PACRA	460,463	942,220
Bank Al Habib Limited	A1+	AAA	PACRA	1,137,937	931,799
Askari Bank Limited	A1+	AA+	PACRA	2,769	397,269
The Bank Of Punjab	A1+	AA+	PACRA	2,951,322	991,913
Bank Alfalah Limited	A1+	AA+	PACRA	4,144	554,246
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,114	1,000
Bankislami Pakistan Limited	A1	A1+	PACRA	1,608,750	4,309,100
JS Bank Limited	A1+	AA+	PACRA	1,568,415	1,462,271
Summit Bank Limited	Suspended	Suspended	JCR-VIS	4,769,380	4,639,343
United Bank Limited	A-1+	AAA	JCR-VIS	55,763,789	6,494,504
				<u>68,511,531</u>	<u>21,046,613</u>

Notes.....

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.

38.2 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, 2022:

	2022			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	----- R u p e e s -----			
Long term loans and liabilities	2,247,280,906	3,333,535,757	110,929,845	3,222,605,912
Long term advances and deposits	3,692,306	3,692,306	-	3,692,306
Trade and other payables	444,404,729	444,404,729	444,404,729	-
Deposits, accrued liabilities and advances	58,934,347	58,934,347	58,934,347	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	150,037,975	246,291,404	9,212,712	237,078,692
Mark up accrued	93,994,967	93,994,967	93,994,967	-
Contingencies & commitments	400,000,000	400,000,000	-	400,000,000
	3,399,427,170	4,581,935,450	718,558,540	3,863,376,910

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

	2021			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	----- R u p e e s -----			
Loan from banking companies	1,938,288,265	3,107,128,141	65,037,845	3,042,090,296
Long term advances and deposits	3,563,334	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	-
Contingencies & commitments	400,000,000	400,000,000	-	400,000,000
	3,314,396,617	4,483,236,493	1,037,582,863	3,445,653,630

Notes.....

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.

38.3 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.

38.4 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.

38.5 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.

38.6 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.

38.7 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 PKR. 23.95 million (2021: increased loss by PKR. 20.26 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.

Notes.....

38.8 Price Risk

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

38.9 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.

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.

- 38.10** 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.

39 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.

Notes.....

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.

	2022 Rupees	2021 Rupees
Borrowings	2,397,025,036	2,027,301,466
Total equity	1,427,388,092	860,404,592
Total capital employed	<u>3,824,413,128</u>	<u>2,887,706,058</u>
Gearing ratio	<u>63%</u>	<u>70%</u>

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022			
	Chief Executive	Directors		Executives
		Executive	Non-Executive	
----- R u p e e s -----				
Managerial remuneration	12,000,000	-	-	54,183,983
	12,000,000	-	-	54,183,983
Number of persons	1	-	-	15

	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

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

Notes.....

	2022 Rupees	2021 Rupees
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41 AUDITORS' REMUNERATION

Auditors' remuneration in these financial statements includes:

Amin, Mudassar & Co.
Chartered Accountants

Audit fee	1,658,800	1,658,800
Certification services	471,350	233,250
Half year review fee	242,440	220,400
Code of Corporate Governance review report fee	223,300	223,300
	<u>2,595,890</u>	<u>2,335,750</u>

42 EMPLOYEES' PROVIDENT FUND

The company has maintained an employees' provident fund trust (Trust). During the year, the SECP approved the payment plan and advised to pay whole outstanding dues of Provident Fund Trust starting from July 01, 2022 in 36 installments of PKR.1.00 million, 72 installments of PKR. 2.50 million and 12 installments of PKR. 2.76 million.

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

Size of the fund - total assets	<u>510,416,578</u>	<u>503,227,242</u>
Cost of investment made	<u>89,438,857</u>	<u>85,227,701</u>
Percentage of the fund made	<u>17.5%</u>	<u>16.9%</u>
Fair value of investment made	<u>89,438,857</u>	<u>85,227,701</u>

Fair value of investment

The break-up of fair value

	2022		2021	
	Rupees	Percentage	Rupees	Percentage
Unpaid contribution by the company	88,307,665	98.74%	85,100,915	99.85%
Bank balances with scheduled bank	1,131,192	1.26%	126,786	0.15%

Notes.....

