GHARIBWAL CEMENT LIMITED

ديرپا - مضبوط

ANNUAL REPORT 2022

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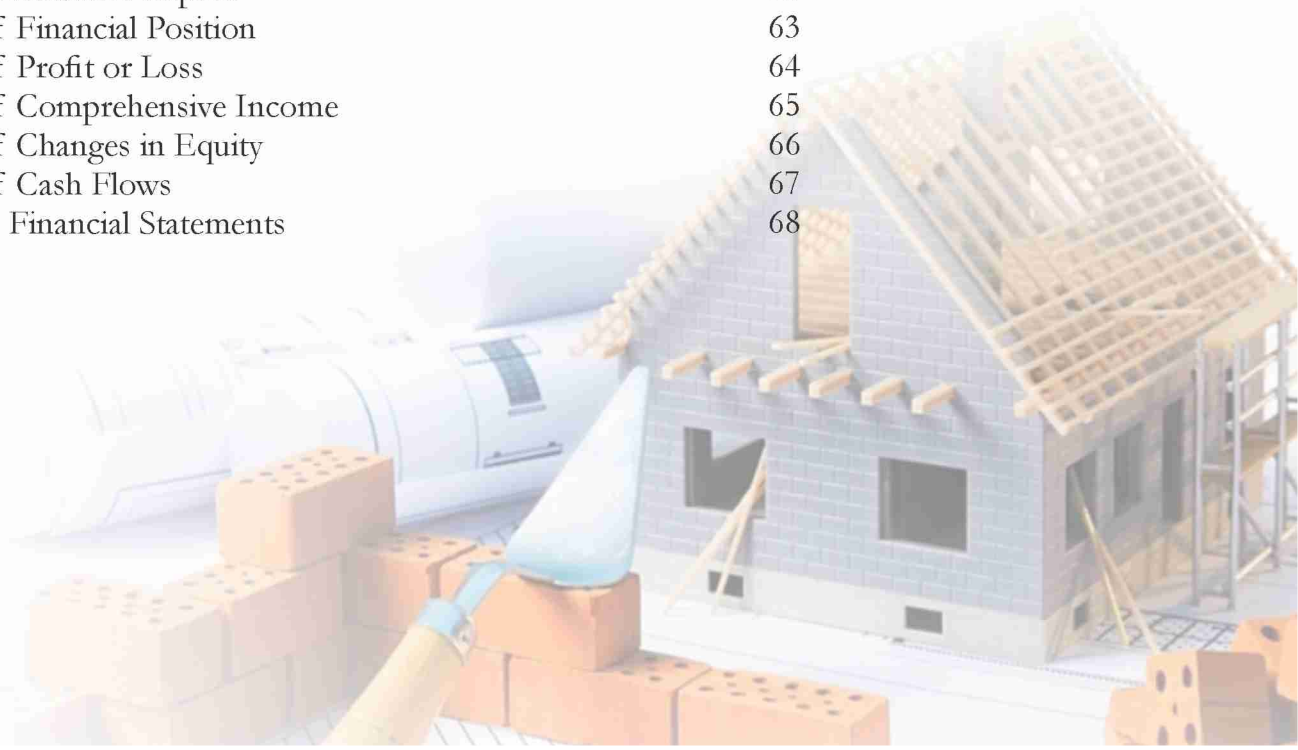


NOTICE OF
ANNUAL GENERAL MEETING

Notice is hereby given that 62ndAnnual General Meeting of Gharibwal Cement Limited will be held on Thursday, October 27, 2022 at 12:00 pm at OBAN Hotel,81-C-II, off MM Alam Road, Gulberg-III, Lahore to transact the following businesses:

Ordinary Business

1. To confirm minutes of last Annual General Meeting (AGM) held on October 27, 2021.

2. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2022 together with Auditor's and Director's report thereon.

3. To consider and approve the payment of cash dividend @ 10% (i.e. Re. 1 per share) for the financial year ended June 30, 2022 as recommended by the Board of Directors.

4. To appoint Auditors' of the Company for the year ending June 30, 2023 and to fix their remuneration. Present auditors "Kreston Hyder Bhimji& Co, Chartered Accountants", retire and being eligible, have offered themselves for reappointment.

Special Business

TRANSACTIONS WITH RELATED PARTIES

5. To ratify and approve transactions conducted with Related Parties by passing the following special resolution with or without modification:

   "Resolved that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in note 40 & 41 of the Financial Statements during the year ended June 30, 2022, be and are hereby ratified, approved and confirmed.

   Further resolved that Board of Directors of the Company be and is hereby authorized to approve all transactions to be conducted in the normal course of business with related parties and associated companies during the year ending June 30, 2023 and onwards."

INVESTMENTS IN ASSOCIATES U/S 199 OF COMPANIES ACT, 2017

6. To approve short term loan/advance up to Rs. 600 million to Balochistan Glass Limited (Associated Company)for a period of one year, by passing the following resolutions, either with or without modification, as required under section 199 of Companies Act, 2017:

   "Resolved that Consent and approval of members of the company be and is hereby accorded under section 199 of Companies Act, 2017 for short term loan/advance facility up to of Rs. 600 million for a period of one year from the date of passing of this resolution i.e. till October 27, 2023 at a markup rate of minimum 1% p.a. above the average borrowing rate of company.

   Further resolved that CEO and/or Company Secretary be and are hereby authorized, singly, to complete all financial, legal and corporate formalities in connection with the above resolution."

Other Business:

7. To transact any other business with the permission of chair

By Order of the Board

Farukh Naveed
Company Secretary

Date: October 01, 2022
Place: Lahore

NOTES:

1. **Closure of Shares Transfer Books:** The Share Transfer Books of the Company will remain close from October 20 to October 27, 2022 both days inclusive. Transfer received by the Share Registrar of the Company, Corplink (Private) Ltd, 1-K Commercial, Model Town Lahore up to October 19, 2022 will be considered in time for the purpose of attendance at AGM and dividend entitlement.

2. Participation in General Meeting: An individual beneficial owner of shares must bring his / her original CNIC or Passport, Account and Participant's I.D. numbers to prove his / her identity. A representative of corporate members, must bring the Board of Directors' Resolution and / or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

   A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the Company's Registered Office, Pace Tower, 1st Floor, 27-H, Gulberg-II, Lahore not later than 48 hours before the time of holding the Meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

3. Deposit of Physical Shares in to CDC Account: As per Section 72 of the Companies Act, 2017 every existing listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

   The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

4. Request for Video Conference Facility: In terms of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

   In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the AGM. After receiving the request/demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

   REQUEST FOR VIDEO CONFERENCE FACILITY

   I/We/Messrs. ________________________________ of _____________ being Member(s) of Gharibwal

   Cement Limited, holder of ________________ ordinary share(s) as per Folio #__________ and / or CDC

   Participant ID &Sub Account No. ___________________, hereby, opt for video conference facility at

   ___________________________________ city.

   Signature of the Member(s)
   (please affix companystamp in case of corporate entity)

5. Submission of the CNIC/NTN details (Mandatory): In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated August 18, 2011 and SRO 83(1)/2012 dated July 5, 2012, dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Shareholders who have not yet submitted copy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Company's Shares Registrar. In case of non-compliance, the Company may withhold dispatch of dividend warrants under intimation to Regulator till such time they provide the valid copy of their CNIC as per law.

6. Provision of International Banking Account Number (IBAN Detail): Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No. 421(I) 2018 dated March 19, 2021, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In this context, in order to receive dividends directly into their bank account, shareholders having shareholding in physical form are requested to provide their IBAN details duly signed along with a copy of CNIC to the Registrar of the Company M/S Corplink (Private) Ltd, 1-K Commercial, Model Town Lahore. Shareholder having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/ participant/CDC Investor Account Services.

7. Unclaimed dividend: Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore to collect/enquire about their unclaimed dividend or pending shares, if any.

   Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

8. Zakat declaration: Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

9. Availability of Financial Statements and Reports on the Website: In accordance with the Provision of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022 are available on the Company's website.

10. Transmission of annual report through CD: The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request.

The statement Under Sub Section 3 of Section 134 of The Companies Act, 2017, Pertaining to the Special Business is annexed with this notice to the Members.

TRANSACTIONS WITH RELATED PARTIES

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the 61st Annual General Meeting of the Company, the shareholders had authorized the Board of Directors to approve transactions with the related parties conducted in normal course of business for the year ended June 30, 2022 and onward. In order to promote transparent business practices, these transactions are being placed before the AGM for the formal approval / ratification by shareholders.

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale of cement, dividends paid, investments made (in accordance with the approval of shareholders and board where applicable), remunerations to executive directors and salaries and other benefits paid to the key management personnel. The nature of relationship with these related parties has also been indicated in the note 41 to the financial statements for the year ended June 30, 2022. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

SHORT TERM LOAN TO BALOCHISTAN GLASS LTD

This statement sets out the material facts pertaining to special business proposed to be transacted under section 199 of Companies Act, 2017 at AGM.

Balochistan Glass Limited (BGL) was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Act, 2017). Its shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and sale of glass containers, Tableware glass products and plastic shells for beverage companies. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is presently situated at 12-KM, Kot Abdul Malik, Lahore. Balochistan Glass has three glass plants one is located in Hub-Balochistan whereas other two plants are located at Lahore Sheikhpura road. BGL is selling its tableware products under the brand name of "Marimax".

Company in last AGM had extend this facility up to Rs. 600 for a period of one year from its expiry i.e. till October 27, 2022 and now proposed to extend/renew this facility further for one year. Board of Directors of GCL in their meeting held on October 29, 2022 has approved facility of Rs. 600 million as short term loan / advance for a period of one year i.e. till October 27, 2023.

GCL shall extend/allow the facility of loan / advance from time to time for working capital requirements to BGL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 and as required under section 199 of Companies Act, 2017. Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in BGL and it has been kept at Registered Office of the Company for inspection of the members along with audited/unaudited accounts of BGL as required under the Regulations

Sr.#	Requirement	Information
1	Name of Company	Balochistan Glass Limited (BGL) - an Associated Company of GCL
2	Amount of loan/advance	Up to Rs. 600 million (Rupees Six hundred million)
3	Purpose of loan/advance etc. & benefits	Purpose: To earn income on the loan/advance to be provided to BGL from time to time for working capital requirements of BGL. Benefits: The Company will receive mark up at the rate of one percent above of its average borrowing cost Period: For a period of one year i.e. till October 27, 2023
4	Outstanding Loan Amount as at June 30, 2022 In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Principal Rs. 587.36 million Accrued markup Rs. 106.01 million Company has already extended this facility up to Rs. 600 million to BGL by passing special resolution in last AGM for a period of one year
5	Rate of Markup & Average Borrowing cost of GCL	Mark up rate: Minimum 1% above the rate charged to GCL by banks & financial institutions. Mark up will be paid by BGL on quarterly Basis.
6	Financial Position of BGL	Based on the latest unaudited quarterly financial statements for the nine months ended March 31, 2022,brief financial position of BGL is as under:
7	Sources of funds from where loans or advances will be given	- From internal cash availability of GCL (These are not from borrowed funds)

	Rs.Million
Paid up Capital- Current	2,616
Accumulated Losses	5,783
Revaluation Surplus	1,061
Subordinated Loan	3,635
Loan from Directors	313
Long term Loans from Banks	10
Deferred Liabilities	61
Short term borrowings	862
Current Liabilities	1,755
Current Assets	596
Current Ratio	0.34
Fixed Assets	2,527
Long term investment	138
Loss after tax	(54)
Loss per share	(0.21)

Sr.#	Requirement	Information
8	Personal Interest of Directors of GCL	i. Muhammad Tousif Peracha, ii. Faisal Aftab Ahmad; and iii. MianNazir Ahmed Peracha are common Directors in both Companies. Shareholding of Common directors is as under: Name / BGL / GCL M Tousif Peracha / 76.6% / 53.7% MianNazir Peracha / 0.0% / 0.0% Faisal Aftab Nabi / 0.0% / 0.0% Spouse of Muhammad Tousif Paracha: Tabassum Tousif Peracha / 0.0% / 0.0% - Mian Nazir Peracha is CEO of BGL - Pattern of shareholdings are also available on both companies' website as well as in annual reports.
9	Repayment Schedule	Repayable within one year. However, company can call full or partial repayment of outstanding loan at any time during the period of one year.
10	Salient features of agreements entered Or to be entered with BGL	Terms of agreement will be in accordance with The terms approved by members in AGM
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Muhammad Tousif Peracha (major shareholder and director of the both companies) has given his personal guarantee and also post-dated cheque as security against this short term loan / advance to BGL
12	Loan conversion option	No such option is extended to BGL
13	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Amount of Loan Up to Rs. 600 million- Short term Advance Nature: Short term loan for working capital offered to BGL for its use for operations Purpose: To earn income on the facilities to be provided to BGL from time to time for working capital requirements of BGL. Benefits: The Company will receive mark up at the rate of one percent above of its average borrowing cost, so, company will earn profit on surplus funds. Period: For a period of one year i.e. till October 27, 2023 Mark up rate: 3 months KIBOR + 3.5% p.a. Principal Repayment: Principal to repay on or before October 27, 2023 or within 45-days on demand by GCL Mark up repayment: Mark up to be paid on quarterly basis.

اطلاع برائے سالانہ اجلاس عام

اس نوٹس کے ذریعے اطلاع دی جاتی ہے کہ غریب وال سیمنٹ لمیٹڈ کا 62واں سالانہ اجلاس عام (AGM) جمعرات 27 اکتوبر 2022 کو دن 12 بجے OBAN ہوٹل، C-II-81، ایم ایم عالم روڈ کے قریب، گلبرگ III، لاہور میں منعقد ہوگا۔ جس میں درج ذیل معاملات زیرِ بحث آئیں گے۔

عمومی امور

۱۔ پچھلی AGM (جو کہ 27 اکتوبر 2021 کو منعقد ہوئی تھی) کے طے شدہ امور کی تصدیق کرنا۔

۲۔ کمپنی کے ختم ہونے والے سال 30 جون 2022 کے آڈٹ شدہ اکاؤنٹس، اس پر آڈیٹرز اور ڈائریکٹرز کی رپورٹ پر غور کرنا اور اسکی منظوری دینا۔

۳۔ بورڈ آف ڈائریکٹرز کے مالی سال 30 جون 2022 کیلئے تجویز کردہ حتمی نقد منافع جو کہ 10 فی صد (ایک روپے فی حصہ) پر غور کرنا اور منظوری دینا۔

۴۔ کمپنی کے 30 جون 2023 کو ختم ہونے والے سال کے لیے آڈیٹرز مقرر کرنا اور ان کے معاوضے کی منظوری دینا، کمپنی کی موجودہ آڈٹ فرم" کرسٹن حیدر بھیم جی اینڈ کو چارٹرڈ اکاؤنٹنٹس" نے (دوبارہ تقرری کی اہل ہونے کے ناطے) اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔

خصوصی امور

۵۔ متعلقہ فریقین کے ساتھ لین دین۔

مندرجہ ذیل قرارداد پر بطور خصوصی قرارداد غور کرنا اور منظور کرنا۔

"منظور کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ کاروباری معاملات (جیسا کہ کمپنی کے 30 جون 2022 کو ختم ہونے والے مالی سال کے اکاؤنٹس کے نوٹ نمبر 40 اور 41 میں درج کیا گیا) کی توثیق کی جاتی ہے اور بورڈ آف ڈائریکٹرز کو مجاز کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ (آئندہ ختم ہونے والے سال 30 جون 2023 تک) عمومی کاروباری معاملات کو طے کر سکتے ہیں۔"

۶۔ کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ایسوسی ایٹڈ کمپنی میں سرمایہ کاری:

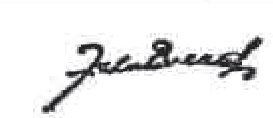
کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ایسوسی ایٹڈ کمپنی "بلوچستان گلاس لمیٹڈ" کو ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری کے لیے مندرج ذیل قرارداد کو اسی حالت میں یا تبدیلی کے ساتھ منظور کرنا" طے پایا کہ کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت 600 ملین روپے قرض (ایک سال یعنی 27 اکتوبر 2023 تک کے لیے) کی منظوری دی جاتی ہے۔ اس قرض پر شرح سود کمپنی کی سالانہ اوسط شرح سود سے 1 فیصد زیادہ ہوگی۔ کمپنی نے اپنی پچھلی AGM میں یہ رقم ایک سال کے لیے منظور کی تھی اور اب اس سہولت کو مزید ایک سال کے لیے بڑھایا جاتا ہے۔"

مزید کمپنی کے CEO اور کمپنی سیکریٹری کو مجاز کیا جاتا ہے کہ ان میں سے کوئی بھی، اوپر دی گئی قرارداد سے متعلق قانونی معاملات کو طے کر سکتا ہے۔

باقی امور

چیئرمین کی اجازت سے کسی اور معاملے پر بحث کرنا۔

بحکم بورڈ آف ڈائریکٹرز



فرح نوید

کمپنی سیکریٹری

01 اکتوبر 2022

لاہور

نوٹس:

i۔ کمپنی کی شیئرز منتقلی کی کتابیں 20 اکتوبر سے 27 اکتوبر 2022 (بشمول دونوں دن) تک بند رہیں گی۔ شیئرز منتقلی کی درخواستیں جو کہ 19 اکتوبر 2022 تک کمپنی کے شیئر رجسٹرار میسرز کارپلنک پرائیویٹ لمیٹڈ واقع k-1 کمرشل مارکیٹ ماڈل ٹاؤن لاہور کو موصول ہوں گی وہی AGM میں حاضری اور منافع کی ادائیگی کے لیے اہل ہوں گی۔

ii۔ تمام ممبرز جنہوں نے اپنے شیئرز سنٹرل ڈیپازٹری کمپنی (CDC) میں جمع کیے ہیں وہ میٹنگ میں شمولیت کے لیے اپنا شناختی کارڈ یا پاسپورٹ اور CDC میں اپنا شناختی نمبر اپنا اکاؤنٹ نمبر یا ذیلی اکاؤنٹ نمبر ساتھ لائیں۔ CDC اکاؤنٹ رکھنے والوں کو مزید SECP کے مقرر کردہ رہنما اصولوں پر عمل کرنا ہوگا جیسا کہ سرکلر نمبر 1 مورخہ جنوری 26,2000 میں درج ہے۔

iii۔ کوئی بھی ممبر جو کہ میٹنگ میں شمولیت کا حقدار ہو وہ اپنی جگہ کسی دوسرے ممبر کو اپنی جگہ میٹنگ میں شامل ہونے اور ووٹ ڈالنے کے لیے نامزد کر سکتا ہے۔ ایک رکن ایک سے زیادہ پراکسی مقرر کرنے کا حقدار نہیں ہوگا۔

iv۔ کمپنی ایکٹ 2017 کی شق 72 کے مطابق ہر کمپنی پر لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرائے۔

فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز سے درخواست ہے کہ وہ کسی بھی بروکر کے ساتھ CDC میں ذیلی اکاؤنٹ کھلوائیں یا CDC کے ساتھ براہ راست انویسٹر اکاؤنٹ کھولیں تاکہ وہ اپنے فزیکل شیئرز کو وہاں جمع کرائیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا بشمول حصص کی حفاظت خرید وفروخت کیونکہ پاکستان سٹاک ایکسچینج کے موجودہ ضوابط کے تحت فزیکل شیئرز کی خرید وفروخت کی اجازت نہیں ہے۔

ویڈیو کانفرنس کی سہولت کے لیے درخواست:

SECP کے سرکلر نمبر 10 آف 2014 مورخہ 21 مئی 2014 جو کمپنیز ایکٹ کے سیکشن 134(1)(b) کے تحت اگر کمپنی کو 10% یا زیادہ شیئرز رکھنے والے ممبران کی طرف سے درخواست موصول ہو تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی آیا کہ اس شہر میں ایسی سہولت موجود ہو۔ مگر اس کے لئے ضروری ہے کہ ایسی کوئی بھی درخواست کمپنی کو AGM کی تاریخ سے 10 دن پہلے موصول ہو جائے۔

اس سلسلے میں براہ کرم درج ذیل فارم کو پر کریں

ویڈیو کانفرنس کی سہولت کے لیے دخواست:

میں / ہم / میسرز ____________________ جو کہ غریب وال سیمنٹ کے شیئر نمبر ____________________ سے لیکر ____________________

رکھتے ہیں درخواست کرتے ہیں کہ ہمارے شہر ____________________ میں ویڈیو کانفرنس کی سہولت مہیا کی جائے۔

ممبر / ممبران کے دستخط

(براہ اکرام کارپوریٹ ادارے کی صورت میں کمپنی کی مہر لگائیں)

CNIC/NTN کی تفصیلات جمع کرانا (لازمی):

SECP کے نوٹیفکیشن نمبر SRO779(1)/2011 مورخہ اگست 18، 2011 اور SRO83(1)2012 کے مطابق 5 جولائی 2012 ڈیویڈنڈ وارنٹس میں رجسٹرڈ ممبر کا CNIC نمبر ہونا لازمی ہے سوائے نابالغ اور کارپوریٹ اراکین کے۔ اس لئے جن شیئر ہولڈرز کے اب تک اپنے درست CNIC یا NTN نمبر کی کاپی جمع نہیں کرائی ان سے درخواست کی جاتی ہے وہ اسے کمپنی کے شیئر رجسٹرار کو جمع کرائیں۔ عدم تعمیل کی صورت میں حصص وارنٹس کی ترسیل روکی جا سکتی ہے۔

بین الاقوامی بینکنگ اکاؤنٹ نمبر کی فراہمی (IBAN تفصیل):

کمپنیز ایکٹ 2017 کی دفعہ 242 اور SECP کے سرکلر نمبر 421(1)2018 مورخہ مارچ 19، 2021 کے مطابق لمیٹڈ کمپنی کے لئے لازم ہے کہ وہ اپنے منافع کی تقسیم ممبران کی بینک اکاؤنٹ میں منتقل کرے جس کے لئے کمپنی کا تمام ممبران کے IBAN درکار ہیں۔ اس سلسلے میں CDC میں شیئرز رکھنے والے ممبراز اپنا IBAN نمبر CDC میں جمع کرائیں اور باقی ممبران اپنا IBAN نمبر کمپنی کے رجسٹرار میسرز کارپولنک (پرائیوٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاون لاہور کو اپنے CNIC کی ایک کاپی جمع کرائیں۔

غیر کلیم شدہ ڈیویڈنڈ اور بونس شیئرز

وہ شیئر ہولڈرز جو کسی نہ کسی وجہ سے اپنے ڈیویڈنڈ اور بونس شیئرز کا کلیم نہ کر سکے یا اپنے فزیکل شیئرز وصول نہ کر سکے، ان سے گذارش ہے کہ وہ غیر کلیم شدہ ڈیویڈنڈ یا التواشدہ شیئرز، اگر کوئی ہیں، حاصل کرنے / ان کی معلومات کے لیے ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاون لاہور سے رابطہ کریں۔

برائے مہربانی نوٹ فرمالیں کہ کمپنیز ایکٹ 2017 کی دفعہ 244 کے مطابق تمام کاروائیاں مکمل کرنے کے بعد تمام ڈیویڈنڈز جن کی ادائیگی کی تاریخ سے تین سال کی مدت تک کوئی کلیم نہ کیا گیا ہو، وفاقی حکومت / SECP کے کھاتے میں جمع کروادیے جائیں گے اور شیئرز کی صورت میں سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کو پہنچا دیئے جائیں گے۔

زکوۃ کی کٹوتی:

ممبران سے گزارش ہے کہ زکوۃ سے استثنٰی کے لیے زکوۃ اور عشر آرڈیننس 1980 کے مطابق اعلامیہ جمع کروائیں اور اگر کوئی تبدیلی ہے تو آگاہ کریں۔

ویب سائیٹ پر مالی بیانات اور رپورٹس کی دستیابی:

کمپنی ایکٹ 2017 کے سیکشن 22(37) کی شق کے مطابق مالی سال 30 جون 2022 کے اختتام پر کمپنی کے آڈٹ شدہ مالی حسابات کمپنی کی ویب سائیٹ پر موجود ہیں۔

CD/DVD کے ذریعے سالانہ اکاؤنٹس کی ترسیل۔

کمپنی نے اپنی سالانہ اکاؤنٹس CD کی شکل میں اپنے ممبران کے رجسٹرڈ ایڈریس پر بھجوا دیئے ہیں تاہم اکاؤنٹس کتابی شکل میں ممبران کی درخواست پر مہیا کئے جا سکتے ہیں۔

متعلقہ فریقین کے ساتھ لین دین۔

تمام فریقوں کے ساتھ کئے گئے لین دین کو بورڈ آف ڈائریکٹرز سے منظوری لینی ہوگی جس کی سفارش آڈٹ کمیٹی نے سہ ماہی بنیادوں پر فہرست میں درج کمپنیوں کے ضابطے 2019 کی شق 15 (کوڈ آف کارپوریٹ گورنس) کے مطابق کی ہے۔

کمپنی کے 61 ویں اجلاس عام کے دوران حصص داران نے بورڈ آف ڈائریکٹرز کو 30 جون 2022 کو ختم ہونے والے سال کے لیے معمول کے کاروبار میں کے لئے متعلقہ فریقوں کے ساتھ لین دین کی منظوری کا اختیار دیا تھا۔ شفاف کاروبار فریقوں کو فروغ دینے کے لیے ان لین دین کو شیئر ہولڈرز کی طرف سے باضابطہ منظوری/توثیق کے لیے AGM کے سامنے رکھ دیا ہے۔

کمپنی اپنے متعلقہ فریقوں کے ساتھ لین دین بازار کے ریٹ کی بنیاد پر کرتی ہے اور کاروبار کے معمول کے دوران متعلقہ فریقوں کے ساتھ لین دین کے حوالے سے بہتر پالیسی کے مطابق ہے۔ متعلقہ فریقوں کے ساتھ ہونے والے تمام لین دین کے لیے کمپنی کے بورڈ آڈٹ کمیٹی کی منظوری درکار ہوتی ہے۔ جس کی صدارت کمپنی کا ایک آزاد ڈائریکٹر کرتا ہے۔ بوڈ آڈٹ کمیٹی سفارش پر اس طرح کے لین دین کو بوڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جاتا ہے۔

متعلقہ فریقوں کے ساتھ کیے گئے لین دین میں سیمنٹ کی فروخت، سرمایہ کاری کمیٹی ایگزیکٹو ڈائریکٹرز کو معاوضے اور تنخواہیں اور دیگر مراعات شامل ہیں تعلقات کی نوعیت کو نوٹ 41 میں 30 جون 2022 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں بتایا گیا ہے۔ ڈائریکٹرز صرف ان متعلقہ فریقوں میں ان کی مشترکہ ڈائریکٹرشپ کی حد تک دلچسپی رکھتے ہیں۔

یہ بیان AGM میں کمپنی ایکٹ 2017 کے سکشن 199 کے تحت لین دین کی تجویز کردہ خصوصی کاروبار سے متعلق مادی حقائق کو بیان کرتا ہے۔

بلوچستان گلاس لمیٹڈ کو قلیل مدتی قرض کی فراہمی۔

بلوچستان گلاس لمیٹڈ (BGL) کمپنیز ایکٹ 2017 کی شق 199 (جو کہ اب کمپنیز ایکٹ 2017 ہے) کے تحت پاکستان میں بطور عوامی کمپنی رجسٹر ہوئی اسکے شیئرز پاکستان سٹاک ایکسچینج میں درج ہیں۔ یہ کمپنی شیشے کے برتن، مشروبات کی کینٹینر کے لیے بوتلیں اور پلاسٹک کے ڈھکن بناتی ہے۔ BGL کا ہیڈ آفس 12-km کوٹ عبدالمالک، لاہور پر واقع ہے۔ (پچھلے سال ہیڈ آفس فرسٹ فلور پیس ٹاور، کالج روڈ، گلبرگ ii، لاہور پر واقع تھا) BGL کے تین پلانٹ ہیں جن میں سے ایک حب بلوچستان اور باقی دو لاہور شیخوپورہ روڈ پر واقع ہیں۔ BGL اپنے برتن "Mari Max" کے نام سے بیچتی ہے۔

غریب وال سیمنٹ لمیٹڈ (GCL) کے بورڈ آف ڈائریکٹرز نے اپنی 29 اکتوبر 2022 کو ہونے والی میٹنگ میں ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری دی ہے جو کہ 27 اکتوبر 2023 تک قابلِ واپسی ہوگا۔

GCL نے اپنی پچھلی سالانہ AGM میں قرض کی رقم کو 600 ملین روپے تک بڑھایا تھا (27 اکتوبر 2022) اور اب یہ تجویز ہے کہ اُس قرض کی واپسی مزید ایک سال تک موخر کردی جائے قرض کی یہ رقم وقتاً فوقتاً کام کرنے والے سرمائے کی ضرورت کو پورا کرنے کے لیے فراہم کی جائے گی جو کہ تحریری معاہدہ اور تمام متعلقہ شرائط وضوابط، جو کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنگ) ریگولیشنز 2012 اور کمپنیز ایکٹ 2017 کی دفعہ 199، کے مطابق ہوگی۔

کمپنی کے ڈائریکٹرز نے واضع کیا ہے کہ انہوں نے BGL میں سرمایا کاری سے متعلق تمام امور پر رپورٹ تیار کی ہے جس پر ان کے دستخط موجود ہیں اور وہ ممبرز کی جانچ پڑتال کے لیے رجسٹرڈ آفس میں موجود ہے جس کے ساتھ BGL کے آڈٹ شدہ اور غیر آڈٹ شدہ اکاؤنٹس بھی موجود ہیں۔

اس رپورٹ کا متن مندرجہ ذیل ہے۔

سیریل نمبر	مطلوب	تفصیل
ا۔	کمپنی کا نام	بلوچستان گلاس لمیٹڈ۔ ایسوسی ایٹڈ کمپنی آف GCL
۲۔	قرض کی رقم	600 ملین روپے تک
۳۔	قرض کا مقصد اور فوائد	مقصد: BGL کو وقتاً فوقتاً اپنی ضروریات کو پورا کرنے کے لیے دی گئی رقم پر منافع کمانا فائدہ: GCL اپنے قرض کے مجموعی اوسط شرح سود سے 1% زیادہ منافع حاصل کرے گی۔ دورانیہ: اس قرض کی مدت ایک سال (27 اکتوبر 2023 تک) ہے۔
۴۔	30 جون 2022 تک واجب الادا قرض کی رقم 30 جون 2022 تک واجب الادا منافع کی رقم اگر یہ قرض ممبران کی اجازت سے دیا گیا ہے تو اس کی تفصیل	587.36 ملین روپے 106.01 ملین روپے کمپنی اپنی پچھلی AGM میں یہ 600 ملین روپے کی سہولت ایک سال کی مدت کے لیے تک بڑھا چکی ہے۔

۵۔ شرح سود اور GCL کی اوسط شرح سود

شرح سود GCL کی سالانہ اوسط شرح سود سے 1% زیادہ ہوگی BGL سود کی ادائیگی سہ ماہی اقساط میں کرے گی۔

۶۔ BGL کی مالیاتی تفصیلات۔

تازہ ترین غیر آڈٹ شدہ اکائنٹس (تیسری سہ ماہی مورخہ 31 مارچ 2022 کے اختتام پر) کے مطابق مالی حیثیت مندرجہ ذیل ہے۔

	ملین روپے
اداشدہ سرمایہ	2,616
مجموعی خسارہ	5,783
ریویلوایشن سرپلس	1,061
سب آرڈینیٹڈ لون	3,635
ڈائریکٹرز کی طرف سے لون	313
بینکوں کے طویل مدتی لون	10
ڈیفرڈ لائبیلٹیز	61
قلیل مدتی قرضے	826
کرنٹ لائبیلٹیز	1,755
کرنٹ ایسٹس	596
حالیہ تناسب	0.34
فکسڈ ایسٹس	2,527
طویل مدتی سرمایہ کاری	138
بعد از ٹیکس نقصان	(54)
فی شیئر نقصان	(0.21) روپے

۷۔ وہ ذرائع جن سے قرض کی رقم فراہم کی جائے گی

GCL کے اپنے اندرونی ذرائع سے حاصل شدہ کیش میں سے

۸۔ ڈائریکٹرز کے ذاتی مفادات

محمد توصیف پراچہ، فیصل آفتاب احمد اور میاں نذیر احمد پراچہ دونوں کمپنیوں میں ڈائریکٹرز ہیں اور شیئرز کا تناسب یہ ہے۔

نام	شیئرز BGL	شیئرز GCL
محمد توصیف پراچہ	76.6%	53.7%
میاں نذیر احمد پراچہ	0.0%	0.0%
فیصل آفتاب نبی	0.0%	0.0%
محمد توصیف پراچہ کی شریک حیات:		
تبسم توصیف پراچہ	0.0%	0.0%

- میاں نذیر پراچہ BGL کے CEO ہیں۔

شیئر ہولڈنگ کی تفصیلات دونوں کمپنیز کی ویب سائٹس اور سالانہ اکاؤنٹس میں موجود ہیں۔

۹۔ قرض کی ادائیگی کا شیڈول

ایک سال کی مدت میں قابل واپسی

تاہم ایک سال کے دوران کسی بھی وقت کمپنی جزوی یا کلی طور پر رقم کی واپسی کا تقاضہ کرسکتی ہے۔

۱۰۔ معاہدہ (ہونے والا یا ہو چکا) کی نمایاں خصوصیات

معاہدے کی شرائط AGM میں ممبران کی طرف سے منظور شدہ شرائط کے مطابق ہوں گی۔

۱۱۔ قرض کی مد میں رکھی گئی سکیورٹی کی تفصیلات	محمد توصیف پراچہ (جو کہ دونوں کمپنیز میں ڈائریکٹر ہیں) نے اپنی پرسنل گارنٹی دی ہوئی ہے اور قرض کی رقم کے برابر مالیت کے چیک کمپنی کو سکیورٹی کے طور پر جمع کرائے ہوئے ہیں۔	
۱۲۔ قرض کے تبادلے کا اختیار	ایسا کوئی اختیار BGL کو نہیں دیا گیا۔	
۱۳۔ اس سرمایہ کاری سے متعلق کیئے گئے یا ہونے والے معاہدے کی نمایاں خصوصیات	قرض کی رقم	600 ملین روپے
	قرض کی قسم	روزمرّہ کے آپریشنز کی ضروریات پوری کرنے کے لیے
	قرض کا مقصد	قرض کی رقم پر منافع کا حصول
	فوائد	کمپنی اس قرض پر اضافی منافع حاصل کرے گی۔
	درانیہ	ایک سال 27 اکتوبر 2023 تک
	شرح سود	GCL کی سالانہ اوسط شرح سود سے 1% زیادہ
	اصل رقم کی واپسی۔	اصل رقم 27 اکتوبر 2023 تک یا اس سے پہلے GCL کے تقاضہ کے 45 دن کے اندر
	سود کی ادائیگی۔	سود کی ادائیگی سہ ماہی اقساط میں کی جائے گی۔

جمع پونجی

سرمایہ کاری سمجھداری کے ساتھ

سرمایہ کاری کی آگاہی کے لیے انقلابی اقدام

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جہاں رہیئے، آگاہ رہیئے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپکو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کرسکیں۔ جمع پونجی میوچل فنڈز، پنشن فنڈز، اسلامک فنانسنگ، کیپٹل مارکٹ، لیزنگ کمپنیز اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپکے سوالات کے جوابات فراہم کرتا ہے اور ساتھ ہی آن لائن ٹولز کے ذریعے ہی کھیل ہی کھیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپکو رہنمائی بھی فراہم کرتا ہے۔

کھیل ہی کھیل میں سیکھیں سرمایہ کاری کا ہنر

مفت آن لائن ٹولز:

سکیم میٹر	ماک ٹریڈنگ	رسک پروفائلر
نالج سینٹر	کیلکولیٹر	نیوز لیٹر سبسکرپشن

SECP

Jama Punji is an Investor Education Intiative of Securities and Exchange Commission of Pakistan


GOVERNANCE

COMPANY INFORMATION

BOARD OF DIRECTORS

Khalid Siddiq Tirmizey	(Chairman)
Muhammad Tousif Peracha	(Executive Director)
Abdur Rafique Khan	(Executive Director)
Mustafa Tousif Ahmed Paracha	(Executive Director)
Amna Khan	(Non-Executive Director)
Mian Nazir Ahmed Paracha	(Non-Executive Director)
Sorath Jamani	(Non-Executive Director)
Faisal Aftab Ahmad	(Independent Director)
Daniyal Jawaid Peracha	(Independent Director)

AUDIT COMMITTEE

Faisal Aftab Ahmad	(Chairman)
Khalid Siddiq Tirmizey	(Member)
Mian Nazir Ahmed Peracha	(Member)

HRR COMMITTEE

Khalid Siddiq Tirmizey	(Chairman)
Muhammad Tousif Peracha	(Member)
Mian Nazir Ahmed Peracha	(Member)

EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Amin Building, The Mall, Lahore

LEGAL ADVISORS

Raja Muhammad Akram
Legal Advisors
Main Gulberg, Lahore.

KEY MANAGEMENT PERSONNEL

Muhammad Tausif Peracha	(Chief Executive Officer)
Abdul Shoeb Piracha	(Director Commercial)
Syed Firasat Abbas	(General Manager Plant)
Muhammad Shamail Javed FCA	(Chief Financial Officer)
Rana Muhammad Ijaz	(General Manager Sale)
Farukh Naveed ACA	(Financial Controller & Company Secretary)
Muhammad Tahir	(Chief Coordination Officer)
Hassan Mehdi ACA CIA	(Internal Auditor)

SHARE REGISTRAR

Corplink (Private) Limited,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.

BANKERS

The Bank of Punjab
National Bank of Pakistan
Al Baraka Bank Limited
Summit Bank Limited
Pak China Investment Company
Bank Islami Pakistan Limited
The Bank of Khyber
Faysal Bank Limited
Saudi Pak Industrial &
Agricultural Investment Company
Silk Bank Limited
First Credit & Investment Bank
Meezan Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank
Askari Bank Limited

Vision

We are envisioned to be a leading partner in nation building, and the most preferred cement brand by maintain your reputation as 'symbol of quality'.

Mission

We are committed to be a profitable company by providing high quality products and services to our customers through a competent, efficient and motivated team supported by the latest technology in an eco-friendly manner, thereby achieving the financial objectives of our shareholders, whilst adding value to community.

CORE VALUE

We execute our mission standing firm around our core values and the beliefs that reflect what is truly important to us as an organization. These are not values that change from time to time but rather these are the foundations of our company culture.

1 Customers
Our customers are the reason of our being and we work to meet their expectation and provide them with added value product they need.

2 Quality
We stand for quality in all our processes and products, knowing that high standards are the only possible way to success and deliver value to our customers.

3 Technology
We believe that innovation and high efficiency are part of our competitive advantage that can only be achieved through the use of the latest technology.

4 Safety
A safe environment, a safe product and a safe organization are our commitments.

5 Integrity
We are committed to enforcing good corporate governance practices and interacting with our stakeholders according to our value system and principles.

6 Transparency
We believe that transparency throughout the organization will lead to long term profitable growth.

7 Employees
We consider people as our most valuable assets and provide an environment whereby our people can excel, develop and grow with the Company

8 Profit
Unless we continue to meet our profit objective, we will not be able to achieve our other corporate objectives.

OUR VISION & VALUE
CREATION MODEL

WHY our reason for being

WHERE we play

HOW we succeed

WHO benefits

VALUE how we create value

VISION
become a leading partner in nation building, and the most preferred cement brand.

STRATEGY
N°1
PEOPLE AS N°1 ASSET

OPERATING MODEL
GCL NETWORKS

STAKEHOLDERS
EMPLOYEES

STAKEHOLDERS
- Provide a great workplace that helps employees grow
- Build skills and expertise
- Enable a strong sense of purpose

MISSION
become a profitable company by providing high quality products and services to our customers through a competent, efficient and motivated team supported by the latest technology in an eco-friendly manner, thereby achieving the financial objectives of our shareholders, whilst adding value to community.

CUSTOMER CENTRICITY + SUPPORT FUNCTIONS = CUSTOMERS

- Tailor our offerings to solve our customers' construction needs
- Make it easy to work with us
- Provide enhanced performanceand reliability

PROFITABLE MARKETS + TRANSACTIONAL FUNCTIONS = SHAREHOLDERS

- Grow revenue
- Reduce costs
- Optimize assets
- Keep a tight rein on risks

VALUES
- ▷ Ensure safety
- ▷ Focus on customers
- ▷ Maintain Quality
- ▷ Pursue excellence
- ▷ Act with integrity
- ▷ Value employees
- ▷ Preserve environment

SUSTAINABILITY

GOVERNANCE
GOVERNANCE

COMMUNITY AND SUPPLIERS

- Be a relevant engine of economic growth
- Build more capable, inclusive and resilient communities
- Reduce local air, water and waste impacts and conserve biodiversity

KEY INPUTS	PRODUCTS	DISTRIBUTION CHANNELS	MARKETS
> Mineral Reserves > Energy	> Cement	> Dealers	> Residential > Commercial / Industrial > Infrastructure > Roads

COMPANY TIME LINE

1961 Incorporation of the Company.

1965 Commercial production of the plant of 1200 tpd capacity.

1969 Plant capacity enhancement to 1800 tpd.

1972 Nationalization of plant.

1993 De-nationalization of plant, control taken by the existing management/ sponsoring directors.

2009 Commercial production of the new plant of 6700 tpd capacity with 3 dual fuel power generator of 16 MW capacity

2017 Commercial production of waste heat recovery plant and down hill conveyer belt.

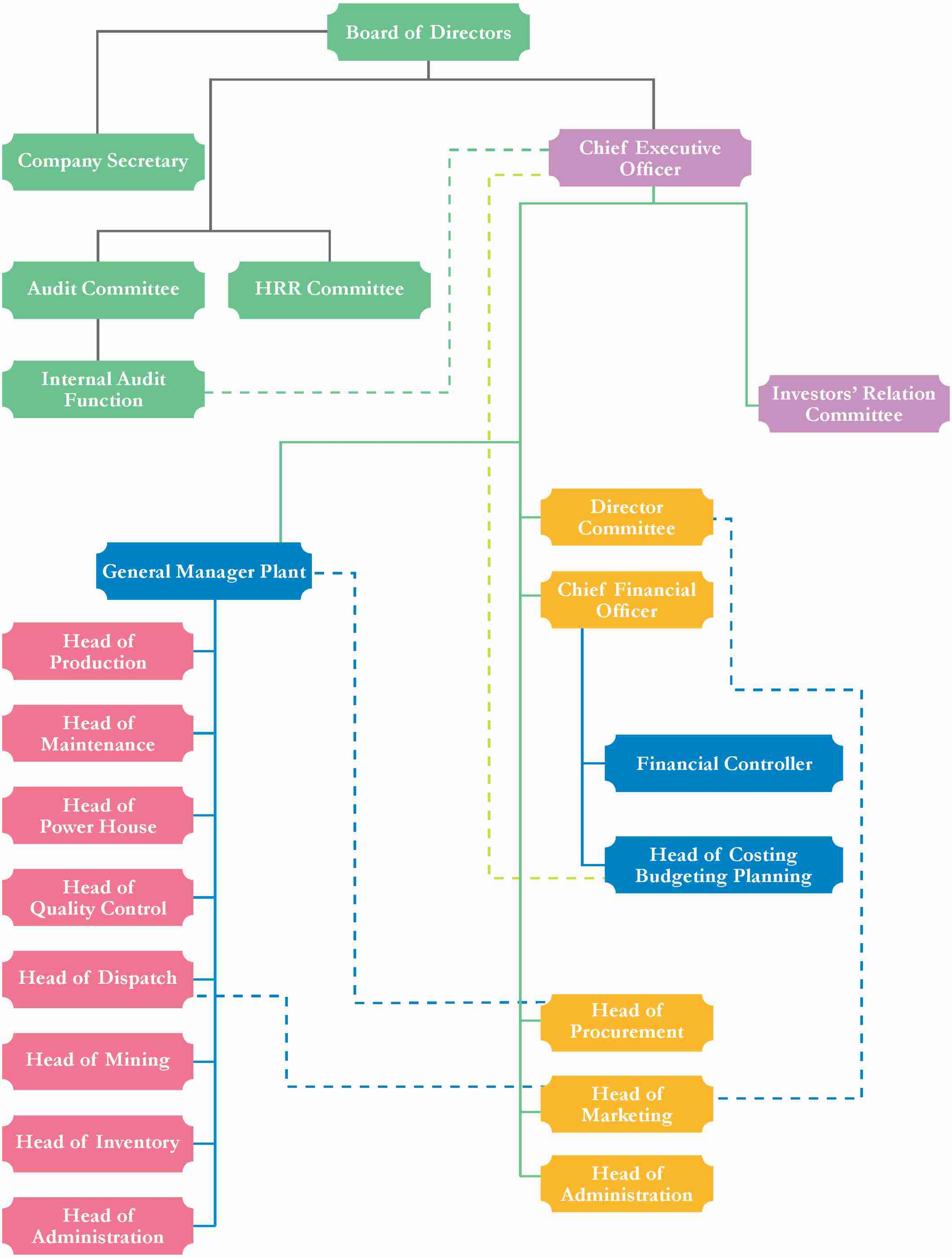
2018 Commercial Production of new cement mill 250 tph.