2022 2021
(----- 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

	54	196
--	-----------	-----

Number of employees as at June 30,

	69	38
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2022 2021
M. Tones M. Tones

44 PLANT CAPACITY AND ACTUAL PRODUCTION

Plant Capacity (Ordinary Portland cement)

	504,000	504,000
--	----------------	---------

Plant capacity (Clinker)

	480,000	480,000
--	----------------	---------

Actual production (Ordinary Portland cement)

	-	-
--	---	---

%age of capacity utilized

	-	-
--	---	---

Actual production (Clinker)

	-	-
--	---	---

%age of capacity utilized

	-	-
--	---	---

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

45 RELATED PARTY TRANSACTIONS

All transactions with related parties have been properly disclosed in the relevant notes of these financial statements except the short term loan received and repaid to holding company amounting PKR. 294.01 million and PKR. 294.01 million respectively.

46 OPERATING SEGMENT

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

46.2 All non-current assets of the company as at June 30, 2022 are located in Pakistan.

47 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 04, 2022 by the Board of Directors of the company.

48 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 in these financial statements during the year.

49 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									
	2022	2021	2020	2019	2018 (Re-stated)	2017 (Re-stated)	2016	2015	2014	2013
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
Gross Loss	-	-	(193,488)	(343,681)	(449,031)	(247,046)	(12,457)	(287,347)	(348,281)	(374,747)
Operating Loss	(37,537)	(41,802)	(230,551)	(411,284)	(514,262)	(327,396)	(84,784)	(335,396)	(417,955)	(444,371)
(Loss)/Profit Before Taxation	(384,322)	(108,770)	(619,714)	609,781	(728,803)	(511,833)	(256,774)	(497,258)	(52,027)	(463,639)
(Loss)/Profit After Taxation	(326,550)	(77,743)	(695,056)	624,545	(717,909)	(500,118)	(280,252)	(497,258)	(52,027)	(466,807)
Balance Sheet:										
Shareholder's Equity	1,427,388	860,405	730,384	666,355	(1,726,566)	(1,874,968)	(1,375,801)	(3,257,739)	(3,254,924)	(2,768,590)
Operating Fixed Assets	4,124,450	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
Net Current Liabilities	(363,942)	(631,482)	(590,618)	(708,739)	(4,154,798)	(3,472,548)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)
Long term Liabilities	3,256,583	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
Significant Ratios										
Gross Profit Ratio %	-	-	(65.34)	(21.57)	(34.37)	(13.68)	(0.53)	(13.43)	(32.60)	(257.96)
Net Profit Ratio %	-	-	(234.73)	39.19	(54.95)	(27.69)	(11.94)	(23.25)	(4.87)	(321.33)
Fixed Assets Turnover Ratio	-	-	0.07	0.36	0.29	0.52	0.66	1.09	0.53	0.07
Current Ratio	0.51	0.40	0.49	0.55	0.16	0.23	0.21	0.19	0.22	0.19

نوٹ:

جو کمیٹی اراکین اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق غیر حاضری کی رخصت دی گئی۔

مابعد واقعات

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

کاروبار کی نوعیت میں تبدیلی

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

ماحولیاتی و سماجی ذمہ داری

آپ کی کمپنی بطور ذمہ دار کاروباری شہری نہ صرف اپنے ملازمین بلکہ ملحقہ علاقوں کی عوام کے لئے صحت بخش ماحول کے قیام اور ماحولیاتی تحفظ کے لئے اپنی ہر ممکن کوشش کرتی ہے۔ یقینی طور پر، پلانٹ کو درکار ماحولیاتی معیارات کے تحت نہیں چلایا جاسکتا لہذا کمپنی BMR کا عمل جاری رکھے ہوئے ہے۔ مزید یہ کہ، بطور ذمہ دار کاروباری شہری آپ کی کمپنی اپنی گراں قدر افرادی قوت کی جانب اپنے فرائض کی انجام دہی کے لئے کئی طور پر باخبر ہے۔

شیئر ہولڈنگ کی وضع

شیئر ہولڈنگ کی وضع اور اس بابت درکار اضافی معلومات منسلک ہیں۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز امین، مدثر اینڈ کو، چارٹرڈ اکاؤنٹنٹس مذکورہ سال کے دوران ریٹائر ہو رہے ہیں لہذا کمپنی کے سالانہ اجلاس عام میں نئے آڈیٹرز کی تقرری کی جائے گی۔

اظہار تشکر

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



محمد فاروق نسیم
ڈائریکٹر



طلحہ محمد نسیم
چیف ایگزیکٹو

لاہور: 04 نومبر، 2022ء

بورڈ آف ڈائریکٹرز (BOD) کے اجلاس

30 جون 2022ء کو اختتام پذیر سال کے دوران بورڈ آف ڈائریکٹرز کے منعقدہ اجلاس کی تفصیلات حسب ذیل ہیں:

اجلاس میں تعداد حاضری	بورڈ میں حیثیت	نام ڈائریکٹر
7	ایگزیکٹو ڈائریکٹر	- طلحہ محمد نسیم (CEO)
7	نان۔ ایگزیکٹو ڈائریکٹر	- محمد فاروق نسیم
5	نان۔ ایگزیکٹو ڈائریکٹر	- محترمہ روجی فاروق نسیم
5	نان۔ ایگزیکٹو ڈائریکٹر	- ذکا محمد نسیم
7	نان۔ ایگزیکٹو ڈائریکٹر	- حامد محمود
7	آزاد ڈائریکٹر	- شفقات احمد
7	آزاد ڈائریکٹر	- مرتضیٰ یوسف مانڈوی والا

نوٹ:

جو ڈائریکٹرز اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق بورڈ سے غیر حاضری کی رخصت دی 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 تعداد حاضری	نام ڈائریکٹر
6	- شفقات احمد (چیرمین)
5	- محمد فاروق نسیم
4	- حامد محمود

نوٹ:

جو کمیٹی اراکین اجلاس میں شرکت کرنے سے قاصر تھے انہیں قانون کے مطابق غیر حاضری کی رخصت دی گئی۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے نئے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل اراکین پر مشتمل ہیومن ریسورس اینڈ ریمونریشن

کمیٹی تشکیل دی ہے:

اجلاس میں تعداد حاضری	نام ڈائریکٹر
5	- مرتضیٰ یوسف مانڈوی والا (چیرمین)
4	- محمد فاروق نسیم
5	- طلحہ محمد نسیم

کے کاربن اخراج کو معقول سطح پر لانا اور پیداواری اشاریوں کو بہتر کرنا شامل ہے۔ درکار توانائی کو تقسیم کرنے اور کاربن اخراج کو کم کرنے کے لئے 5 میگا واٹ کا سولر پلانٹ بھی نصب کیا گیا ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کو قدر اور استحکام دینے کے لئے اپنے سنگ میل عبور کرنے کی جانب گامزن ہے۔

آڈیٹرز کے مشاہدات

کمپنی توازن، جدت اور تبادلہ (BMR) کے عمل میں ہے اور انتظامیہ پر امید ہے کہ کمپنی مالیاتی سال 2022-23ء میں اپنی تجارتی پیداوار کا آغاز کر دے گی اور بطور جاری کاروبار اپنے آپریٹرز جاری رکھے گی۔ لازمی/قانونی ضروریات سے زائد ورکرز کمپنیشن مراعات مجاز محکمے کے حتمی تعین اور توثیق کے بعد منظوری سے مشروط ہے۔ توازن کی تصدیق کے خطوط کو گردش میں لایا گیا ہے لیکن کچھ جگہ سے ابھی جواب موصول نہیں ہوا ہے۔ البتہ، آڈیٹرز نے متبادل آڈٹ طریقہ کار کے ذریعے بیلنس کی تصدیق کر دی ہے۔

معقول داخلی نظم و ضبط

بورڈ آف ڈائریکٹرز اپنی ذمہ داری سے بخوبی آگاہ ہیں اور ڈائریکٹرز کمپنی کے داخلی نظم و ضبط کے ماحول کو موثر بنانے اور اس مناسبت سے داخلی مالیاتی نظم و ضبط کے موثر سسٹم کو قائم کرنے کے لئے تمام ضروری اقدامات کر رہے ہیں تاکہ کاروباری امور کی روانی، کمپنی کے اثاثہ جات کی حفاظت اور موجودہ قوانین و ضوابط کی تعمیل اور بااعتماد مالیاتی رپورٹنگ کو یقینی بنایا جاسکے۔ کمپنی کا اندرونی آڈٹ فنکشن مالیاتی کنٹرولز کے اطلاق پر باقاعدگی سے نگرانی رکھتا ہے جب کہ آڈٹ کمیٹی اندرونی نظم و ضبط کے فریم ورک اور سہ ماہی مالیاتی گواشاہدوں کی موافقت کا جائزہ لیتا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

ڈائریکٹرز کی کل تعداد 7 ہے جس میں ایک خاتون ڈائریکٹر بھی شامل ہے۔ فی الحال بورڈ کی ترکیب حسب ذیل ہے:

1	- ایگزیکٹو ڈائریکٹر
4	- نان-ایگزیکٹو ڈائریکٹرز
2	- آزاد ڈائریکٹرز

ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق بورڈ آف ڈائریکٹرز وقت بوقت ڈائریکٹرز کے معاوضہ کا تعین کرنے کے مجاز ہیں۔ اس بابت، بورڈ آف ڈائریکٹرز نے کمپنی کے ڈائریکٹرز کے لئے معاوضہ پالیسی وضع کی ہے۔ کمپنی کے ایگزیکٹو ڈائریکٹر (چیف ایگزیکٹو) کو ادا شدہ معاوضہ کی تفصیل ان مالیاتی گواشاہدوں کے نوٹ 40 میں درج ہے۔

حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی گوشواروں کے ہمراہ بیالیسویں (42ویں) سالانہ رپورٹ پیش کرتے ہیں۔

بنیادی کاروباری سرگرمیاں اور آپریشنل کارکردگی

ڈیڈ وٹ سیمنٹ کمپنی لمیٹڈ (کمپنی) پبلک لسٹڈ کمپنی ہے۔ کمپنی کی بنیادی کاروباری سرگرمی سیمنٹ کی پیداوار اور فروخت ہے۔ مذکورہ سال کے دوران سیمنٹ کی پیداوار اور فروخت کا حجم ستمبر 2019ء سے BMR سرگرمی کے لئے پلانٹ آپریشنز کی بندش کے باعث معطل رہا۔ مذکورہ سال کے لئے خالص خسارہ 326.55 ملین روپے (2021ء: 77.74 ملین روپے) اور فی حصص خسارہ 1.42 روپے (2021ء: 0.79 روپے) رہا۔ کام کی بندش اور مالیاتی خسارے کے باعث بورڈ آف ڈائریکٹرز نے حالیہ برس کے لئے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔

مستقبل کے امکانات

صنعت

پاکستان کی معیشت سیاسی عدم استحکام، تباہ کن سیلاب، افراط زر، معاشی ابتری اور ڈالر کے مقابلے میں روپے کی قدر میں کمی، سپر کموڈٹی سائیکل اور روس یوکرائن جنگ کے باعث بری طریقی متاثر ہوئی ہے۔ اعلیٰ افراط زر اور شرح سود میں اضافے کے باعث عوام کی قوت خرید میں کمی واقع ہوئی اور تعمیراتی لاگت میں اضافے نے طلب کو بھی شدید متاثر کیا۔ جو نہی حالات بہتر ہوں گے تو بڑھتی ہوئی انسانی ضروریات اور بنیادی ڈھانچے کی تعمیر اور پرانی عمارات کی مرمت کے لئے طلب میں اضافہ ہوگا۔

بنیادی خطرات اور غیر یقینی صورتحال

- کوئلے، ایندھن اور بجلی کی قیمتوں میں اضافہ
- بلند شرح سود
- ڈالر کے مقابلے میں روپے کی قدر میں شدید کمی
- مستحکم طلب کے ساتھ رسد میں اضافہ

کمپنی کا منصوبہ

بے یقینی اور عدم استحکام سے بھرپور سال میں کمپنی BMR کی تکمیل کی جانب گامزن ہے۔ منصوبے کی مقررہ مدت کو ملحوظ خاطر رکھا گیا ہے اور اگلے مالیاتی سال سے قبل منصوبہ مکمل ہونے کے امکانات ہیں۔ BMR کے مقاصد میں پاکستان امیشن اسٹیٹڈ رڈ کے مطابق کمپنی