2020 Completion of new clinker storage silo.

2021 Contracted for new clinker line

2022 Started work on new pyro line

ORGANIZATION CHART



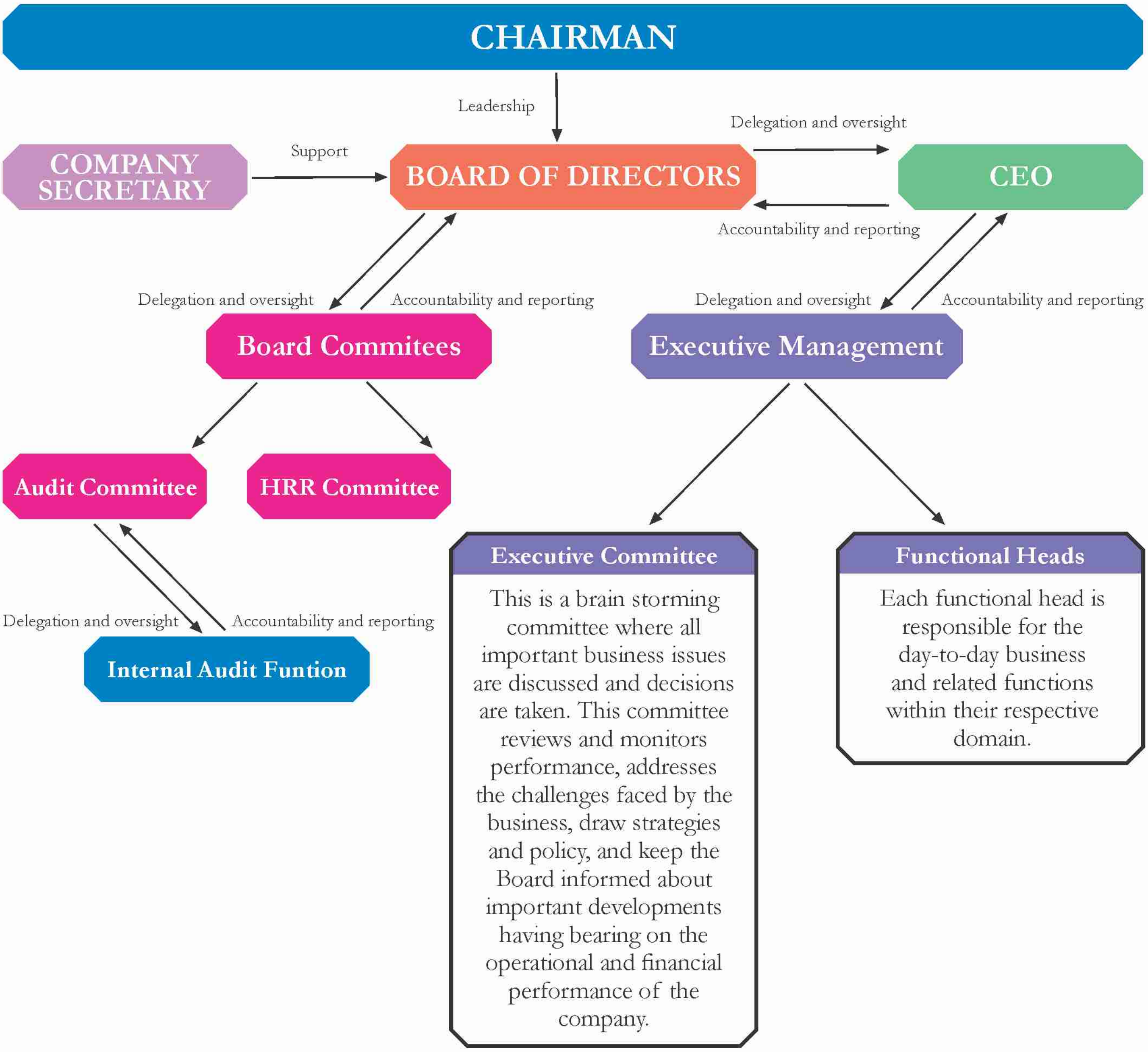
GOVERNANCE

Our governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders.

In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz. Board of Directors, committees of Directors and Executive Management.

The Board are accountable to shareholders for the Company's performance and governance. The Board has delegated to the CEO and, through the CEO to other senior executives, responsibility for the day-to-day management of the Company's affairs and implementation of the Company's strategy and policy initatives. All executives are to operate in accordance with Board approved policies and delegated limits of authority.

The diagram below summaries GCL's governance framework and the functions reserved for the Board.



DIRECTORS' PROFILE

Muhammad Tousif Peracha
Chief Executive Officer

He is a seasoned industrialist. He has vast geographically spread business experience of more than 30 years in the field of international shipping, petroleum products, textile, real estate development, glass, cement, auto mobile manufacturing. He is also chief executive officer of Balochistan Glass Limited, and director of Pak Hy-Oils Limited and Orion Shipping (Pvt) Limited.

Abdur Rafique Khan
Executive Director

He holds degree of MBA from IBA Karachi. He started his career as banker in Citi Bank N.A. He has vast geographically spread business experience of more than 40 years in the field of international shipping, trading, hotel, and cement.

Mian Nazir Ahmed Peracha
Non-Executive Director

He is a versatile, well known seasoned business man having geographically spread industry experience in cement, fertilizer, textile, jute, rice, shipping, sugar, and trading. He performed activities of Honorary Consul General of Tajikistan in Lahore. He also severed as director of the Bank of Punjab.

Khalid Siddiq Tirmizey
Chairman

He holds degrees of MBA from IBA Karachi and Masters in Economics from University of the Punjab. He has over 41 years of experience working at several leading commercial banks in the country where he ascended through a series of increasingly responsible positions including heading bank's investment banking, retail banking, credit and marketing businesses, country head, MD, Deputy CEO, and acting CEO

Daniyal Jawaid Paracha
Independent Director

He is an Associate member of Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Pakistan, Association of Chartered Certified Accountants (UK). He has hands on experience working with Price Water House Cooper for more than 3 years in the Audit and Business Assurance Services as well as Taxation and Legal Service department.

Faisal Aftab Ahmad
Independent Director

He is a Qualified Chartered Accountant and has Diversified Experience for more than 16 years in the field of Financial Advisory and Tax Planning.

BOARD OF DIRECTORS

The board is the decision making body of the company. It is responsible for setting the companies strategic direction and for insuring that the company manage risk effectively.

The Board's responsibilitie include:

- Oversight of the Company including its control and accountability systems;
- appointing, rewarding and determining the duration of the appointment of the CEO and ratifying the appointment of senior executives including the Chief Financial Officer and the Company Secretary;
- rewieving and approving overall financial goals for the Company;
- guiding the development of the Company's strategy and monitoring its implementation;
- monitoring business performance and ensuring that appropriate resources are available;
- approving the Company's financial statements and annual budget, and monitoring financial performance against the approved budget;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance (including in respect of matters of sustainability, safety, health and environment); key management recommendations (such as major capital expenditure, acquisitions divestments, restructuring and funding);
- determining dividend policy and the amount, nature and timing of dividends to be paid;
- monitoring Board composition, processes and performance; and
- monitoring the effectiveness of systems in place for keeping the market informed, including shareholder and community relations.

Composition of the Board

The Company's Constitution provides that there shall be a minimum of seven directors and a maximum of ten directos on the Board. The composition of the Board shall be as follow as per corporate laws:

Independand Director	2 or 1/3 of total member whichever is higher
Executive Directors	1/3 of total members at maximum
Female Directors	At least one member

Current Composition

The Board is Composed of the Folloeing:

Independand Director	Khalid Siddiq Tirmizey
	Faisal Aftab Ahmed
	Daniyal Jawaid Paracha
Non Executive Directors	Amna Khan
	Sorath Jamani
	Mian Nazir Ahmed Peracha
Executive Directors	Muhammad Tousif Peracha
	Abdur Rafique Khan
	Mustafa Tousif Ahmed Paracha

The roles of the Chairman and the CEO are not exercised by the same individual. Last election of directos were held during February 2021 and next election of directors shall be due during February 2024.

Meeting of Board

The Board meets at least once during a quarter. The chairman sets the agenda of the meeting of the board and ensures that reasonable time is available for discussion of the same. All written notices and relevant material, including the agenda, of meetings are circulated at least seven days prior to the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived.

The chairman ensures that the minutes of meetings of the board of directors are kept in accordance with the requirements of Section 178 and 179 of the Act. The company secretary acts as secretary to the board.

The Chief Financial Officer and the Financial Controller/ Company Secretary of the Company attend all meetings of the board of directors.

During the year 2022, four board meetings were held.

Issues to be placed for decision of Board of Directors

The chief executive officer of the Company places significant issues for the information, consideration and decision, as the case may be, of the board of directors or its committees that include but are not limited to the following:

- risk of default concerning obligations on any loans (including penalties and other dues to a creditor, bank or financial institution), or any other debt instrument;
- annual business plan, cash flow projections, forecasts and strategic plan;
- budgets including capital, manpower and overhead budgets, along with variance analysis; matters recommended and/or reported by the audit committee and other committees of the board;
- quarterly operating results of the company;
- internal audit reports, including cases of fraud, bribery, corruption, or irregularities of material nature;
- management letter issued by the external auditors;
- promulgation of or amendment to a law, rule or regulation, applicability of financial reporting standard and such other matters as may affect the company and the status of compliance therewith;
- status and implications of any law suit or proceedings (show cause notice, demand or prosecution notice) of material nature, filed by or against the company;
- failure to recover material amounts of loans, advances, and deposits made by the company, including trade debts and inter corporate finance;

- any significant accidents, fatalities, dangerous occurrences and instances of pollution and environmental problems involving the company;
- report on governance, risk management and compliance issues;
- disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the company;
- reports on / synopsis of issues and information pursued under the whistle blowing policy,
- implementation of environmental, social and governmental and health and safety business practices including report on corporate social responsibility activities; and
- quarterly details of foreign exchange exposures and the safeguards taken by management against adverse exchange rate movement, if material.

Directors' Training Program

The company makes appropriate arrangements inhouse to carry out orientation courses for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.

A newly appointed director on the board is acquire, unless exempted or already in possession of the required certification, the directors training program certification within a period of one year from the date of appointment as a director on the board.

Two directors of the Company have already possessed the directors training program certification. Five directors of the company qualify for the exemption from the directors training program based on their education and experience on the board of a listed company.

Skills and Diversity of Board

The Board actively seeks to ensure that it has an appropriate mix of diversity (including gender diversity), silks, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped to assist our Company to navigate the range of opportunities and challenges we face.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilizes a skills matrix which is reviewed by the Board on a regular basis. It is an important, but not the only, basis of criteria applying to Board appointments.

Element	Skills
Leadership	Executive Leadership
	Health, Safety & Environment
Portfolio	Strategy, Financial Acumen, Risk Management Global
	Experience, Market and Customer Knowlege Innovation
	Change and Transition Information technology
People	Organisational Sustainability Remuneration and rewards
Governance	Governance and regulation Board Experience

Non-Executive Director

Six non-executive directors are required on the board of nine directors. The Board considers the extent of the involvement of the directors in managing the affairs of the company rather than their pecuniary interests as guiding factor in distinguishing between executive and non-executive directors of a company.

Director Independence

Minimum three independent directors are the required on the board. The Board assesses the independence of the non-executive directors in light of their interests, positions, associations and relationships with the Company or its associated companies / undertakings; and his ability to reasonably exercise independent business judgement with being subservient to any form of conflict of interest.

Chairman's appointment and responsibilities

The Board selects the Chairman form the non-executive Directors. The Chairman leads the Board and is responsible for the efficient organisation and effective functioning of the Board. He ensures that Directors have the opportunity to contribute to Board deliberations. The Chairman regularty communicates with the CEO to review key issues and performance trends. He also represents the Company in the wider community.

Chief Executive Officer appointment and responsibilities

CEO has day to day responibility for running the Company's operations. He recommends to the board, implements Company strategy, applies Company policies, and promotes the company's culture and standards. The Board appoints any person, including an elected director, to be the chief executive officer for the a term of three years within fourteen days from the date of Directors' elections. The terms and condition of appointment of the CEO is determined by Board of the Company.

Continuous Disclosure

The Company appreciates the importance of timely and adequate disclosure to the market. It is committed to making timely and balanced disclosure of all material matters, and maintaining effective communication with its shareholders and investors so as to give them ready access to balanced and understandable info-rmation.

The Company has in place mechanisms designed to ensure compliance with all relevant disclosure laws and PSX Rule requirements under the Continous Disclosure Policy adopted by the Board. These mechanisms also ensure accountability at a senior executive level for that compliance.

The CEO and Chief Financial Officer are responsible for determining whether or not information is required to be disclosed to the PSX. Announcements relating to significant matters, such as results or other corporate matters which involve signigicant financial or requtational risk, are referred to the Board for Approval. The Company Secretary will endevour to notify all other directors of the possible disclosure considerations and invite them to particiapate in any discussions and disclosure decisions where possible.

Materiality approach adopted by the Management

Information and events are considered to be material if, individually or in aggregate, they have significant impact on the Company's performance or profitability which in turn can influence the economic decisions of the Company's Stakeholders.

Assessment of materiality levels other than those provided under the regulations is matter of professional judgment and is organization specific. The management has defined procedures, assumptions and factual base for identifying and categorizing the materiality base in order to discharge its responsibility to identify, control and reduce business risks that may affect the entity's ability to achieve its objectives.

The specific materiality thresholds are defined and approved by the Board. As part of the Company's policy, the management discloses the transaction and events falling in this materiality threshold to the Board of Directors. In addition to it, the management is also responsible for apprising the board members with all unusual items or events.

As a rule of thumb, the Company uses the following matrix to determine the materiality level:

- 5% of profit before tax
- 1/2 % of total assets
- 1% of equity
- ½% of net sales
- Unusual Transaction exceeding Rs. 100,000/-

Communications with Shareholders

The Company's policy is to promote effective two-way communication with shareholders and other they undersdtand GCL's business, governance, financial performance and prospects, as well as how to access
relevant information about GCL and its corporate activities.

Annual Reporting

Shareholders may elect to receive annual reports electronically or to receive notifications via email when reports are available online. Hard copy annual reports are provided to those shareholders who elect to receive them. While companies are not required to send annual reports to shareholders other than those who have elected to receive then.

Company announcements

All formal reporting and Company announcements made to the PSX are published on GCL's website after confirmationof lodgment has been received from the PSX. Furthermore, announcements are also sent to major newspaper for broader dissemination when required.

General meetings

GCL encourages shareholders to attend and participate in all general meetings including annual general meetings. Shareholders are entitled to ask questins about the management of the Company and of the auditor as to its conduct of the audit and preparation of its reports.

Notices of Meeting are accoumpanied by explanatory notes to provide shareholders with information to enable them to decide where to attend and how to vote upon the business of the meeting. Full copies of Notices of meeting and explanatory notes are posted on GCL's website. If shareholders are unable to attend general meetings, they may vote by appointing a proxy using the form attached to the Notice of Meeting or an online facility.

At the Annual General Meeting, shareholders have a reasonable opportunity to ask the external auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statments of the Company, and the independence of the external auditor in relation to the conduct of the audit.

AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, manufacturing process and management. Chairman of the Audit Committee is an Independant director and Internal Auditor acts as secretary to the committee.

During the year four meeting of the Audit Committee were held. Attendance by each directors is given below:

Faisal Aftab Ahmad - Chairman	4 of 4
Khalid Siddiq Tirmizey - Member	4 of 4
Mian Nazir Ahmed Peracha - Member	4 of 4

The Board of Directors, unless they have strong grounds otherwise, acts in accordance with the recommendations of the Audit Committee in the following matters:

1 Review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas,
- Significant adjustments resulting from the audit,
- The going concern assumption,
- Any change in accounting policies and practices,
- Compliance with applicable accounting standards, and
- Compliance with listing regulations and other statutory and regulatory requirements.

2 Review of preliminary announcements of results prior to publication.

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

4 Review of Management Letter issued by external auditors and Management's response thereto.

5 Ensuring coordination between the internal and external auditors of the Company.

6 Appointment and remuneration of external auditors;

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

8 Consideration of major findings of internal auditors and Management's response thereto.

9 Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.

10 Determination of compliance with relevant statutory requirements.

11 Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

12 Review of Related Party transactions entered into during the year.

13 Determination of appropriate measures to safeguard the Company's assets.

HUMAN RESOURCE & REMUNERATION (HRR) COMMITTEE

The Committee meets on as required basis or when directed by the Board of Directors. The General Manager Administration acts as Secretary of the Committee and submits the minutes of the meeting duly signed by its Chairman to the Company Secretary. These minutes are then circulated to the Board of Directors.

The HRR Committee comprises of the members as stated below. The Committee during the year had 2 meetings. The attendance of the members was as under:-

Khalid Siddiq Tirmizey - Chairman	1 of 1
Muhammad Tousif Peracha - Member	1 of 1
Mian Nazir Ahmed Peracha - Member	0 of 1

The role of the Human Resources & Remuneration Committee is to assist the Board of Director in its oversight of the evaluation and approval of the employee benefit plans, welfare projects and retirement benefits. The Committee recommends any adjustments, which are fair and required to attract / retain high caliber staff, for consideration and approval. The Committee has the following responsibilities, powers, authorities and discretion:

1 Formulate and review human resource management policies and plan for consideration of the Board;

2 Conduct periodic reviews of the Employees Appraisal, Bonuses and incentives for outstanding performance.

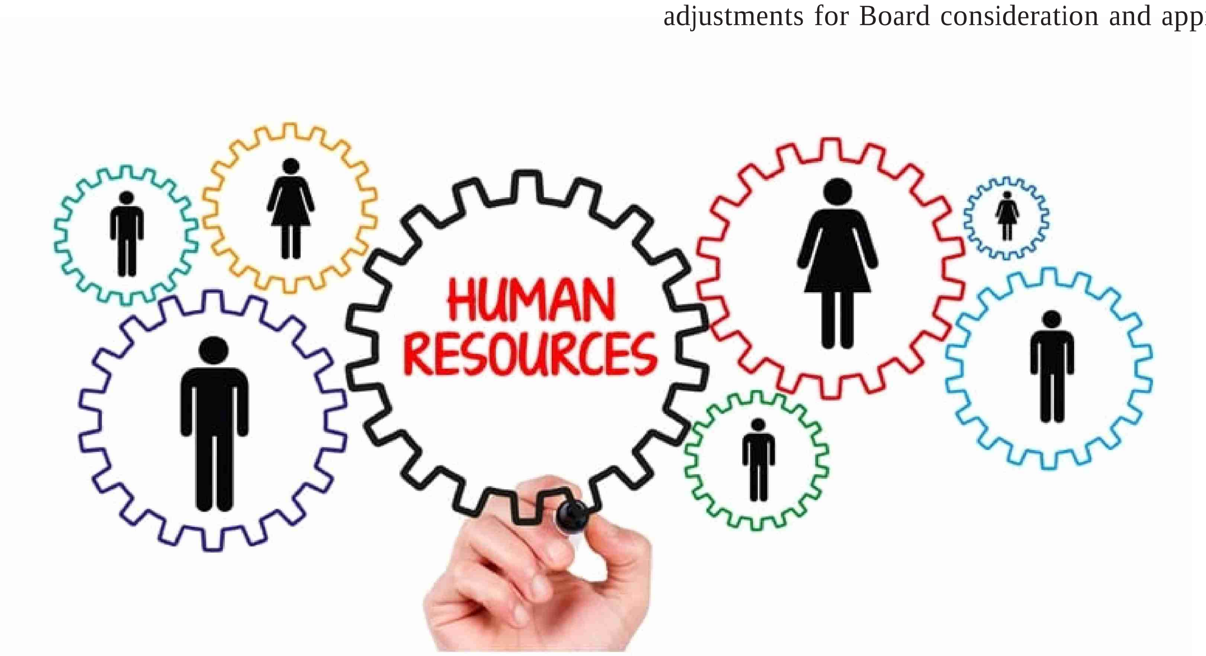
3 Periodic reviews of the amount and form of reimbursement for terminal benefits in case of retirement and death of any employee in relation to current norms.

4 Consider any changes to the Company's retirement benefit plans including gratuity, leaves encashment based on the actuarial reports, assumptions and funding recommen-dations.

5 Recommend financial package for CBA agreement to the Board of Directors.

6 Ensure that succession plans are in place and review such plans at regular intervals for those executives, whose appointment requires Board approval (under Code of Corporate Governance), namely, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their terms of appointment and remuneration package in accordance with market positioning.

7 Conduct periodic reviews of the amount and form of Directors' compensation for Board and Committee services in relation to current norms. Recommend any adjustments for Board consideration and approval.



INVESTORS' RELATIONSHIP COMMITTEE

The Board has constituted Investors' Relationship Committee. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into allotment of shares kept in abeyance, allotment of shares on exercise of the stock options by the employees and allotment of privately placed preference shares, debentures and bonds, if any.

The Committee is headed by
Muhammad Tousif Peracha (CEO).
Farukh Naveed Company Secretary, is designated as the "Compliance Officer" who oversees the satisfactory clearance of the investors' grievances.

The company has appointed Share Registrar for all Share related matters like transfer, transmission, Dividend, etc. Investors are requested to get in touch with the Share Registrar.

Corplink (Pvt) Limited, Shares Registrar,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35916714

For any unresolved matters or further queries / clarification, investors may contact the officials from the company.

Farukh Naveed
Company secretary
Tel: (042) 36060605
Email: fn@gwlc.co

CODE OF CONDUCT AND BUSINESS ETHICS

The Company's Code of Business Ethics and Code of Conduct is enforced at all levels fairly and without prejudice. This code is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company.

Policy Statement

- We act with integrity at all times; we are honest and trustworthy.
- We demonstrate respect for our fellow employees, customers and business partners; we listen and seek solutions.
- We are open-minded team players; we foster collaboration while maintaining individual accountability.
- We value new ideas that serve our customers, the business and communities.
- We are dedicated, committed and deliver on our promises.
- We obey the law and comply with this Code of Conduct
- We shall conduct our employment activities with the highest principles of honesty, integrity, truthfulness and honour.
- We shall not make, recommend, or cause to be taken any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate policy.
- We shall not use our respective positions in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favor, gift or benefit, whether financial or otherwise, to ourselves or others.
- In business dealings with suppliers, contractors, consultants, customers and government entities, we shall not provide or offer to provide any gratuity, favour or other benefit and all such activities shall be conducted strictly on an arm's length business basis.
- While representing the Company in dealings with third parties we shall not allow ourselves to be placed in a position in which an actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length business basis.
- All of us shall exercise great care in situations in which a personal relationship exists between an individual and any third party or Government employee or official of an agency with whom the Company has an existing or potential business relationship. Where there is any doubt as to the propriety of the relationship, the individual shall report the relationship to management so as to avoid even the appearance of impropriety.
- We shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company.
- We shall not use or disclose the Company's trade secret, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit.

CORPORATE
SOCIAL RESPONSIBILITY

We take our corporate responsibilities (CSR) seriously and are committed to advancing our policies and systems across the company to ensure we address and monitor all aspects of CSR that are relevant to our business. We expresses our desire to give back to our communities, embrace diversity, sustain the environment and practice sound ethics. We recognize the impacts our decisions have on our stakeholders and work with them to determine mutually beneficial. The Board takes ultimate responsibility for CSR and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long term value for shareholders and all stakeholders.

WHISTLE BLOWER POLICY

The Audit Committee has laid down a Fraud Risk Management Policy (akin to the Whistle Blower Policy) providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct.

Adequate safeguards have been provided in the FRM Policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

For the effective implementation of the policy, the Audit Committee oversee the following:

a. Implementation of the policy and spreading awareness amongst employees;

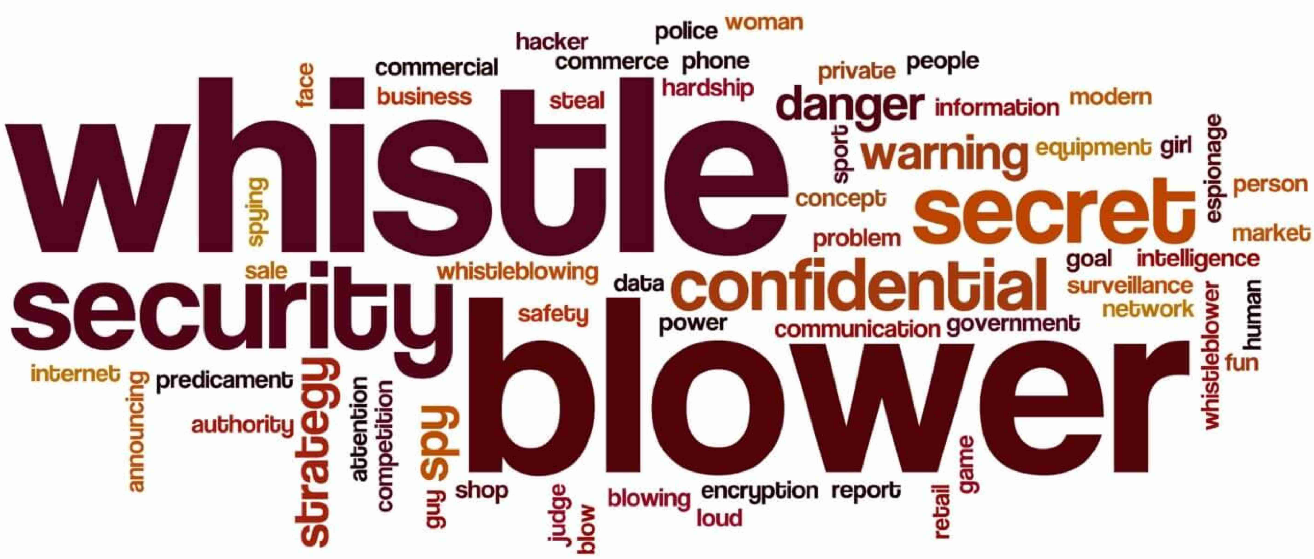
b. Review all reported cases of suspected fraud / misconduct;

c. Order investigation of any case either through internal audit department or through external investigating agencies or experts;

d. Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;

e. annual review of the policy.

No whistle blowing incidence was highlighted and reported under the above said procedures during the year.



CHAIRMAN'S REPORT

Dear Shareholders

I feel honored to present this review report for the year ended June 30, 2022.

I am pleased to report that the Board of Directors has performed its duties and responsibilities diligently and has contributed towards guiding the Company in its strategic affairs. It focus on major risk areas and remain actively involved in the strategic planning process of the Company. The Board recognizes that well defined corporate governance processes are important to preserve and enhance stakeholders' value. All Directors including Independent Directors, fully participate and contribute in the decision making process of the Board. The Board carried out its annual self-valuation for the financial year ended June 30, 2022, in line with the requirements of Code of Corporate Governance.

Our Board has two female members ensuring gender diversity on the Board. The number of independent directors stands at three while non-executive directors aggregate to three including two female directors. These independent, female and non-executive directors are equally involved in important board decisions. The Board members are also specialized in specific areas like management, accounts & finance, marketing, manufacturing, public relations, prevalent laws etc.

The Board places great emphasis on transparency, accountability, good governance and safeguarding the interest of the stakeholders. Gharibwal Cement Limited has well-articulated internal control and risk management systems in place which are continuously evaluated by the Audit Committee.

The Board members have a clear understanding about Company's vision, mission and values and promote them.The Board has evolved strategic planning as to how the organization should be progressing over the next three to five years. Further Board set goals and objectives on annual basis for the management in all major areas of business and community. The Board remains updated with respect to achievement of Company's goals & objectives and implementation of plans & strategies and review of financial performance through regular analysis of MIS, presentations by the management, internal and external auditors report and other opinions and feedback.

The Board members provide appropriate direction and guidance on timely basis. It receives clear and brief agendas supported with written material and in sufficient time prior to board and committee meetings. The board meets frequently enough to adequately discharge its responsibilities.

I am confident that going forward the Board shall continue to play its role towards progress of the Company. I would like to take this opportunity to extend my appreciation to the staff, customers, suppliers, bankers, Board of Directors, and shareholders for their continued support, commitment and hardwork.

KHALID SIDDIQ TIRMIZEY
Chairman
Lahore: September 29, 2022

DIRECTORS' REPORT TO THE MEMBERS

The Directors of Gharibwal Cement Limited (the Company) are pleased to present before you their report with respect to the state of the Company's affairs together with the annual audited financial statements of the company and statement of compliance along with Auditors' Reports thereon for the year ended June 30, 2022.

COMPANY'S FINANCIAL HIGHLIGHTS

During the fiscal year ended June 30, 2022 (FY2022), total dispatches of the Company decreased by 5.2%as compared to last year. A dip in cement demand in local market is witnessed in FY2022 especially in north side of the cement industry because of the prevailing micro and macro economic factors.

Company managed to generate net sales revenue of Rs. 16.193 billion for FY2022, up by 33.8%. On the other hand cost of production has increased because of devaluation of Pakistani Rupee, increase in fuel & power cost and higher inflation in the country. Company earned Rs. 3.933 billion being Earnings before interest, tax and depreciation (EBITDA). Finance expenses (net of finance income) decreased by 42.5% YoY because of repayment of principal amount. Profit after Tax decreased by 12.7% mainly because of super tax @ 10% imposed by the Government.

	FY 2022	FY 2021	Increase\ (Decrease)	% Change
	------------------------ Rs. Tons ------------------------			
Cement dispatches (Tons)	1,683,250	1,776,483	(93,233)	(5.2%)
	------------------------ Rs. 000 ------------------------			
Net sales	16,193,788	12,106,985	4,086,803	33.8%
Gross profit	3,787,670	3,191,305	596,365	18.7%
EBITDA	3,933,363	3,635,120	298,243	8.2%
Financial expenses - net	159,298	277,239	(117,941)	(42.5%)
Tax expense	1,399,165	736,715	662,450	89.9%
Net profit	1,354,723	1,551,383	(196,660)	(12.7%)
	------------------------ Rs. ------------------------			
EPS	3.38	3.88	(0.49)	(12.7%)

Current ratio of the Company has further improved to 1.77 against 1.32 for the previous year.

Company is repaying its borrowings as per agreed repayment schedule and its existing debts will substantially be repaid in coming fiscal year.

Company contributed Rs. 7.4 billion for FY2022 to the national exchequer on account of Income Tax, Sales Tax and Federal Excise Duty. Apart from this, your company also paid large amount in the form of indirect taxes and duties to the federal, provincial and local governments.

CAPACITY EXPANSION AND BALANCING, MODRENIZATION, AND REHABILIATION (BMR)

It is your Company's policy to constantly invest and explore options for expansion, technological advancement, and environment safety. Cutting edge technologies in key areas of cement plant to enhance overall efficiencies and reduction in overall cost of production are being adopted.

Subsequent to the year-end of FY2022, shipments for Pyro process of 10,000 TPD clinker line has started arriving from the FLSmidth and company has also started civil work.

The management has also decided to upgrade plant's existing cooler and has contracted with FLSmidth in this respect. After this BMR expenditure, the Company's plant capacity will slightly increas and we will also be able to save on fuel expense due to latest technology.

The management is also evaluating various options for cheaper energy sources and better coal mix to reduce cost of production.

DIVIDENDS

The Board has approved a cash dividend of Rs. 1.00 per share for the year ended June 30, 2022 and recommends the same for approval of the members of the Company in coming Annual General Meeting.

KEY PERFORMANCE INDICATORS

Six years' summary of key performance indicators along with the graphical presentation, horizontal and vertical analysis of financial position and financial performance are presented in this annual report which will help you to assess the Company's performance.

FORWARD LOOKING STATEMENT

The cement industry is expanding considering long term future demand of cement, however, present economic conditions as well as political instability within the country is negatively impacting bussines environment and short term cement absorption. Also higher interest & inflation rate along with surge in fuel and power prices are creating pressure on profitability of industry. However, company is hopeful to deal with these challenges amicably.

BOARD OF DIRECTORS

The Board is comprised of nine members having diversified experience in the field of business, finance and operation. Chairman of the board is an independent director. The Board met four times in the financial year under review.

Name of Director	Category	Attendance
Khalid Siddiq Tirmizey - Chairman	Independent director	4
Muhammad Tousif Peracha	Executive director	3
Abdur Rafique Khan	Executive director	4
Mustafa Tousif Ahmed Paracha	Executive director	3
Ali Rashid Khan (resigned in September 21)	Executive director	2
Amna Khan	Non-executive female director	4
Mian Nazir Ahmed Peracha	Non-executive director	4
Faisal Aftab Ahmad	Independent director	4
Daniyal Jawaid Peracha	Non-executive director	3
Sorath Jamani (appointed in December 21)	Non-executive female director	1

DIRECTORS' REMUNERATION

The Board of Directors has approved a 'Directors' Remuneration Policy', the salient features of which are:

- No Director shall determine his/her own remuneration.
- Meeting fee shall be paid to the directors other than regularly paid Chief Executive Officer and executive directors, as determined by the Board from time to time.
- The remuneration of directors for performing extra services including holding of the office of Chairman shall be determined by the Board.
- The directors shall be entitled to be paid all reasonable expenses incurred for attending meetings and for other business conducted for and on behalf of the Company.

The details of the remuneration paid to the Directors including Chief Executive Officer of the Company is disclosed in the financial statements.

DIRECTORS' RESPONSIBILITIES

The directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Companies Act, 2017. Your Company has taken all necessary steps to ensure good Corporate Governance and full compliance of the Code and the Act. The Directors confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, there sult of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparationof financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Statement of pattern of shareholding has been included as part of this Annual report.
- Statement of shares of shares held by associated undertakings and related persons have also been disclosed separately.

BOARD AUDIT COMMITTEE

The Board has constituted the Audit Committee comprising of three members who are non-executive directors and have diversified experience in the field of business, finance and marketing. Chairman of the committee is an independent director. The Audit Committee meets at least four times during each financial year. The Audit Committee reviews the quarterly, half yearly and annual financial statements before submission to the Board. The audit committee also reviews internal audit findings and holds separate meetings with internal and external auditors. The audit committee has also discussed with external auditors the points mentioned in their management letter.

During the year under report, 4 meetings of the audit committee were convened. The attendance of the members of audit committee was as follows:

Name of Director	Category	Attendance
Faisal Aftab Ahmad - Chairman	Independent director	4
Mian Nazir Ahmed Peracha	Non-executive director	4
Khalid Siddiq Tirmizey	Independent director	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the management in the formulation of HR policies on performance management, staffing, compensation and benefits such that these are compliant with the laws and regulations.

During the year under report, one meeting of the human resource & remuneration committee was held. The attendance of the members of human resource & remuneration committee was as follows:

Name of Director	Category	Attendance
Khalid Siddiq Tirmizey - Chairman	Independent director	1
Muhammad Tousif Peracha	Executive director	1
Mian Nazir Ahmed Peracha	Non-executive director	0

INTERNAL CONTROL SYSTEM

A strong internal control culture is prevailing in the company. The company has documented a robust and comprehensive internal audit control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. The company also has well documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed. The Internal Audit Function continuously monitors the efficacy of internal control and compliance with SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The scope and authority of the Internal Audit Function are well defined in the Term of Reference approved by the Audit Committee. Chief Internal Auditor is a qualified Chartered Accountant with adequate auditing experience.

MANAGING THE RISK OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICE

The Company has framed a Risk Management Policy covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process, and reporting of compliance and effectiveness of the policy and procedure. A detailed exercise is carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Code of Conduct

The company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code are given in this Report.

Whistle Blower Policy

Fraud-free and corruption-free culture has been core to the Company. In view of the potential risk of fraud, corruption and unethical behaviour that could adversely impact the company's business operation, performance and reputation, the Company has put an even greater emphasis to address these risks. To meet this objective, a comprehensive Fraud Risk Management (FRM) Policy akin to the whistle-blower policy has been laid down. More detail is provided in this annual report.

Anti-Bribery and Corruption Directive

As a company, we take a zero-tolerance approach to bribery and corruption and are committed to act professionally and fairly in all our business dealings. The Board has laid down Anti Bribery and Corruption Directives as a part of the company's Code of Business Conduct and Ethics.

The above policies and its implementation are closely monitored by the Audit Committee and periodically reviewed by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is a responsible corporate citizen and always strives to discharge its social responsibilities towards the society. The Company promotes and facilitates welfare of the local communities in the town where the Company operates. Statement on Corporate Social Responsibility is given separately in this report.

RELATED PARTIES TRANSACTIONS

All related parties' transactions entered into are at arm's length basis and are reviewed and approved by the Board Audit Committee as well as the Board of Directors of the Company in compliance with the Code of Corporate Governance, 2017 and the Companies Act, 2017. The detail of transactions with the related parties are provided in the financial statements.

AUDITORS

Kreston Hyder Bhimji & Co., Chartered Accountants being the retiring auditors are eligible for reappointment and Board has also endorsed their re-appointment for another term as per recommendation of the Audit Committee.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their gratitude to the banks and financial institutions for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Gharibwal Cement family.

We are also grateful to our shareholders for the confidence and faith that they have always reposed in us.

For and on behalf of Board of Directors

Muhammad Tousif Peracha
Chief Executive Officer

Abdur Rafique Khan
Director

Dated: September 29, 2022
Place: Lahore

ڈائریکٹرز کی رپورٹ

محترم اراکین

ہم بطور ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے مالی سال کے آڈٹ شدہ اکاؤنٹس اور آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

کمپنی کی مالی کارکردگی

ہم بطور ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران، کمپنی کی کل فروخت پچھلے سال کی ترسیل کے مقابلے میں 5.2% کم ہوئی۔ FY2022 میں مقامی مارکیٹ میں سیمنٹ کی طلب میں کمی دیکھی گئی جو کہ بلخصوص سیمنٹ انڈسٹری کے شمالی ریجن میں مائیکرو اکنامکس کے ساتھ ساتھ ملک کے مائیکرو اکنامکس حالت کی وجہ سے تھی۔

مالی سال 2022 کے دوران خالص فروخت 16.193 بلین روپے رہی۔ دوسری طرف پیداواری لاگت مسلسل بڑھی جسکی وجہ کرنسی کی قدر میں کمی، ایندھن اور بجلی کی قیمتوں میں اضافہ، ملک کے اندر زیادہ مہنگائی ہے۔ کمپنی نے سود ٹیکس اور فرسودگی (EBITDA) سے پہلے 3.3 بلین روپے کمائے۔ قرض کی ادائیگی کی وجہ سے سود کی مد میں اخراجات میں 42.5% کمی واقع ہوئی۔ حکومت کی طرف سے عائد کردہ 10% سُپر ٹیکس کی وجہ سے خالص منافع میں اس سال 12.7% کی کمی ہوئی۔

کمپنی کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے۔

		2022	2021	اضافہ/(کمی)	فیصد تبدیلی
ترسیلات	ٹن	**1,683,250**	1,776,483	(93,233)	(5.2%)
خالص فروخت	رقم ہزار روپوں میں	**16,193,788**	12,106,985	4,086,803	33.8%
مجموعی منافع	رقم ہزار روپوں میں	**3,787,670**	3,191,305	596,365	18.7%
ٹیکس اور انٹرسٹ سے قبل منافع	رقم ہزار روپوں میں	**3,933,363**	3,635,120	298,243	8.2%
مالی اخراجات۔ نیٹ	رقم ہزار روپوں میں	**159,298**	277,239	(177,941)	(42.5%)
ٹیکس کا خرچ	رقم ہزار روپوں میں	**1,399,165**	736,715	662,450	89.9%
خالص منافع	رقم ہزار روپوں میں	**1,354,723**	1,551,383	(196,660)	(12.7%)
فی شیئر منافع	رقم روپے میں	**3.38**	3.88	(0.49)	(12.7%)

مذکورہ بالا عوامل کے نتیجے میں کمپنی کا خالص منافع 1.354 بلین روپے رہا جو کہ گزشتہ سال کے مقابلے میں 12.7% کم تھا۔

کمپنی کے موجودہ اثاثاجات اور مستقبل قریب اور ادائیگیوں کا تناسب پچھلے سال کے 1.32 کے مقابل 1.77 رہا۔

کمپنی اپنے قرضوں کو طے شدہ نظام الاوقات کے مطابق واپس کر رہی ہے اور اس کے موجودہ قرض کو آنے والے مالی سال میں کافی حد تک ادا کر دیا جائے گا۔

کمپنی نے مالی سال 2022 کے دوران انکم ٹیکس، سیلز ٹیکس اور فیڈرل ایکسائز ڈیوٹی کی مد میں قومی خزانے میں 7.4 بلین روپے ادا کیے۔ اس کے علاوہ آپ کی کمپنی وفاقی، صوبائی اور مقامی حکومت کو بالواسطہ ٹیکس اور ڈیوٹیز کی مد میں بھی بڑی رقم ادا کرتی ہے۔

توازن، جدت اور بحالی کا منصوبہ (BMR)

مسلسل سرمایہ کاری، سامری توسیع، تکنیکی ترقی اور ماحولیاتی حفاظت آپ کی کمپنی کا اصول ہے۔ مجموعی طور پر استعداد کار کو بڑھانے اور مجموعی لاگت میں کمی کے لیے سیمنٹ پلانٹ کے مختلف حصوں میں جدید اقدامات (ٹیکنالوجی) کو اپنایا جا رہا ہے۔

سال 2022 کے اختتام کے بعد 10,000 ٹن پیداواری گنجائش کے سیمنٹ پلانٹ کے متعلق ابتدائی سامان (Pyro process) کی ترسیل کا آغاز FLsmidth سے ہو گیا ہے۔

انتظامیہ نے اپنے موجودہ کول کو اپ گریڈ کرنے کا فیصلہ کیا ہے اور اس سلسلے میں FLsmidth کے ساتھ معاہدہ ہو گیا ہے۔ اس سلسلے میں پیشگی ادائیگی بھی کر دی گئی ہے۔ ان BAM اخراجات کے بعد کمپنی کے پلانٹ کی صلاحیت میں اضافہ متوقع ہے۔ اس کے علاوہ اس نئی ٹیکنالوجی کی بدولت ایندھن کے اخراجات میں بھی کمی ہو گی۔

انتظامیہ سستی توانائی کے حصول کے لیے مختلف ذرائع سولر، ملٹی فیول بوائلر کے آپریشن کا جائزہ لے رہی ہے۔

ڈیویڈنڈ (منافع):

ڈائریکٹرز نے زیرِنظر سال کے لیے 1 روپے فی شیئر کیش ڈیویڈنڈ کی سفارش کی ہے۔

کارکردگی کے اہم اشارے:

چھ سالہ سمری میں، کلیدی کارکردگی کے اشارے، مالی پوزیشن اور مالی کارکردگی کا افقی اور عمودی تجزیہ بھی پیش کیا گیا ہے۔ جو آپ کے لیے کمپنی کی کارکردگی کو جانچنے میں مدد دے گا۔

مستقبل کا نقطہ نظر:

سیمنٹ انڈسٹری اس امید سے توسیع کر رہی ہے کہ مستقبل میں سیمنٹ کی طلب میں مزید اضافہ ہوگا۔ تاہم ملک میں موجودہ معاشی اور سیاسی عدم استحکام، کاروباری ماحول کو نقصان پہنچا رہا ہے۔ شرح سود، افراطِ زر اور ایندھن اور توانائی کی قیمتوں میں اضافے کی وجہ سے انڈسٹری کے منافع میں کمی کا رجحان ہے تاہم کمپنی اس اثر سے نکلنے کے لیے پُر امید ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز 9 اراکین پر مشتمل ہے جن کے پاس کاروبار، فنانس اور آپریشن کے شعبے میں وسیع تجربہ ہے۔ بورڈ کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ زیرِنظر سال میں بورڈ کے چار اجلاس ہوئے جس میں ڈائریکٹرز کی حاضری کا چارٹ مندرجہ ذیل ہے۔