- 5- بصورت کارپوریٹ اینٹٹی، بورڈ کی قرارداد یا مختار نامہ مع نامزدہ کے نمونہ دستخط اجلاس کے وقت فراہم کرنا ہونگے۔
- 6- مادی شیئرز سٹیکہولڈنگ کے حامل حصص داران سے التماس ہے کہ اپنے پتہ میں تبدیلی، اگر کوئی ہو، کمپنی کے شیئرز رجسٹر اریسٹرز کارپوریشن پرائیویٹ لمیٹڈ، ونگ آر کیڈ 1-K-1 کمرشل ماڈل ٹاؤن لاہور کو فی الفور مطلع فرمائیں۔
- 7- کمپنی نے سالانہ کارکردگی رپورٹ بمعہ نوٹس سالانہ اجلاس عام کی کاپی تمام ممبران کو ان کے رجسٹرڈ ای میل پر کردی گئی ہیں جو کمپنیز ایکٹ 223(6) کے مطابق ہیں تاہم کوئی ممبر فنانشل سٹیٹمنٹ کی ہارڈ کاپی لینا چاہے تو درخواست دے سکتا ہے اسکے علاوہ کمپنی کی ویب سائٹ (<http://www.dandotcement.com>) پر بھی دستیاب ہے
- 8- کمپنیز ایکٹ 2017 کا سیکشن 72 ہر کمپنی سے اپنے فزیکل شیئرز کو تبدیل کرنے کا تقاضا کرتا ہے ایس ای سی پی کی طرف سے مطلع کرنے کی مدت کے اندر بک انٹری فارم کیساتھ شیئرز ہولڈرز کو اکاؤنٹ کھولنے کی ترغیب دلائی جاتی ہے جس سے بہت سی سہولیات ملیں گی۔ مگر پاکستان اسٹاک ایکسچینج لمیٹڈ کے قانون کے مطابق فزیکل شیئرز کی فروختی کی اجازت نہیں۔
- 9- وڈیو کانفرنس سہولت کی رضامندی کمپنیز ایکٹ، 2017 کی دفعہ (b)(1) 134 کی تعمیل میں، اگر کمپنی جغرافیائی محل وقوع میں سکونت مجموعی 10% یا زیادہ شیئرز 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 رہم..... ساکن..... بحیثیت رکن ڈنڈوت سیمنٹ کمپنی لمیٹڈ، مالک.....
- عام حصص بمطابق رجسٹرڈ فوئیونمبر..... بذریعہ ہذا..... میں وڈیو کانفرنس سہولت اختیار کرنا چاہتا ہوں۔

دستخط کارکن

ڈنڈوت سیمنٹ کمپنی لمیٹڈ نوٹس سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے حصص داران کا 42 واں سالانہ اجلاس عام برائے 30 جون 2022ء مختتمہ مالی سال کمپنی کے رجسٹرڈ دفتر 43-A/S/43 ظفر علی روڈ، گلبرگ 7، لاہور میں بروز جمعہ 25 نومبر 2022ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 27 دسمبر 2021ء کو منعقد ہونے والے گذشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2022ء مختتمہ سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعہ ان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور و خوض، وصولی اور منظوری دینا۔
- 3- آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔
- 4- صاحب صدر کی اجازت سے کسی دیگر کسی بھی کاروباری امور کو اجلاس سے پہلے رکھا جاسکتا ہے۔
- 5- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی، جو اجلاس کے روبرو رکھی جاسکتی ہیں



حسب الحکم بورڈ
(محمد کامران) کمپنی سیکرٹری

لاہور

مورخہ 4 نومبر 2022ء

نوٹ:.....

- 1- رجسٹر ممبران اور کمپنی کی حصص منتقلی کتابیں 18 نومبر 2022ء تا 25 نومبر 2022ء (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 پر آکسیاں تا نکہ مؤثر ہو سکیں کمپنی کے رجسٹرڈ دفتر 5 ظفر علی روڈ گلبرگ 7 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- کمپنی ان حصص یافتگان سے التماس کرتی ہے کہ جن افراد CNIC/NTN ابھی تک جمع نہیں کروائے جلد از جلد کروادیں۔

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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 42 ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز جمعہ مورخہ 25 نومبر 2022 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 نومبر 2022 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 ریونیوسٹیپ کے ساتھ کمپنی کے رجسٹرڈ شدہ آفس

میں جمع کروایا جائے اور اس فارم کو میٹنگ 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 تحرک 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 کمپنی میں رجسٹرڈ ہے۔

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AFFIX
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The Company Secretary,

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

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Fold Here

Fold Here

Form of Proxy

The Company Secretary
Dandot Cement Company Limited
LAHORE.

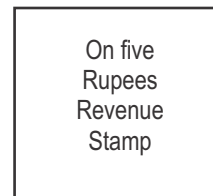
I/We _____
of _____
being a member of **Dandot Cement Company Limited** and holder of _____ Ordinary Shares as per Shares Register Folio No. _____ hereby appoint Mr. _____ of _____ Folio No. _____ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend and vote for and on my / our behalf at the 42nd Annual General Meeting of the Company to be held on **Friday, November 25, 2022 at 11:30 a.m** and at any adjournment thereof.

As witnessed given under my / our hand (s) _____ day of November 2022.

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 the 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.

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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

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