ڈائریکٹر کے نام	قسم عہدہ	حاضری
خالد صدیق ترمذی	آزاد ڈائریکٹر	4
محمد توصیف پراچہ	ایگزیکٹو ڈائریکٹر	3
عبدالرفیق خان	ایگزیکٹو ڈائریکٹر	4
مصطفیٰ توصیف احمد پراچہ	ایگزیکٹو ڈائریکٹر	3
علی راشد خان (استعفیٰ ستمبر 22)	ایگزیکٹو ڈائریکٹر	2
آمنہ خان	نان ایگزیکٹو فی میل ڈائریکٹر	4
میاں نذیر احمد پراچہ	نان ایگزیکٹو ڈائریکٹر	4
فیصل آفتاب احمد	آزاد ڈائریکٹر	4
دانیال جاوید پراچہ	نان ایگزیکٹو ڈائریکٹر	3
سورۃ جمائی (تعیناتی دسمبر 22)	نان ایگزیکٹو فی میل ڈائریکٹر	1

ڈائریکٹرز کا معاوضہ:-

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی کی منظوری دی ہے جس کی نمایاں خصوصیات مندرجہ ذیل ہیں۔

- کوئی ڈائریکٹر اپنا معاوضہ خود طے نہیں کر سکتا/سکتی ہے۔
- میٹنگ فیس چیف ایگزیکٹو آفسر اور ایگزیکٹو ڈائریکٹرز کے علاوہ باقی ڈائریکٹرز کو ادا کی جائے گی۔
- چیئرمین سمیت اضافی خدمات انجام دینے والے ڈائریکٹرز کا معاوضہ بورڈ کی طرف سے وقتاً فوقتاً مقرر کیا جائے گا۔
- تمام ڈائریکٹرز کو میٹنگز میں شمولیت اور دوسرے کاروباری معاملات پر خرچ شدہ رقم کی ادائیگی کی جائے گی۔

ڈائریکٹرز بشمول چیئرمین اور چیف ایگزیکٹو کو اس مالی سال کے دوران ادا کیے گئے معاوضے اور اخراجات کی تفصیلات ان اکاؤنٹس کا حصہ ہے۔

ڈائریکٹرز کی ذمہ داریاں:

ڈائریکٹرز، کوڈ آف کارپوریٹ گورنس، ریگولیشنز 2017 اور کمپنیز ایکٹ 2017 میں تحریر کردہ ذمہ داریوں سے آگاہ ہیں اور آپ کی کمپنی نے کوڈ آف کارپوریٹ گورنس کی مکمل تعمیل کو یقینی بنائی ہے اور ڈائریکٹرز تصدیق کرتے ہیں کہ

(ا) کمپنی کی انتظامیہ کے تیار کردہ اکاؤنٹس میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیاں واضح اور منصفانہ طور پر پیش کی گئی ہیں۔

(ب) کمپنی کے حساب کی کتابوں کو باقاعدگی سے تیار کیا گیا ہے۔

(پ) اکاؤنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ بروئے کار لائی گئی ہیں ماسوائے اُن تبدیلیوں کے جو مالی گوشواروں میں منکشف ہیں اور حساب کتاب کے اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(ت) بین الاقوامی حساب کتاب کے معیارات (IFRS) جیسے پاکستان میں نافذ عمل ہیں کوان اکاؤنٹس کی تیاری میں اپنایا گیا ہے اور کسی بھی انحراف کو باقاعدہ منکشف کیا گیا ہے۔

(ٹ) اندرونی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مستحکم ہے اور نفع بخش کاروبار کا موثر انتظام ہے۔

(ث) کمپنی کے مستقبل میں کام کرنے کی صلاحیت پر کوئی قابلِ ذکر تشویش نہیں ہے اور اکاؤنٹس کو اسی بنیاد پر تیار کیا گیا ہے۔

اس سالانہ رپورٹ میں درج ذیل معلومات بھی فراہم کی گئی ہیں۔

(ا) شیئرز ہولڈنگ کا نمونہ

(ب) متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی نے جو شیئرز رکھے ہیں ان کی تفصیل۔

(پ) اس سال کے دوران بورڈ آف ڈائریکٹرز کی میٹنگ اور ان میں ہر ڈائریکٹر کی حاضری سے متعلق بیان اسی سال کے دوران

اس سالانہ رپورٹ کے حصے کے طور پر سے شیر ہولڈنگ کے پیٹرن کا بیان شامل کیا گیا ہے۔

متعلقہ اداروں اور متعلقہ افراد کے حصص کے حصص کا بیان بھی الگ سے ظاہر کیا گیا ہے۔

آڈٹ کمیٹی کی تشکیل:

بورڈ نے ایک اہل آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان کی دتعداد تین ہے جو کہ نان ایگزیکٹو ڈائریکٹر ہیں اور وہ کاروبار، فنانس اور کاروباری عمل کے میدان میں منفرد تجربہ رکھتے ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی ہر مالی سال میں کم از کم چار بار میٹنگ کرتی ہے۔

رپورٹ کے تحت سال کے دوران آڈٹ کمیٹی کے 4 اجلاس بلائے گئے۔ آڈٹ کمیٹی کے ممبر کی حاضری مندرجہ ذیل تھی:-

ڈائریکٹر کے نام	قسم عہدہ	حاضری
فیصل آفتاب احمد	آزاد ڈائریکٹر	4
میاں نذیر احمد پراچہ	نان ایگزیکٹو ڈائریکٹر	4
خالد صدیق ترمذی	آزاد ڈائریکٹر	4

انسانی وسائل اور معاوضہ کمیٹی:

انسانی وسائل کی ترقی کے شعبے کو حل کرنے اور بہتر بنانے کے لیے ایک کمیٹی تشکیل دی گئی ہے۔ کمیٹی کا بنیادی مقصد مارکیٹ میں چلنے والی HR پالیسیوں کی تشکیل میں انتظامیہ کی مدد اور رہنمائی کرنا ہے جو کہ کارکردگی کے نظام کی جانچ اور معاوضے کی ادائیگی سے متعلق قوائد وضوابط کے مطابق ہوں۔

اس سال اس کمیٹی کا ایک اجلاس ہوا جس میں ممبران کی حاضری مندرجہ ذیل تھی

ڈائریکٹر کے نام	عہدہ	حاضری
خالد صدیق ترمذی	آزاد ڈائریکٹر	1
محمد توصیف پراچہ	ایگزیکٹو ڈائریکٹر	1
میاں نذیر احمد پراچہ	نان ایگزیکٹو ڈائریکٹر	0

اندرونی کنٹرول کا نظام:

ایک مضبوط اندرونی کنٹرول کا نظام کمپنی کی ثقافت کا حصہ ہے۔ تمام بڑے معاملات کے لیے ایک مضبوط اور جامع اندرونی آڈٹ کنٹرول سسٹم دستاویزی شکل میں موجود ہے تاکہ مالیاتی رپورٹنگ کو قابلِ اعتماد، آپریشنل اور سٹریٹجک مقاصد کے حصول پر بروقت رائے، پالیسیوں، طریقہ کار، قوانین اور قوائد وضوابط پر عمل، اثاثوں کی حفاظت اور وسائل کو بہتر اور موثر طریقے سے استعمال کو یقینی بنایا جا سکے۔ کمپنی نے مختلف کاموں کے لیے آپریٹنگ طریقہ کار کے معیار (SOPs) بھی دستاویز کیے ہیں۔ جن میں وقتاً فوقتاً کاروبار کی ضروریات کے پیش نظر لازمی تبدیلیوں کا جائزہ لیا جاتا ہے۔ اندرونی آڈٹ فنکشن اندرونی کنٹرول کی افادیت اور آپریٹنگ طریقہ کار کے معیاروں کی مقاصد کے ساتھ ہم آہنگی پر مسلسل نظر رکھے ہوئے ہے۔

اندرونی آڈٹ فنکشن کے دائرہ کار اور اختیارات کی اُس کی ٹرم آف ریفرنس میں اچھی طرح وضاحت کی گئی ہے۔ جو آڈٹ کمیٹی سے منظور شدہ ہیں۔ چیف انٹرنل آڈیٹر ایک سند یافتہ انٹرنل آڈیٹر ہے جس کے پاس آڈیٹنگ کا معقول تجربہ ہے۔

فراڈ، کرپشن (بدعنوانی) اور غیر اخلاقی کاروبار کے طریقوں کے خطروں کا انتظام:

بورڈ نے رِسک مینجمنٹ کے عمل کی نگرانی کے لیے ایک رِسک مینجمنٹ کمیٹی تشکیل دی ہے۔ کمپنی نے ایک رسک مینجمنٹ پالیسی مرتب کی ہے جس میں خطرے کی تعریف، رجحان کا تجزیہ، خطرہ کا منکشف ہونا، اس کے ممکنہ اثرات اور تخفیف کا عمل، پالیسی اور طریقہ کار کی تعمیل اور افادیت پر رپورٹس شامل ہیں۔ کاروباری اور غیر کاروباری خطرات کی شناخت، اندازے، انتظام اور نگرانی کے لیے ایک تفصیلی مشق کی جارہی ہے۔ بورڈ گاہے بگاہے خطرات کا جائزہ لیتا رہتا ہے اور اِن کے کنٹرول اور تخفیف کے لیے ایک مناسب فریم ورک کے ذریعے اقدامات بھی تجویز کرتا رہتا ہے۔

ضابطہ اخلاق:

کمپنی نے ایک مظبوط کاروباری اخلاقیات اور طرزِ عمل واضع کیا ہے جو کہ اخلاقیات کے سمیت اور شفافیت کے اصولوں پر مبنی ہے مزید تفصیل اس رپورٹ میں دی گئی ہے۔

غیر قانونی کاموں کی مخبری کا طریقہ کار:

دھوکہ دہی (فراڈ) اور بدعنوانی سے پاک کلچر کو کمپنی میں بنیادی حیثیت حاصل ہے۔ آپریشن کی تیز رفتار ترقی کی وجہ سے دھوکہ دہی اور بدعنوانی کے ممکنہ خطرے کے پیشِ نظر کمپنی اِن خطرات سے نمٹنے پر زیادہ زور دے رہی ہے۔ اس مقصد کے حصول کے لیے ایک جامع فراڈ رِسک مینجمنٹ (FRM) پالیسی جو Whistleblower Policy سے ماخوذہ ہے، بنائی گئی ہے، مزید تفصیل اس رپورٹ میں درج ہے۔

انسدادِ رشوت ستانی اور بدعنوانی کی ہدایات:

ایک کمپنی کی حیثیت سے رشوت ستانی اور بدعنوانی کے لیے ہمارا نقطہ نظر عدم برداشت پر مبنی ہے اور ہم تمام کاروباری لین دین میں پیشہ وارانہ اور منصفانہ کام کرنے کے پابند ہیں۔ کمپنی کے کاروبار کرنے کی اخلاقیات کے حصّے کے طور پر بورڈ نے عدم رشوت اور بدعنوانی کی ہدایات جاری کر رکھی ہیں۔

مندرجہ بالا پالیسیوں اور اُن کے نفاذ کو آڈٹ کمیٹی بڑی باریک بینی سے نگرانی کرتی ہے اور وقتاً فوقتاً بورڈ کی طرف سے اِس کا جائزہ لیا جاتا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR):

آپ کی کمپنی ایک ذمہ دار ادارہ ہے اور ہمیشہ معاشرے کی طرف اپنی سماجی ذمہ داریوں کو ادا کرنے کی کوشش کرتی ہے۔ کمپنی اپنے گردونواح میں مقامی آبادی کو بہبود کی سہولیات فراہم کرتی ہے اور اسے فروغ بھی دیتی ہے۔ کارپوریٹ سماجی ذمہ داری پر بیان اِس رپورٹ میں الگ سے دیا گیا ہے۔

متعلقہ پارٹیز کے ساتھ معاملات:

متعلقہ پارٹیوں کے ساتھ لین دین (برابری کی سطح پر) کیا جاتا ہے اور کوڈ آف کارپوریٹ گورننس 2017 اور کمپنیز ایکٹ 2017 کے قوائد وضوابط کی تعمیل کے لیے آڈٹ کمیٹی اور بورڈ اِس پر نظر ثانی کے بعد منظوری دیتے ہیں۔ متعلقہ فریقوں کے ساتھ معاملات کی تفصیل مالی گوشوارں میں فراہم کی گئی ہے۔

آڈیٹرز:

کریسٹن حیدر بھیم جی اینڈ کمپنی چارٹرڈ اکاوٗنٹنٹس جو کہ ریٹائرڈ ہو گئے ہیں اور دوبارہ تقرری کے لیے اہل ہیں اور آڈٹ کمیٹی کی تجویز پر بورڈ نے ایک اور مدت کے لیے ان کی تقرری کی توثیق کی ہے۔

خدمات کا اعتراف / تشکریہ:

ڈائریکٹرز اس موقع پر بنکوں اور دیگر مالیاتی اداروں کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے ہماری مسلسل رہنمائی اور حمایت کی۔ ہم اس امر کو بھی دائرہ تحریر میں لانا پسند کرتے ہیں کہ غریب وال سیمنٹ خاندان کے ہر رکن کی وابستگی، لگن اور محنت دِلی تعریف کے لائق ہے۔ ہماری کامیابیوں کا ثمر انہی کی بدولت ہے۔

معزز اراکین ہم آپ کو اُس اعتماد اور یقین کے دِل کی گہرایوں سے ممنون ہیں جو آپ نے ہمیشہ سے ہم پر کیا۔

منجانب: بورڈ آف ڈائریکٹر

محمد توصیف پراچہ	عبدالرفیق خان
چیف ایگزیکٹو آفیسر	ڈائریکٹر
29 ستمبر 2022ء	لاہور

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

Amin Building,
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Phone: 042-37352661, 37321043
Fax: 042-37248113
E-mail: krestonhb@gmail.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gharibwal Cement Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Gharibwal Cement 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.

Kreston Hyder Bhimji & Co

Lahore: September 29, 2022
UDIN # CR2022104750WsOiUVlR

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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

GHARIBWAL CEMENT LIMITED ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) regulations, 2019 ("the Regulations")during the financial year ended June 30, 2022in the following manner:-

1) The total number of Directors are nine (9)comprising: -
   i) Male : Seven (7)
   ii) Female : Two (2)

2) The composition of the Board is as follow:

i)	Independent Directors	:	Three (3)
ii)	Non-Executive Directors (male)	:	One (1)
iii)	Non-Executive Directors (female)	:	Two (2)
iv)	Executive Directors	:	Three (3)

3) The Directors have confirmed that none of them is serving as a Director of more than seven Listed Companies, including the 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 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 Companies Act, 2017 ("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 and recording of minutes of meeting of Board. However, draft minutes of board meetings conducted during the year were circulated to board members after 14 days of the meeting.

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

9) The Company is largely compliant with the requirement of directors' training under Rule 20 of the Code of Corporate Governance, 2017. Two (2) directors have obtained the Directors' Training Program Certification in prior years. Three (3) directors meet the exemption criteria of the Directors' Training Program.

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

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

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

   a) Audit Committee
      i) Faisal Aftab Ahmad (Chairman)
      ii) Khalid Siddiq Tirmizey (Member)
      iii) Mian Nazir Ahmad Peracha (Member)

   b) Human Resource & Remuneration Committee
      i) Khalid Siddiq Tirmizey (Chairman)
      ii) Muhammad Tousif Peracha (Member)
      iii) Mian Nazir Ahmad Peracha (Member)

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

14) The frequency of meetings of the Committees are set, at minimal,as:-

a)	Audit Committee	Quarterly
b)	HR and Remuneration Committee	Yearly

15) The Board has set up effective internal audit functions that is suitably qualified and experiencedfor the purpose and is conversant with the policies and procedures of the Company.

16) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and they are 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 Directors of the Company.

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

18) We confirm that all requirements of the Regulations have been complied with.

Chief Executive Officer

Director

Dated: September 29, 2022
Place: Lahore

PATTERN OF SHAREHOLDINGS

Number of Shareholding	Shareholdings From	To	Total Share Held
924	1	100	32,446
651	101	500	214,150
442	501	1,000	377,589
696	1,001	5,000	1,844,185
191	5,001	10,000	1,470,926
63	10,001	15,000	808,116
45	15,001	20,000	821,487
33	20,001	25,000	792,463
14	25,001	30,000	400,338
11	30,001	35,000	372,000
9	35,001	40,000	341,500
8	40,001	45,000	346,954
14	45,001	50,000	683,747
4	50,001	55,000	218,500
3	55,001	60,000	180,000
1	60,001	65,000	61,500
1	65,001	70,000	70,000
3	70,001	75,000	216,000
4	75,001	80,000	316,873
1	80,001	85,000	83,500
4	85,001	90,000	351,000
1	90,001	95,000	91,000
11	95,001	100,000	1,098,000
1	100,001	105,000	104,000
2	105,001	110,000	213,000
2	115,001	120,000	232,943
1	120,001	125,000	124,757
1	140,001	145,000	144,500
1	145,001	150,000	149,500
1	150,001	155,000	154,000
2	155,001	160,000	315,500
1	175,001	180,000	176,500
2	185,001	190,000	375,500
3	195,001	200,000	600,000
1	210,001	215,000	211,500
1	245,001	250,000	250,000
1	255,001	260,000	256,000
1	275,001	280,000	280,000
1	280,001	285,000	284,000
1	305,001	310,000	306,500
1	325,001	330,000	330,000
1	330,001	335,000	335,000
1	335,001	340,000	340,000
1	355,001	360,000	357,500
1	360,001	365,000	361,500
1	390,001	395,000	390,500
1	430,001	435,000	433,500
1	440,001	445,000	442,000
1	455,001	460,000	458,500
1	470,001	475,000	470,500
1	490,001	495,000	494,000
1	530,001	535,000	533,074
1	570,001	575,000	573,500
1	595,001	600,000	596,765
1	610,001	615,000	612,000
1	655,001	660,000	659,000
1	695,001	700,000	700,000
1	1,035,001	1,040,000	1,039,000
2	2,620,001	2,625,000	5,250,000
1	2,930,001	2,935,000	2,934,584
1	2,995,001	3,000,000	3,000,000
1	4,080,001	4,085,000	4,082,112
1	4,280,001	4,285,000	4,282,112
1	4,415,001	4,420,000	4,419,500
1	4,615,001	4,620,000	4,616,000
1	5,325,001	5,330,000	5,330,000
1	16,060,001	16,065,000	16,062,541
1	22,765,001	22,770,000	22,766,472
1	90,965,001	90,970,000	90,967,722
1	212,065,001	212,070,000	212,066,104
3,188			400,273,960

PATTERN OF SHAREHOLDINGS

Categories of shareholders		Share Held	Percentage
Directors their spouse and minor children (name wise detail)			
1	Abdur Rafique Khan	90,967,722	22.73%
2	Muhammad Tousif Peracha	215,066,104	53.73%
3	Mian Nazir Ahmed Paracha	500	0.00%
4	Amna Khan	22,766,472	5.69%
5	Daniyal Jawaid Paracha	17,000	0.00%
6	Mustafa Tousif Ahmed Paracha	494,000	0.12%
7	Khalid Siddiq Tirmizey	100,000	0.02%
8	Faisal Aftab Ahmad	500	0.00%
9	Sorath Jumani	500	0.00%
10	Ali Rashid Khan H/O Sorath Jumani	20,344,653	5.08%
11	Feriha Nazir Peracha W/O Mian Nazir Ahmed Paracha	2,625,000	0.66%
12	Qamar Nazir Peracha W/O Mian Nazir Ahmed Paracha	2,625,000	0.66%
		355,007,451	88.69%
Associated companies, undertakings and related parties			
Executives		-	-
Public Sector Companies & Corporations		-	-
NIT and ICP		630	0.00%
Banks, Development Finance Institutions, Non Banking Finance Institutions		3,215	0.00%
Insurance companies		390,918	0.10%
Mudaraba and Mutual Funds		2,364,500	0.59%
General public - local		30,843,455	7.71%
General public - foreign		5,004,355	1.25%
Joint stock companies		1,697,989	0.42%
Leasing companies		368,500	0.09%
Foreign companies		4,082,112	1.02%
Pension Funds		340,000	0.08%
Associates		43,637	0.01%
Others		127,198	0.03%
		400,273,960	100.00%

Shareholders holding five percent or more voting intrest in the listed company

1	Muhammad Tousif Peracha	215,066,104	53.73%
2	Abdur Rafique Khan	90,967,722	22.73%
3	Amna Khan	22,766,472	5.69%
4	Ali Rashid Khan	20,344,653	5.08%

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:

		SALE	PURCHASE
1	Muhammad Tousif Peracha	-	194,025

FINANCIAL HIGHLIGHTS

SIX YEARS AT A GLANCE

	2022	2021	2020	2019	2018	2017
Summary of Balance Sheet (Rs. '000)						
Equity	16,847,624	15,757,292	14,505,990	12,481,446	12,490,557	11,381,045
Interest bearing borrowings	1,393,147	2,339,579	2,840,241	3,491,973	3,665,050	3,765,786
Non-interest bearing borrowings	107,175	272,292	454,150	517,160	673,337	740,422
Capital employeed	18,336,872	18,369,163	17,800,381	16,490,579	16,828,944	15,887,253
Interest bearing short term debt					-	-
Net debt	391,122	1,316,837	2,862,991	3,577,373	4,230,518	4,382,637
Property, plant and equipment	18,930,224	19,715,740	20,352,356	18,315,268	19,251,030	18,677,798
Current assets	7,268,866	6,938,061	5,157,726	4,947,128	3,591,975	2,847,464
Current liabilities	4,112,302	5,207,234	4,661,162	4,501,227	5,044,568	4,282,706
Total assets	26,199,090	26,653,801	25,510,082	23,262,396	22,843,005	21,615,065
Summary of profit or loss Account (Rs. '000)						
Net sale	16,193,788	12,106,985	8,714,089	11,174,327	11,704,607	11,357,244
Gross profit	3,787,670	3,191,305	86,273	2,458,786	2,932,650	3,988,401
Operating profit	2,913,186	2,565,337	(319,432)	1,943,047	2,186,777	3,289,856
EBITDA	3,933,363	3,635,120	626,158	2,935,081	3,138,932	4,003,963
Profit before taxation	2,753,888	2,288,098	(561,689)	1,379,909	1,783,549	3,044,676
Profit after taxation	1,354,723	1,551,383	131,193	736,412	1,509,654	2,283,696
Summary of Cash Flow Statement (Rs. '000)						
Net cash flow from operating activities	1,089,374	2,275,569	1,152,999	1,327,101	2,490,330	3,491,105
Net cash flow from investing activities	(153,545)	(448,550)	(190,751)	(170,108)	(1,336,824)	(3,795,935)
Net cash flow from financing activities	(1,132,737)	(935,975)	(962,608)	(833,102)	(1,169,208)	(60,695)
Change in cash and cash equivalents	(196,908)	863,634	(360)	323,891	(15,702)	(365,525)
Cash and cash equivalent at year end	1,098,126	1,295,034	431,400	431,760	107,869	103,632
Profitability Ratios						
Gross Profit ratio	23.39%	26.24%	0.99%	22.00%	25.06%	35.12%
Net Profit to Sales Ratio	8.37%	12.81%	1.51%	6.59%	12.90%	20.11%
EBITDA Margin to Sales ratio	24.29%	30.02%	7.19%	26.27%	26.82%	35.25%
Return on Equity	8.31%	10.25%	0.97%	5.90%	12.65%	21.29%
Return on Capital Employeed	7.38%	8.58%	0.77%	4.42%	9.23%	15.30%
Return on total assets	5.13%	5.95%	0.54%	3.19%	6.79%	11.51%
Liquidity Ratios						
Current Ratio (times)	1.77	1.33	1.11	1.10	0.71	0.66
Quick Ratio (times)	0.66	0.74	0.62	0.56	0.28	0.25
Cash flow from operations to Sales (times)	0.07	0.19	0.13	0.12	0.21	0.31
Activity / Turnover Ratios						
Inventory turnover ratio	13.57	11.81	12.10	11.39	13.96	16.11
No. of days in inventory	27	31	30	32	26	23
Debtors turnover ratio	52.98	34.16	25.43	28.24	31.47	34.92
No. of days in receivables	7	11	14	13	12	10
Creditor turnover ratio	4.82	3.11	2.93	3.20	3.62	5.52
No. of days in payables	76	117	125	114	101	66
Total assets turnover ratio	0.62	0.45	0.34	0.48	0.51	0.53
Fixed assets turnover ratio	0.86	0.61	0.43	0.61	0.61	0.61
Operating cycle	(42)	(76)	(80)	(69)	(63)	(33)

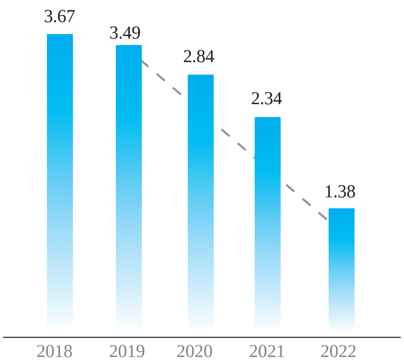
SIX YEARS AT A GLANCE

	2022	2021	2020	2019	2018	2017
Investment / Market Ratios						
Earning per share (Rs.)	3.38	3.88	0.33	1.84	3.77	5.71
Price Earning ratio (Rs.)	5.76	10.18	49.67	5.63	5.55	7.98
Break-up Value of Share (Rs.)	42.09	39.37	36.24	31.18	31.21	28.43
Market Value of Share (Rs.)						
Year End	19.50	39.44	16.28	10.36	20.92	45.54
Highest	39.84	47.21	18.82	23.52	47.50	67.48
Lowest	19.00	17.50	8.19	9.01	19.79	45.54
Average	27.46	33.53	12.62	16.41	29.08	56.00
Market Capitalization (Rs. '000)	7,805,342	15,786,805	6,516,460	4,146,838	8,373,731	18,228,476
Capital Structure Ratio						
Financial leverage ratio	9%	17%	23%	32%	35%	40%
Weighted average cost of debt	11%	9%	18%	10%	10%	8%
Capitalization rate	17%	10%	2%	18%	18%	13%
Interest cover ratio (times)	10.16	6.09	(0.53)	3.20	5.09	10.68
Debt to equity ratio (times)	0.09	0.17	0.23	0.32	0.35	0.40
Leverage (times)	0.10	0.36	4.57	1.22	1.35	1.10

Non-interest bearing long term debt = Markup deferred banks as per rescheduling agreements
Capital employed = Equity with revaluation surplus + Interest bearing long term debt + Non-interest bearing long term debt
Net debt = Interest bearing long term debt + Non-interest bearing long term debt + Interest bearing short term debt - Cash and cash equivalent
Gross profit ratio = Gross profit / Net sale
Operating leverage ratio = % change in operating profit / % change in net sales
Return on equity = Profit after tax / Average equity with revaluation surplus
Return on capital employee = Profit after tax / Average capital employed
Return on total assets = Profit after tax / Average total assets
Current ratio = Current assets / Current liabilities
Quick ratio = (Currant assets - Stock-in-trade - Stores, spares & loose tools) / Current liabilities
Inventory turn over ratio = Cost of sales / Average stock-in-trade
Debtors turn over ratio = Local gross sales / Average trade debtors
Creditors turn over ratio = Purchases / Average trade creditors
Operating cycle = Inventory days + Debtors days - Creditors days
Market capitalization = No. of issued shares x share price at year end
Financial leverage ratio = (Interest bearing long term debt + Non-interest bearing long turn debt) / Equity with revolution surplus
Weighted cost of debt = Interest on long term debt / Interest bearing long term debt
Interest cover ratio = EBIT / Finance cost
Debt equity ratio = (Interest bearing long term debt + Non-interest bearing long term debt) / Equity with revolution surplus
Leverage = Net debt / EBITDA

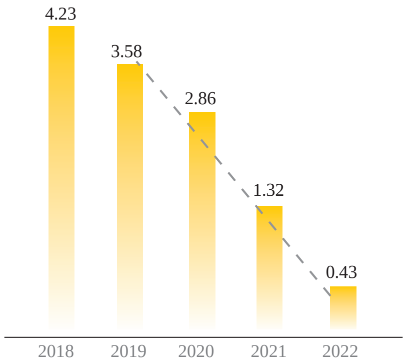
KPI GRAPHICAL PRESENTATION

Interest bearing debt (billion rupees)



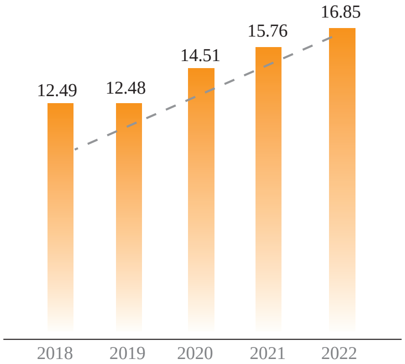
Interest bearing debts includes long term and short term borrowings carrying markup/profit. These are on downward trajectory and the Company will repaid these in next year.

Net debt (billion rupees)



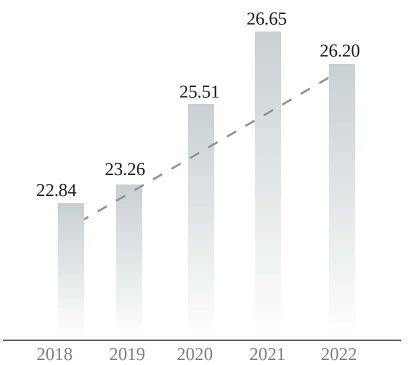
Net debt includes interest bearing long term and short term debts and non-interest bearing long term debts less cash and cash equivalent. Net debts are on downward trajectory and reduced to Rs. 0.43 billion at 2022 end.

Shareholders Equity (billion rupees)



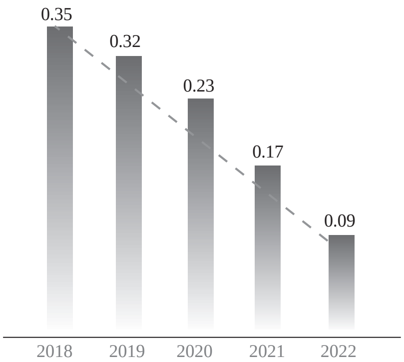
Ordinary shareholders equity includes paid capital, retained earning and surplus on revaluation of PPE. Equity is on upward trajectory due to retained earnings.

Total Assets (billion rupees)



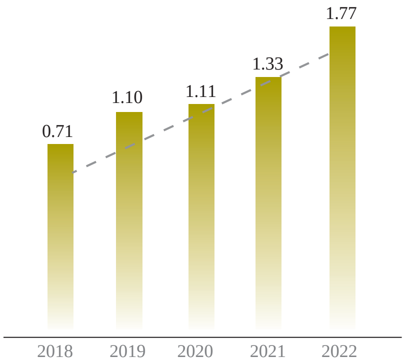
Total assets are increasing due to continuous capital expenditures and retention of earnings within the Company.

Debt : Equity Ratio



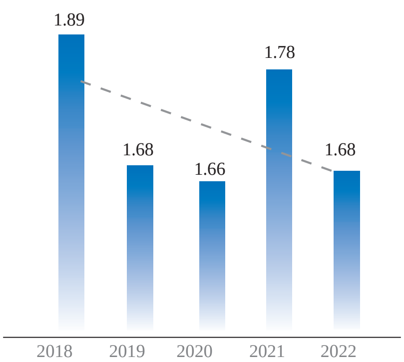
This represents debts against shareholders equity of Re 1. Debts include long term interest bearing and non-interest bearing debts and equity includes revaluation surplus. This ratio is on downword trajectory due to repayment of debts and retention of earnings within the Company.

Current Ratio



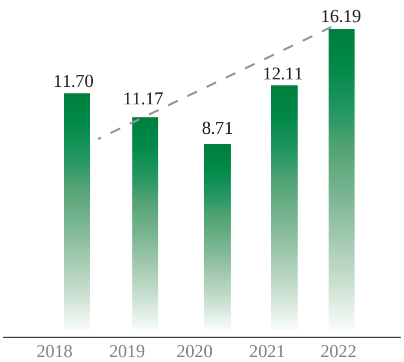
This represents current assets against current liability of Re 1. Current ratio is consistantly improving with passage of time.

Sales Volume (million ton)



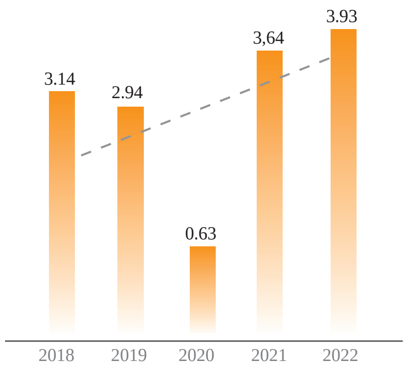
Sales volume is reflecting seasonal demand of cement.

Net sales (billion rupees)



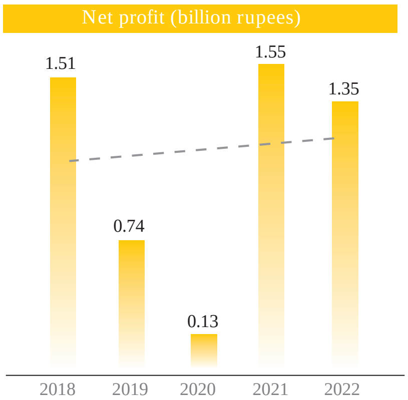
Net Sales value improved to Rs. 16.19 billion during FY2022 from Rs. 12.11 bn for last year 2021.

EBITDA (billion rupees)

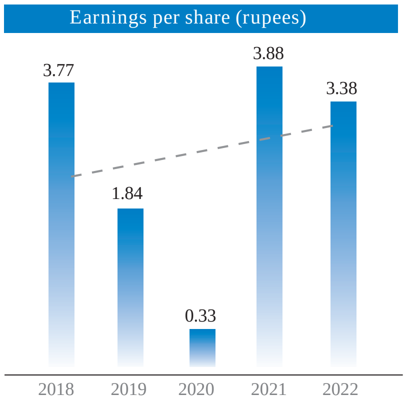


Earnings before interest, tax and depreciation is on its upward trajectory and stood at Rs. 3.93 bn in 2022.

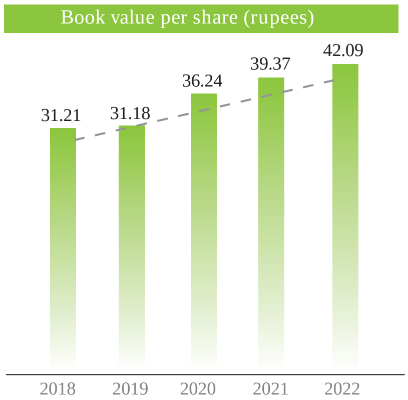
KPI GRAPHICAL PRESENTATION



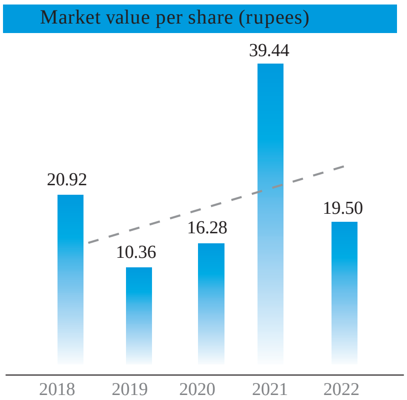
Profit after taxation stood at Rs. 1.35 bn in 2022 compared to Rs.1.55 bn in 2021.



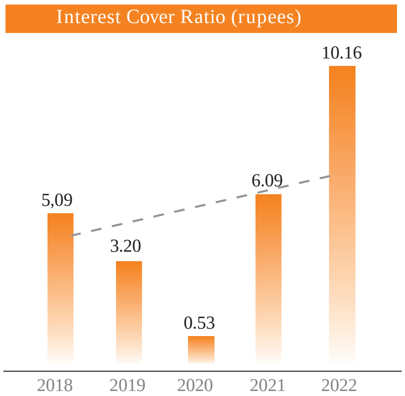
EPS stood at Rs. 3.38 in 2022 compared to Rs. 3.88 in 2021.



Book value per share displayed upward trajectory and stood at Rs. 42.09 bn in 2022.



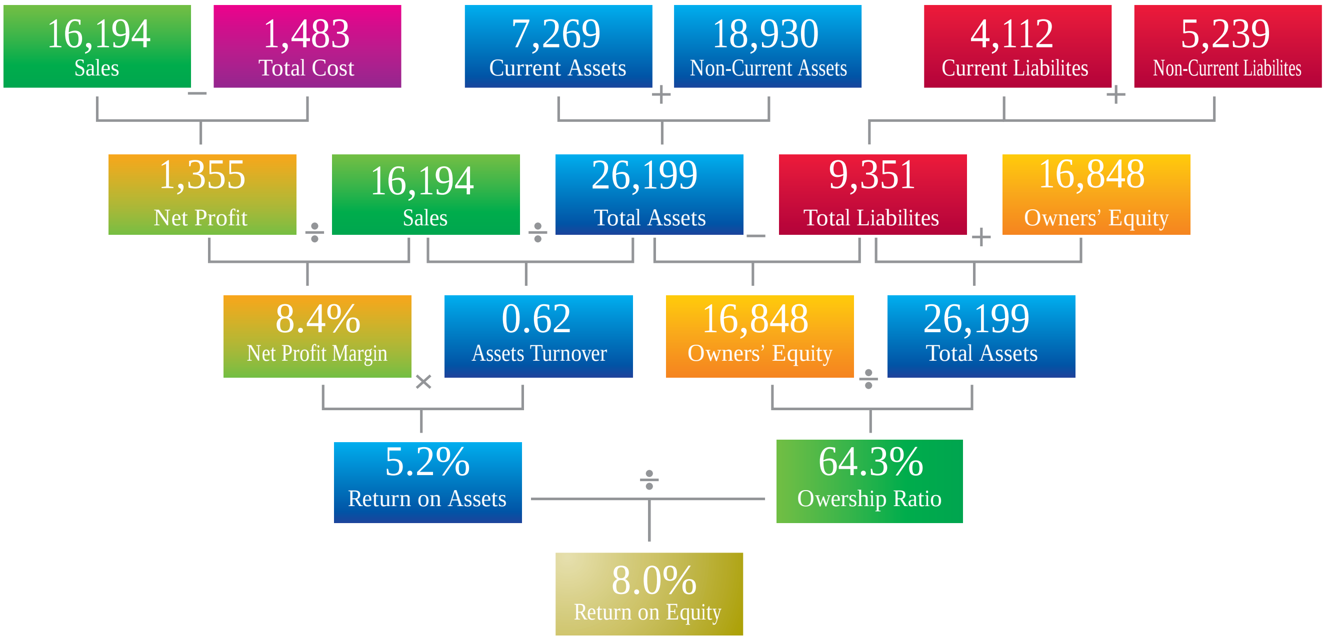
Market value per share reduced to Rs. 19.50 at the close of 2022.



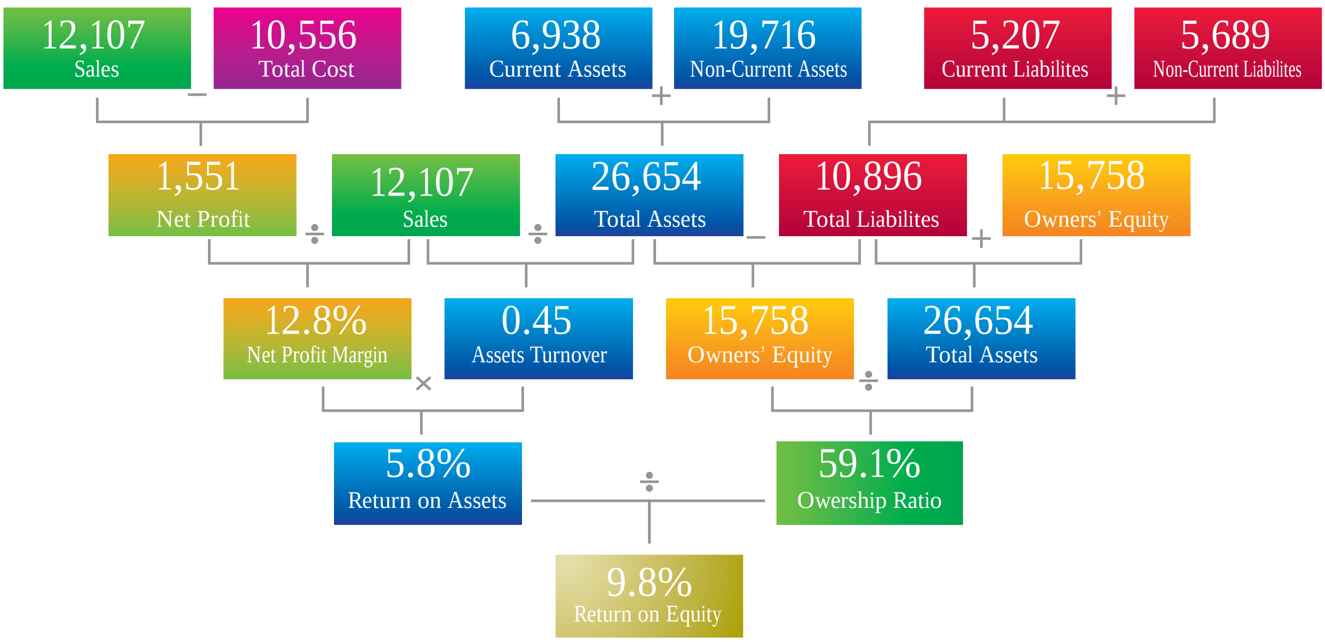
This represents EBIT against finance cost of Re 1.

DuPONT ANALYSIS

2022



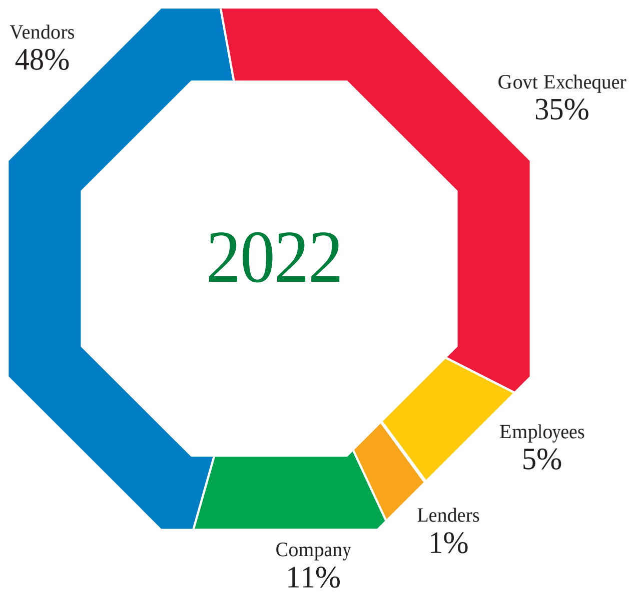
2021

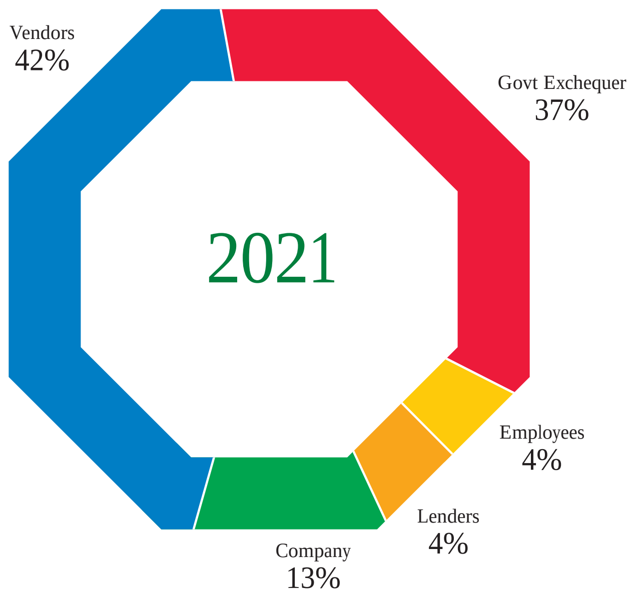


Leverage = (Non-current Liabilities + Current Liabilities) / Total Assets
Interest Burden = (Finance Cost - Other Income) / EBIT
Figures in million rupees.

DISTRIBUTION OF WEALTH

The Company continues to play its role in economic development of the country and contributed 89% (FY2021: 87%) of the gross revenue generated during the year to various stackholers within the society. 48% (FY2021: 42%) of the Company's gross wealth was contributed to suppliers of fuel, energy, materials, servies etc.. 35% (FY2021: 37%) of the gross wealth was contributed to the government exchequer on account of income tax, sales tax, federal excise duty, royalty and excise duty on mineral, workers welfare fund and workers profit participation fund. 1% (FY2021: 4%) of the gross wealth went to the provider of finance in the shape of markup, profit and dividend. 5% (FY2021: 4%) of the gross wealth was went to employees. Whereas the Company retained 11% (FY2021: 13%) of the gross wealth in the form of depreciation, amortisation and retained earnings.





VERTICAL & HORIZONTAL ANALYSIS

	2022	2021	2020	2019	2018	2017
						Figures in Thousand Rupees
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Property, plant and equipment	18,870,620	19,623,476	20,303,484	18,241,973	19,136,955	18,677,798
% change from preceeding year	-4%	-3%	11%	-5%	2%	21%
% change from base year 2017	1%	5%	9%	-2%	2%	0%
% of total assets	72%	74%	80%	78%	84%	86%
Non-current assets	18,930,224	19,715,740	20,352,356	18,315,268	19,251,030	18,767,601
% change from preceeding year	-4%	-3%	11%	-5%	3%	21%
% change from base year 2017	1%	5%	8%	-2%	3%	0%
% of total assets	72%	74%	80%	79%	84%	87%
Current assets	7,268,866	6,938,061	5,157,726	4,947,128	3,591,975	2,847,464
% change from preceeding year	5%	35%	4%	38%	26%	11%
% change from base year 2017	155%	144%	81%	74%	26%	0%
% of total assets	28%	26%	20%	21%	16%	13%
Total assets	26,199,090	26,653,801	25,510,082	23,262,396	22,843,005	21,615,065
% change from preceeding year	-2%	4%	10%	2%	6%	20%
% change from base year 2017	21%	23%	18%	8%	6%	0%
% of total assets	100%	100%	100%	100%	100%	100%
EQUITY AND LIABILITIES						
Equity	16,847,624	15,757,292	14,505,990	12,481,446	12,490,557	11,381,045
% change from preceeding year	7%	9%	16%	0%	10%	13%
% change from base year 2017	48%	38%	27%	10%	10%	0%
% of total assets	64%	59%	57%	54%	55%	53%
Interest bearing long term borrowings	1,387,660	2,339,579	2,840,241	3,491,973	3,365,050	3,765,786
% change from preceeding year	-41%	-18%	-19%	-5%	-3%	20%
% change from base year 2017	-63%	-38%	-25%	-7%	-3%	0%
% of total assets	5%	9%	11%	15%	18%	17%
Non-Interest bearing long term borrowings	107,075	272,293	454,150	517,160	673,337	740,422
% change from preceeding year	-61%	-40%	-12%	-23%	-9%	0%
% change from base year 2017	-86%	-63%	-39%	-30%	-9%	0%
% of total assets	0%	1%	2%	2%	3%	3%
Capital employeed	18,336,872	18,369,164	17,800,381	16,490,579	16,828,944	15,887,253
% change from preceeding year	0%	3%	8%	-2%	6%	14%
% change from base year 2017	15%	16%	12%	4%	6%	0%
% of total assets	70%	69%	70%	71%	74%	74%
Non-current liabilities	5,239,164	5,689,275	6,342,930	6,279,723	5,307,880	5,951,314
% change from preceeding year	-8%	-10%	1%	18%	-11%	21%
% change from base year 2017	-12%	-4%	7%	6%	-11%	0%
% of total assets	20%	21%	25%	27%	23%	28%
Current liabilities	4,112,302	5,207,234	4,661,162	4,501,227	5,044,568	4,282,706
% change from preceeding year	-21%	12%	4%	-11%	18%	40%
% change from base year 2017	-4%	22%	9%	5%	-18%	0%
% of total assets	16%	20%	18%	19%	22%	20%

VERTICAL & HORIZONTAL ANALYSIS

	2022	2021	2020	2019	2018	2017
						Figures in Thousand Rupees
STATEMENT OF PROFIT OR LOSS						
Net sales	16,193,78	12,106,985	8,714,089	11,174,327	11,704,607	11,357,244
% change from preceeding year	*34%*	*39%*	*-22%*	*-5%*	*3%*	*7%*
% change from base year 2017	*43%*	*7%*	*-23%*	*-2%*	*3%*	*0%*
% of net sales	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Gross profit	3,787,670	3,191,305	86,273	2,458,786	2,932,650	3,988,401
% change from preceeding year	*19%*	*3582%*	*-96%*	*-16%*	*-26%*	*-6%*
% change from base year 2017	*-5%*	*-20%*	*-98%*	*-38%*	*-26%*	*0%*
% of net sales	*23%*	*26%*	*1%*	*22%*	*25%*	*35%*
EBITDA	3,933,363	3,635,120	626158	2,935,081	3,138,932	4,003,963
% change from preceeding year	*8%*	*481%*	*-79%*	*-6 %*	*-22%*	*-7%*
% change from base year 2017	*-2%*	*-9%*	*-84%*	*-27%*	*-22%*	*0%*
% of net sales	*24%*	*30%*	*7%*	*26%*	*27%*	*35%*
Profit before taxation	2,753,888	2,288,098	(561,689)	1,379,909	1,783,549	3,044,676
% change from preceeding year	*20%*	*-507%*	*-141%*	*-23%*	*-41%*	*-18%*
% change from base year 2017	*-10%*	*-25%*	*-118%*	*-55%*	*-41%*	*0%*
% of net sales	*17%*	*19%*	*-6%*	*12%*	*15%*	*27%*
Profit after taxation	1,354,723	1,551,383	131,193	736,412	1,509,654	2,283,696
% change from preceeding year	*13%*	*1083%*	*-82%*	*-51%*	*-34%*	*-15%*
% change from base year 2017	*-41%*	*-32%*	*-94%*	*-68%*	*-34%*	*0%*
% of net sales	*8%*	*13%*	*2%*	*7%*	*13%*	*20%*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

Amin Building,
65-The Mall, Lahore.
Phone: 042-37352661, 37321043
Fax: 042-37248113
E-mail: krestonhb@gmail.com

INDEPENDENT AUDITORS' REPORT

To the members of Gharibwal Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ghraibwal Cement Limited ("the Company"), which comprises statement of financial position as at June 30, 2022, 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and 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 profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matter(s):

Key Audit Matter(s)	How the Matter was addressed in audit
1. Inventories: As at June 30, 2022 inventories, as disclosed in note - 7 to the annexed financial statements include stock in trade, coal and other consumable store items. There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete. The Company's principal accounting policy on inventories and the critical accounting estimates and judgements are disclosed in note - 3.3 to the annexed financial statements. Further, stock in trade in financial statements as disclosed in note - 7 includes: • raw materials comprising limestone, clay, gypsum and laterite; • work-in-progress mainly comprising clinker; and • finished goods in the shape of cement. The above items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories of stock in trade is not practicable, management assesses the	Our audit was focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by: • checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end by the Company with sample / verification test; • critically assessing the Company's provisioning policy, with specific consideration given to aged / slow moving inventory; • re-computing provision recorded to verify that it is in line with Company's policy; • reviewing historical accuracy of fuels, parts and supplies provisioning with reference to inventory write-offs during the year in relation to stock loss or other inventory adjustments;

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Key Audit Matter(s)	How the Matter was addressed in audit
reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. Due to the significance of inventory balances of consumable stores and spares & stock in trade and related estimations involved, this is considered as a key audit matter.	• Assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; and • Obtained and reviewed the inventory count report of the management's internal surveyor and assessed its accuracy on a sample basis. We further tested the NRV of the inventories held by preforming a review of sales close to and subsequent to the year end.
2. Revenue recognition: As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period. These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results. In view of significant value of transactions and presumed risk of material misstatement involved, we have considered this as a key audit matter. The disclosures related to recognition of revenue by the company are provided in note 3.18 to the annexed financial statements.	In this regard, our audit procedures included: • Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company. • Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods or services actually took place. • Analyzing other adjustments and credit notes issued after the reporting date. • Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, date of occurrence. • Reviewing disclosures included in the notes to the annexed financial statements.
3. Taxation: As described in Summary of Significant Accounting Policies in note - 3.14, significant judgment is required in determining the provision for income tax, both current and deferred, as well assessment of provision for uncertain tax positions including estimates of penalties / default surcharge, where appropriate. The statement of financial position includes advance income tax net of provision of Rs. 298.025 million together with net deferred tax liability of Rs. 4,579.644 million. The tax charge recognized in the statement ofprofit or loss is Rs. 1,399.165 million. Detail of deferred taxation and taxation expense is disclosed in notes - 17 and 33 to the annexed financial statements respectively. Due to their significance to the financial statements as a whole, together with the judgment and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition of deferred tax. We discussed with management the adequate implementation of company policies and controls regarding current and deferred tax as well as the reporting of uncertain tax positions. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the circumstances. Our verification of taxation was also made with the assistance of our firm's tax department. We considered management assessment of the validity and adequacy of provision for uncertain tax provision, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities.

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Key Audit Matter(s)	How the Matter was addressed in audit
	In respect of deferred tax assets and liabilities, we assessed the appropriateness of management assumptions and estimates. We Reviewed disclosures included in the notes 17 and 33 to the annexed financial statements.
4. Contingencies: The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes. There are a number of legal and regulatory matters for which no provision has been established, as discussed in notes - 24 and 33 to the annexed financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. We determined that we could rely on these controls for the purposes of our audit. In view of the significant judgments required, we evaluated the Company's assessment of the nature and status of litigation, claims and provisional assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and 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 the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the 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. The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' 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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss, 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 Syed Aftab Hameed, FCA.

Kreston Hyder Bhimji & Co

Lahore: September 29, 2022
UDIN # AR202210475i2FHUbahz

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	18,870,620	19,623,476
Intangible asset	5	5,727	9,978
Long term loans	9a	6,624	11,893
Deposits	6	47,253	70,393
		18,930,224	19,715,740
CURRENT ASSETS			
Inventories	7	4,561,373	3,076,787
Trade and other receivables	8	483,277	503,770
Loan and advances	9	596,609	594,411
Deposits	10	34,848	9,120
Prepayments	11	196,608	122,252
Advance income tax -net		298,025	1,286,271
Cash and cash equivalent	12	1,098,126	1,295,034
		7,268,866	6,887,645
Non-current asset held for sales	30	-	50,416
		7,268,866	6,938,061
TOTAL ASSETS		26,199,090	26,653,801
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up capital	13	4,002,739	4,002,739
Capital reserve			
Revaluation surplus on property, plant and equipment	14	4,283,107	4,773,441
Revenue reserve			
Retained earnings		8,561,778	6,981,112
		16,847,624	15,757,292
NON CURRENT LIABILITIES			
Borrowings	15	643,371	1,459,412
Lease liability	16	-	5,229
Deferred taxation	17	4,579,644	4,154,083
Employees' benefit obligations	18	16,149	26,155
Accrued liabilities	19b	-	44,397
		5,239,164	5,689,276
CURRENT LIABILITIES			
Trade and other payables	19	2,485,379	3,544,270
Borrowings - current portion	20	845,877	1,135,537
Lease liability - current portion	16	5,487	11,694
Markup and profit payable	21	119,580	114,065
Employees' benefits obligations	22	582,227	369,745
Contract liabilities	23	55,084	12,953
Unclaimed dividend		18,668	18,969
		4,112,302	5,207,233
CONTINGENCIES AND COMMITMENTS	24	-	-
TOTAL EQUITY AND LIABILITIES		26,199,090	26,653,801

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in 000s)	
Revenue from contracts with customers	25	16,193,788	12,106,985
Cost of sales	26	(12,406,118)	(8,915,680)
Gross Profit		3,787,670	3,191,305
General and administrative expenses	27	(642,008)	(394,537)
Selling and distribution expenses	28	(81,670)	(61,222)
Other expenses	29	(211,732)	(170,209)
Other income	30	60,926	-
Profit from operations		2,913,186	2,565,337
Finance income	31	127,369	143,750
Finance cost	32	(286,667)	(420,989)
Profit before taxation		2,753,888	2,288,098
Tax expense	33	(1,399,165)	(736,715)
Profit after taxation		1,354,723	1,551,383
		Rupees	
Earnings per share (basic & diluted)	34	3.38	3.88

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in 000s)	
Profit after taxation for the year	1,354,723	1,551,383
Other Comprehensive Income		
Total comprehensive income for the year	1,354,723	1,551,383z

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2020	4,002,739	5,027,237	5,476,138	14,506,114
Final cash dividend @ Rs. 0.75 per share for the year ended June 30, 2020	-	-	(300,205)	(300,205)
Total Comprehensive income for the year ended June 30, 2021	-	-	1,551,383	1,551,383
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(253,796)	253,796	-
Balance as at June 30, 2021	4,002,739	4,773,441	6,981,112	15,757,292
Total Comprehensive income for the year ended June 30, 2022	-	-	1,354,723	1,354,723
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(225,943)	225,943	-
Deferred tax impact due to change in tax rate	-	(261,715)	-	(261,715)
Realization of revaluation surplus on disposal of asset held for sale	-	(2,676)	-	(2,676)
Balance as at June 30, 2022	4,002,739	4,283,107	8,561,778	16,847,624

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		2,753,888	2,288,098
Adjustment for non-cash and other items:	35	1,330,203	1,568,294
Operating profit before working capital changes		4,084,091	3,856,392
Net changes in working capital	36	(2,542,761)	(1,057,632)
Cash inflow from operation		1,541,330	2,798,760
Finance cost paid		(222,862)	(381,220)
Finance cost relating to lease liability paid		(1,329)	(2,244)
Markup received on bank deposits		51,928	32,412
Movement in employees' benefit obligation		20,980	12,629
WPPF and WWF paid		(53,600)	(15,500)
Income tax paid		(247,073)	(169,268)
Net cash inflow from operating activities		1,089,374	2,275,569
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(263,070)	(436,905)
Payments for intangible assets		-	(11,645)
Proceeds on disposal of non-current assets held for sales		108,666	-
Markup received from Balochistan Glass Limited (related party)		859	-
Net cash outflow from investing activities		(153,545)	(448,550)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from banks borrowings		87,240	146,548
Repayment of banks borrowings		(1,208,240)	(667,666)
Repayment of borrowings from related party		-	(182,428)
Repayment of lease liabilities (principal portion)		(11,436)	(10,375)
Dividend paid to directors (net of tax)		-	(224,298)
Dividend paid to other shareholders (net of tax)		(301)	(25,166)
Net cash outflow from financing activities		(1,132,737)	(963,385)
Net (decrease) / increase in cash and cash equivalents		(196,908)	863,634
Cash and cash equivalents at beginning of the year		1,295,034	431,400
Cash and cash equivalents at end of the year	12	1,098,126	1,295,034

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND OPERATIONS

Gharibwal Cement Limited is a public limited company based in Pakistan. The Company is registered with the Securities and Exchange Commission of Pakistan w.e.f. December 1960. Shares of the Company are quoted on Pakistan Stock Exchange with symbol of "GWLC". The Company is principally engaged in production and sale of cement. These financial statements are of the individual entity i.e. Gharibwal Cement Limited.

The head office and registered office of the Company is situated at Pace Tower, 1st Floor, 27H, Gulberg-II, Lahore, Pakistan. Factory of the Company is situated at Ismailwal, 30km Pind Dadan Khan to Jehlum Road, Tehsil Choa Saidan Shah, District Chakwal.

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:

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

b 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 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

b Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.3 Basis of measurement

These financial statements have been prepared on accrual basis and under the historical cost convention except for the followings:

- certain property, plant and equipment at fair value.
- certain inventories at lower of cost and net realizable value.
- Certain financial instrument at amortized cost.

2.4 Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. Figures in these financial statements have been rounded off to the nearest thousands Rupees, unless otherwise stated.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

i) Estimated useful life of property, plant and equipment and intangible assets [notes 3.1 and 3.2]
ii) Estimation of fair value of property, plant and equipment [Note 3.1, Note 4c]
iii) Estimation of net realizable value and Provision for slow moving inventories [notes 3.3]
iv) Estimate of liability and cost in respect of staff gratuity scheme [notes 3.11]
v) Estimation of current and deferred tax [note 3.14]
vi) Assessment of contingencies [Note 3.20]
vii) Estimate of provisions [Note 3.13]
viii) Present value of non interest bearing borrowings (Note 3.9) and GIDC (Note 19b)
ix) Estimate of impairment of financial assets (Note 3.6 and Note 3.4)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant & equipment

Owned Assets

Operating fixed assets are accounted for according to revaluation model of IAS-16 (Property, Plant and Equipment) under which the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, if any. Exception to this is tools and equipment, furniture, fixture and office equipment, and vehicles which are stated at cost less accumulated depreciation and impairment in value, if any.

Revalued amounts are fair values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values as described in Note 4c. Any increase or decrease in revaluation surplus is treated as per policy described in Note 3.8.

Capital work-in-progress is stated at cost accumulated up to the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognized as an operating fixed asset when it is made available for its intended use.

Costs include expenditures that are directly attributable to the acquisition of the asset, including any borrowing cost, and are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. The cost of a self constructed asset includes cost of materials, labor and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located.

Repair and maintenance costs are charged to the statement of profit and loss during the period in which these are incurred. Capitalization takes place if the measures lead to an extension or significant improvement of the asset.

Depreciation is charged to the statement of profit or loss using reducing balance method at the rates stated in note 4a. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Depreciation is charged to statement of profit or loss from the month when an asset becomes available for its indented use, whereas no depreciation is charged in the month of disposal.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed at each reporting date and altered if circumstances or expectations have changed significantly. In making these estimates, the Company uses the technical resources available with the Company. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognized in the statement of profit or loss within other income or other expenses.

Leased Assets
Leased assets are accounted for as per policy described in Note 3.10.

3.2 Intangible assets
Intangible assets are accounted for according to IAS 38 (Intangible Assets) at cost less accumulated amortization and impairment loss, if any. Costs of purchase of computer software ERP is capitalized as intangible assets.

Intangible assets are amortized using straight-line method over a period of five years. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

3.3 Inventories
Inventories are measured in accordance with IAS 2 (Inventories) at the lower of cost and net realizable value using the periodic weighted average cost method. Spare parts for plant and equipment, consumable stores and fuel are reported under inventories. If spare parts were acquired in connection with the acquisition of the plant and equipment, or in a separate acquisition meet the definition of an asset, then they are reported under fixed assets.

Cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale necessarily to be incurred in order to make a sale.

The company reviews the carrying amount of the inventory on each reporting date or as appropriate, inventory is written down to its net realizable value or provision is made in the financial statements for slow moving and obsolete inventory if there is any change in usage pattern and physical form of related inventory, and is recognized in the statement of profit or loss.

3.4 Trade and other receivables
Trade and other receivables are initially recognized at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for receivables considered to be doubtful. Trade receivables are accounted for as per accounting policy as described in Note 3.18.

Trade and other receivables are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments within 1,095 days (three years) from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

Impairment of trade and other receivables
The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months at each reporting date as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is charged to the statement of profit or loss.

3.5 Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, and demand deposits, together with other short-term, highly liquid investments maturing within 30 days from the date of acquisition that are readily convertible into known amounts of cash and

which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.6 Financial instruments

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments. 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.

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification of financial assets

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets, other than those designated and effective as hedging instruments, are classified into the following measurement categories:

- those to be measured at amortized cost; and
- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those to be measured subsequently at fair value through other comprehensive income (FVTOCI)

In the periods presented the Company does not have any financial assets categorized as FVTOCI.

All income and expenses relating to financial assets that are recognized in profit or loss (FVTPL) are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest

Subsequent measurement of financial assets

Financial assets at amortized cost- Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest are measured at amortized cost, provided that they are not allocated to a hedge. Interest income from these financial assets is recognized in the financial result using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. All gains or losses resulting from derecognition, impairment losses or currency translation are recognized directly in profit or loss. Impairment losses represent probability-weighted estimates of credit losses. They are calculated on the basis of the best available information and the time value of money. Reversals are carried out if the reasons for the impairment losses no longer apply. Financial assets measured at amortized cost include cash and cash equivalent, loan and advances, deposits, trade receivables, and other current operating receivables. In principle, the amortized cost in the case of current receivables corresponds to the nominal value or the redemption amount.

Financial assets at fair value through profit or loss (FVTPL)- Financial assets not meeting the criteria for the categories at amortized cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in equity instruments and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognized in profit or loss in the period in which they are incurred. The fair values of financial assets in this category are determined by reference toa active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. The Company assesses on a forward-looking basis the expected credit losses associated with its loan and other debt-type instruments carried at amortized cost and FVOCI as per IFRS-9 impairment requirements. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounting policy for impairment of trade and other receivables is described in Note 3.4.

In applying this forward-looking approach, a distinction is made between:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;

Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low;

Stage 3: financial assets that have objective evidence of impairment at the reporting date;

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Accounting policy for borrowings is described in Note 3.9.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). In principle, the amortized cost in the case of current financial liabilities corresponds to the nominal value or the redemption amount.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.7 Equity, reserves and dividend payments

Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any.

Other component of equity includes the 'Revaluation Surplus on Property, Plant and Equipment' comprising gains and losses from the revaluation of items of property, plant and equipment (see Note 3.8).

Retained earnings include all current and prior period retained profits/(loss).

Dividends declared for the reporting period subsequent to the reporting date are considered as non-adjusting events. Dividend distributions payable to equity shareholders are recognized in the financial statements for the period in which such dividend has become payable after it has been approved by the Board or approved by members in a general meeting.

3.8 Revaluation surplus on property, plant and equipment

Revaluation on property, plant equipment is accounted for according to IAS-16 (Property, Plant and Equipment).

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'. To the extent that any revaluation decrease or impairment loss has previously been recognized in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognized in other comprehensive income.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in profit or loss. However revaluation decreases that reverse previous increases of the same asset is first recognized in other comprehensive income to the extent of the remaining surplus attributable to that asset; all other decreases are charged to profit or loss. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the 'Revaluation Surplus on Property, Plant and Equipment' account to retained earnings through the Statement of Changes in Equity.

Any revaluation surplus remaining in 'Revaluation Surplus on Property, Plant and Equipment' account on disposal of the asset is transferred to retained earnings through the Statement of Changes in Equity.

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Revaluation surplus on property, plant and equipment reported under equity is not available for distribution of dividend.

3.9 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Non-interest bearing borrowings are recognized at fair value using amortized cost method. Fair value of these borrowings is determined by discounting the contractual payments in term of the loan agreement using the market related interest rate. The difference between the proceeds of the non-interest bearing loan and the present value of the contractual payments in terms of the loan agreement, discounted using the market related rate of interest, is recognized as winding-up of discount and charged to profit and loss. Changes occurred in fair value of these borrowings due to repayment and/or change in market interest rate is charged to statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization

Other borrowing costs are expensed in the period in which they are incurred.

3.10 Leases

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.'

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases (less than 12 months) and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been shown on face of statement of financial position.

3.11 Employees benefits

Employees benefits are determined in accordance with IAS 19 (Employee Benefits).

The Company operates approved funded contributory provident fund schemes for its permanent employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period in which the employees' services are received.

Short-term obligations

Liabilities for salaries, including non-monetary benefits, and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

3.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.13 Provisions

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each statement of financial position and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.14 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current Tax

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

The Company takes into account, in making the estimates for income taxes, the current income tax law and decisions taken by appellate authorities on certain issues in the past . Instances where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law, the amounts are shown as contingent liabilities.

Deferred Tax

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the date of statement of financial position. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change. Further, deferred tax calculation is based on estimate of future ratio of export and local sales based on last three years average.

3.15 Foreign currency translation

Foreign currency translation is made according to IAS-21 (The Effect of Changes in Foreign Exchange Rates). Foreign currency transactions are translated into the functional currency of the Company i.e. Rs., using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.17 Related party transactions

All transactions with related parties are executed at arm's length prices, determined in accordance with the pricing method as approved by the Board of Directors.

3.18 Revenue recognition

Revenue arises mainly from the sale of cement through intermediaries, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account. However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved. Revenue is recognized when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer i.e. upon delivery from the manufacturing unit of the Company.

"Contract liabilities, which is the Company's obligation to transfer goods to a customer for which the entity has already received consideration, relate mainly to advance payments from customers. A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due. Contract assets, which is the Company's right to consideration that is conditional on something other than the passage of time, relate mainly to construction and paving activities and not relevant for the Company.

Scrap sales are stated net of sales tax and are recognized in the year in which scrap sales are made.

Profit on bank deposits / savings accounts is recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

3.19 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred.

3.20 Contingent liabilities

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

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

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

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the date of statement of financial position. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the date of statement of financial position.

3.21 Earning per share (EPS)

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

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

3.22 Impairment of non-financial assets

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

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

3.23 Non current assets held for sale

A non-current asset is classified as held for sale if most of its carrying amount is expected to be recovered via future cash flows from the sale of the asset rather than future cash flows from use. To classify an asset as held for sale, the asset must be available for immediate sale in its present condition and the sale must be highly probable.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset is measured in accordance with applicable IFRSs. Resulting adjustments are also recognized in accordance with applicable IFRSs. Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held?for?sale, property, plant and equipment are no longer depreciated.

	Note	2022	2021
		(Rupees in 000s)	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4a	18,358,320	19,254,205
Right of use assets	4b	21,850	27,313
Capital work in progress	4d	490,450	341,958
		18,870,620	19,623,476

4a- OPERATING FIXED ASSETS - TANGIBLE

	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION					Book Value at Year end
	Opening Balance	Additions	Transfer*	Closing Balance	Rate	Opening Balance	For the Year	Transfer*	Closing Balance	
	(Rupees in 000s)									
Financial year 2022										
Freehold land	163,657	-	-	163,657	-	-	-	-	-	163,657
Building and foundation on freehold land	4,686,838	-	-	4,686,838	5%	2,055,882	131,548	-	2,187,430	2,499,408
Building and foundation on leasehold land	77,476	-	-	77,476	10%	54,032	2,344	-	56,376	21,100
Heavy earth moving machinery	511,475	10,650	-	522,125	20%	382,285	26,725	-	409,010	113,115
Plant and machinery	22,855,242	9,395	-	22,864,637	5%	6,716,682	806,968	-	7,523,650	15,340,987
Infrastructure	368,954	-	-	368,954	20%	294,629	14,866	-	309,495	59,459
Tools and equipment	48,197	768	-	48,965	20%	24,306	4,902	-	29,208	19,757
Furniture and fixtures	87,281	657	-	87,938	20%	67,385	4,046	-	71,431	16,507
Vehicles	177,267	93,109	-	270,376	20%	126,981	19,065	-	146,046	124,330
	28,976,387	114,579	-	29,090,966		9,722,182	1,010,464	-	10,732,646	18,358,320
Financial year 2021										
Freehold land	204,261	9,812	(50,416)	163,657	-	-	-	-	-	163,657
Building and foundation on freehold land	4,685,738	1,100	-	4,686,838	5%	1,917,454	138,428	-	2,055,882	2,630,956
Building and foundation on leasehold land	77,476	-	-	77,476	10%	51,427	2,605	-	54,032	23,444
Heavy earth moving machinery	511,475	-	-	511,475	20%	349,988	32,297	-	382,285	129,190
Plant and machinery	22,728,390	126,852	-	22,855,242	5%	5,872,028	844,654	-	6,716,682	16,138,560
Infrastructure	368,954	-	-	368,954	20%	276,046	18,583	-	294,629	74,325
Tools and equipment	47,304	893	-	48,197	20%	18,488	5,818	-	24,306	23,891
Furniture and fixtures	87,120	161	-	87,281	20%	62,444	4,941	-	67,385	19,896
Vehicles	170,840	1,348	5,079	177,267	20%	111,029	12,294	3,658	126,981	50,286
	28,881,558	140,166	(45,337)	28,976,387		8,658,904	1,059,620	3,658	9,722,182	19,254,205

Operating fixed assets have been pledged as security against the company's borrowings (refer to Note 15a).

4b- RIGHT OF USE ASSETS

	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION					Book Value at Year end
	Opening Balance	Additions	Transfer*	Closing Balance	Rate	Opening Balance	For the Year	Transfer*	Closing Balance	
	(Rupees in 000s)									
Financial year 2022										
Heavy earth moving machinery	33,268	-	-	33,268	20%	13,396	3,975	-	17,371	15,897
Vehicles	10,076	-	-	10,076	20%	2,635	1,488	-	4,123	5,953
	43,344	-	-	43,344		16,031	5,463	-	21,494	21,850
Financial year 2021										
Heavy earth moving machinery	33,268	-	-	33,268	20%	8,428	4,968	-	13,396	19,872
Vehicles	15,155	-	(5,079)	10,076	20%	4,384	1,909	(3,658)	2,635	7,441
	48,423	-	(5,079)	43,344		12,812	6,877	(3,658)	16,031	27,313

4c Freehold land, building and foundation on freehold land, building on leasehold land, heavy earth moving machinery, plant and machinery and infrastructures have been carried at revalued amounts determined by professional valuers (level 2 measurement under IFRS-13 'Fair Value Measurements'). The latest valuations was conducted on 30-06-2020 by an independent valuer Protectors Indus Surveyor (Pvt) Limited who are approved by Pakistan Banks' Association (PBA) in any amount category. Whereas a piece of land and 1st floor in Pace Tower situated in Lahore were revalued on 30-06-2020 by another independent valuers Al Wazzan Associates (Pvt) Limited.

Freehold land

The valuation experts used a market based approach to arrive at the fair value of the Company's properties. Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Building and foundation, Infrastructure

The valuation experts used a cost based approach to arrive at the fair value of the Company's properties. Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery, Heavy earth moving machinery

The valuation experts used a cost based approach to arrive at the fair value of the Company's properties. Current replacement cost was determined by collecting information regarding current prices of comparable cement plant from suppliers and different cement plant consultants in Pakistan and abroad. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

Assessed value and forced sales value of these fixed assets as at the date of revaluation i.e. June 30, 2020 was as under:

	Assessed Value	Forced Sales Value
	(Rupees in 000s)	
Freehold land	163,657	173,622
Building and foundation	2,499,408	2,368,751
Building and foundation on leasehold land	21,100	22,142
Heavy earth moving machinery	113,115	137,264
Plant and machinery	15,340,987	14,328,136
Infrastructure	59,459	78,971
	18,197,726	17,108,886

Carrying amount of fixed assets if these had been carried under cost model and had not been revalued:	Note	2022	2021
		(Rupees in 000s)	
Freehold land		39,400	39,400
Building and foundation		1,382,174	1,454,920
Building and foundation on leasehold land		41	45
Heavy earth moving machinery		65,570	69,759
Plant and machinery		10,321,168	10,854,539
Infrastructure		59,465	74,331

4ca Depreciation charge for the year has been allocated as under:

	Note	2022	2021
Cost of sales	26	987,411	1,039,907
General and administrative expenses	27	26,581	24,897
Selling and distribution expenses	28	1,934	1,693
		1,015,926	1,066,497

4cb The carrying amount of temporarily idle property, plant and equipment, as included in note 4a, is as under:

	2022	2021
Building and foundations	93,720	104,134

4cc Heavy earth moving machinery includes used dumpers having book value of Rs. 10.064 million (FY2021: Rs. 12.580 million) which had been purchased with the funds of the Company. These are in the possession of the Company and are being used for transportation of raw material within the factory premise, but these are not yet registered in the name of the Company.

4cd Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage	Area
Ismailwal, Tehsil Pind Dadan Khan	Manufacturing facility	2,378 Kanals & 5 Marla
Ismailwal, Tehsil Pind Dadan Khan (see Note 24c)	Manufacturing facility	400 Kanals
Jutana, Tehsil Pind Dadan Khan	Infrastructure	127 Kanal & 14 Marla
Dewanpur Tehsil Pind Dadan Khan	Pumping station	58 Kanal & 17 Marla
1st Floor, Pace Tower, 27-H, College Road, Gulberg-II, Lahore	Head office	18,000 square feet

	Opening Balance	Additions / Adjustments	Transfer to operating fixed assets	Closing Balance
	(Rupees in 000s)			
4d Capital work-in-progress				
Capital work in progress	42,815	-	-	42,815
Advances for capital expenditure	299,143	148,492	-	447,635
	341,958	148,492	-	490,450

	Note	2022	2021
		(Rupees in 000s)	
5 INTANGIBLE ASSETS			
Cost			
Balance at the beginning of the year		21,259	9,614
ERP license purchased during the year		-	11,645
		21,259	21,259
Amortization			
Opening balance		(11,281)	(7,995)
Amortized during the year @ 20%	27	(4,251)	(3,286)
		(15,532)	(11,281)
		5,727	9,978
6 DEPOSITS			
Utilities and supplies		47,253	47,253
Margin against letters of guarantee from bank		-	23,140
		47,253	70,393
7 INVENTORIES			
Stock in trade	7a	844,026	985,083
Fuel, parts and supplies	7b	3,717,347	2,091,704
		4,561,373	3,076,787
7a STOCK IN TRADE			
Raw material		98,894	58,166
Work in process		610,468	831,055
Finished goods		85,215	74,780
Packing material		49,449	21,082
		844,026	985,083

	Note	2022	2021
		(Rupees in 000s)	

7b Fuel, Parts and Supplies

	Note	2022	2021
Fuel and supplies		3,493,972	1,610,223
Spares parts		225,161	266,878
Loose tools		4,835	5,655
Inventories in transit		28,014	243,583
		3,751,982	2,126,339
Less: Provision for slow moving and obsolete items		(34,635)	(34,635)
		3,717,347	2,091,704

8 TRADE AND OTHER RECEIVABLES

	Note	2022	2021
Trade receivable from contracts with customers		377,265	472,340
Markup receivable from Balochistan Glass Limited (related party)		106,012	31,430
		483,277	503,770

9 LOAN AND ADVANCES

	Note	2022	2021
Considered good			
Secured			
Advances to employees against salaries		6,817	4,883
Advances to employees for expenses		626	362
Balochistan Glass Limited - associated company	9b	587,366	587,366
		594,809	592,611
Unsecured			
Loans to employees	9a	1,800	1,800
		596,609	594,411

9a Loans to employees

	Note	2022	2021
Numan Basharat		5,386	10,354
Abdul Aziz		3,038	3,339
		8,424	13,693
Less: Recoverable after 12 months shown as long term loan		(6,624)	(11,893)
		1,800	1,800

These loans are given for house building and are interest free. These are recoverable in 67-104 equal monthly instalments. Accordingly loan recoverable after 12 months is shown as long term loan. The value of these loans at amortized cost comes to Rs. 5.692 million (FY2021: 9.578) giving a winding up of discount of Rs. 2.732 million (FY2021: Rs. 4.115 million). The value involved is immaterial, therefore, long term loan is shown at its carrying amount.

9b The Company has approved a short term advance facility up to Rs. 600 million (FY2021: Rs. 600 million) to its associated company Balochistan Glass Limited (Mr. Muhammad Tousif Peracha is the CEO of the both companies and he also holds more than 50% shares of both the companies) under the authority of a special resolution u/s 199 of the Companies Act, 2017. This facility carries markup @ 3 months KIBOR + 3.5% p.a. This advance is secured by way of personal guarantee of a director common in both companies. Maximum balance at any month-end during the year was Rs. 587.366 million (FY2021: Rs. 587.366 million). The Company also sold goods valuing Rs. 0.531 million (FY2021: Rs. 2.380 million) (including taxes and duties) to Balochistan Glass Limited during the year.

			2022	2021
10	DEPOSITS		(Rupees in 000s)	
	Considered good but unsecured			
	Margin against letters of guarantee from banks		32,688	9,120
	Margin against letters of credit from banks		2,160	-
			34,848	9,120
11	PREPAYMENTS			
	Considered good but unsecured			
	Advances to suppliers		191,801	117,402
	Prepaid expenses		4,807	4,850
			196,608	122,252
12	CASH AND CASH EQUIVALENTS			
	Cash in hand	12a	1,746	1,319
	Cash at banks in local currency			
	Current accounts		409,917	613,596
	PLS accounts	12b	245,056	450,497
	Term deposits	12c	436,000	225,000
	Dividend account		2,780	2,523
			1,093,753	1,291,616
	Cash at banks in foreign currency			
	USD accounts		2,627	2,099
			1,098,126	1,295,034

12a This includes Rs. 0.145 million (FY2021: Rs. 0.111) in SAR.

12b These accounts bear profit ranging from 5% to 7% p.a. (FY2021: 5% to 7% p.a.).

12c These term deposits receipts are placed with scheduled banks with profit @ 6.5%-12% p.a. (FY2021: 5% 6.25% p.a.) for one month. These are held under lien against letters of credit facility by the bank.

		2022	2021	2022	2021
13	SHARE CAPITAL	------(Numbers)------		------(Rupees in 000s)------	
	Authorized share capital				
	Ordinary shares of Rs. 10 each	800,000,000	470,000,000	8,000,000	4,700,000
	Issued, subscribed and paid up capital				
	Ordinary shares of Rs. 10 each:				
	fully paid in cash	386,842,543	386,842,543	3,868,425	3,868,425
	fully paid as bonus shares	13,431,417	13,431,417	134,314	134,314
		400,273,960	400,273,960	4,002,739	4,002,739

13a Voting rights, Board selection, right of first refusal and block voting are in proportion to the shareholding.

		Note	2022	2021
14	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		(Rupees in 000s)	
	Gross Surplus			
	Opening balance		6,670,875	7,028,335
	Incremental depreciation for the year		(337,228)	(357,460)
	Surplus associated with asset disposed of		(2,676)	-
			6,330,971	6,670,875
	Deferred Tax attributed to Surplus			
	Opening balance		(1,897,434)	(2,001,098)
	Impact of tax rate change	17	(261,715)	-
	Incremental depreciation for the year		111,285	103,664
			(2,047,864)	(1,897,434)
			4,283,107	4,773,441

		Note	2022	2021
15	BORROWINGS			
	LONG TERM PORTION			
	Banks and financial institutions - Secured			
	Interest bearing borrowings	15a	574,809	1,350,244
	Non-Interest bearing borrowings	15b	68,562	109,168
			643,371	1,459,412
15a	Interest bearing borrowings			
	Finance under conventional mode			
	Bank of Punjab	15aa	237,816	441,816
	Bank of Punjab	15ab	55,156	195,156
	Bank of Punjab	15ac	55,135	165,405
	National Bank of Pakistan	15ad	172,886	263,369
	MCB Bank Limited	15ae	-	25,143
	Pak China Investment Company Limited	15af	66,667	133,333
	Saudi Pak Industrial & Agricultural Investment Co. Ltd	15ag	14,397	30,104
	First Credit Investment Corporation	15ah	-	3,040
			602,057	1,257,366
	Finance under islamic mode			
	Al Baraka Bank Limited	15ai	380,000	570,000
	Summit Bank Limited	15aj	107,225	193,005
	Faysal Bank Limited	15ak	206,250	281,250
	First Habib Modaraba	15al	86,641	21,035
			780,116	1,065,290
			1,382,173	2,322,656
	Less: current and overdue portion shown under current liabilities	20	(807,364)	(972,412)
			574,809	1,350,244

15aa The term finance facility is to be repaid in 115 unequal monthly instalments starting from January 2013 to July 2023. Markup is charged @ 3 months KIBOR plus 1.4% per annum with floor of the bank's cost of fund payable quarterly in arrear.

15ab This demand finance facility is to be repaid in 10 bi-annual equal instalments starting from March 2017 to September 2022. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 260 million (FY2021: Rs. 700.000 million) which is in addition to securities as mentions in note 15am.

15ac This finance has been obtained under temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme) announced by the State Bank of Pakistan (SBP) through IH&SMEFD Circular No. 06 of 2020 (dated April 10, 2020). This carries subsidies markup rate of 3% p.a. and is repayable in eight equal quarterly instalments from January 2021 to October 2022. Accordingly loan is reported at its nominal value rather than at amortized cost as required under IFRS-9 as the impact is immaterial.

15ad The demand finance is to be repaid in 40 unequal quarterly instalments from October 2015 to June 2026. This facility carries markup @ 3 months KIBOR + 1% p.a. which is to be paid quarterly.

15ae The term finance facility is to be repaid in 35 unequal quarterly instalments starting from March 2012 to December 2021. Markup is charged @ 3 months KIBOR plus 0% and is payable in quarterly instalments.

15af This term finance facility is to be repaid in 12 equal quarterly instalments starting from August 2020 to May 2023. This facility carries markup @ 3 months KIBOR + 2.0% p.a. which is to be paid quarterly. This facility is secured by way of first pari passu hypothecation charge over all present and future fixed assets of the Company with 25% margin to the extent of Rs. 267 million, and mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

15ag This term finance facility is to be repaid in 96 equal monthly instalments starting from July 2014 to June 2023. Markup is charged @ 3 months KIBOR plus 2.5% p.a. payable quarterly in arrear.

15ah This term finance facility is to be repaid in 108 equal monthly instalments starting from March 2013 to February 2022. Markup is charged @ 3 month KIBOR plus 0% and payable in quarterly instalments.

15ai This facility was obtained under Musharika arrangement to finance the import value of new cement mill which is repayable in 20 equal quarterly instalments from September 2018 to June 2024. Profit is to be paid @ 3 month KIBOR plus 2% on quarterly basis in arrear. These facility is secured against exclusive charge on this cement mill to Rs. 1.087 billion (FY2021: Rs. 1.287 billion). It is also secured by way of personal guarantees of the sponsoring directors.

15aj The Company has obtained a term finance facility to finance the import value of plant and machinery for waste heat recovery project. Principal amount is to be repaid in 16 equal quarterly instalments starting from November 2018 to August 2022. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 150 million (FY2021: Rs. 350 million) through first pari passu charge over all present and future fixed assets of the Company and personal guarantees of sponsoring directors.

15ak This facility was obtained under Musharika arrangement to finance expansion project phase-I, and is repayable in 20 equal quarterly instalments till March 2025. Profit is to be paid @ 3months KIBOR + 2.25% p.a on quarterly basis. This facility is secured by way of first pari passu hypothecation charge / equitable mortgage over all present and future fixed assets of the Company as mentioned in Note 15am, and mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

15al This facility was obtained under Musharika arrangement to purchase vehicles and heavy earth moving machinery. It is repayable in 24 to 60 monthly instalments. Profit is to be paid @ 6 months KIBOR + 2.75% p.a with floor rate of 8.75% p.a to 9.00% p.a. Vehicles purchased under this facility are registered in the name of financial institution as security which shall be transferred in the name of the Company on repayment of whole amount.

15am The Company has revised the First Joint Pari Passu Hypothecation Agreement on 21-12-2021 with the banks and financial institutions mentioned in note 15aa to 15ah, 15al and note 15b excluding loans mentioned in Note 15ab, 15ac and 15af. As a result of this revised agreement, these term finance facilities along with demand finance 2 (DF2) facilities mentioned in Note 15b obtained from these banks or financial institutions are secured by way of first pari passu charge over the fixed assets of the Company to the extent of Rs. 4,066.118 million (FY2021: Rs. 10,019.157 million). In addition to this, Bank of Punjab has exclusive charge to the extent of Rs. 600 million (FY2021: Rs. 600 million) on three dual fuel Wartsila Generators. Sponsoring directors also give personal guarantees along with mortgage of their personal assets to secure these borrowings. One time facility of letter of credit from Askari Bank Limited as commitments against plant and machinery mentioned in Note 24 is secured by way of first pari passu charge over the plant and machinery being imported to the extent of Rs. 1.7 billion.

	Note	2022	2021
15b Non-interest bearing borrowings		(Rupees in 000s)	
Finance under conventional mode			
National Bank of Pakistan	15ba	138,814	173,518
MCB Bank Limited	15bb	-	14,171
Saudi Pak Industrial & Agricultural Investment Co. Ltd.	15bb	-	116,568
Bank of Khyber	15bb	-	164
First Credit Investment Corporation	15bc	7,514	17,335
Gross value of non-interest bearing borrowings		146,328	321,756
Less: Winding up of discount			
Opening balance		(49,463)	(80,865)
Unwinding up of discount and catch up adjustments	32	10,210	31,402
		(39,253)	(49,463)
Present value of non-interest bearing borrowings		107,075	272,293
Less: current and overdue portion shown under current liabilities	20	(38,513)	(163,125)
		68,562	109,168

15ba This facility is being paid in equal quarterly instalment ending in June 2026 and secured by JPP as mentioned in Note 15am.

15bb These facilities are fully paid during the year.

15bc This facility is being paid in monthly instalments ending in March 2023 and secured by JPP as mentioned in Note 15am.

16 LEASE LIABILITY

	2022	2021
Non-current lease liabilities	-	5,229
Current lease liabilities (current maturities)	5,487	11,694
	5,487	16,923

The Company has obtained heavy earth moving machinery and vehicles under a lease arrangement for lease term of 36 months. These lease facilities carries markup at the rate 3 month KIBOR plus a spread of 2.50% - 2.75% p.a. The Company intends to exercise its option to purchase the above assets upon completion of the lease period. Facilities are secured through exclusive ownership of asset-in-use in the name of the Banks. Taxes, repair and insurance costs are borne by the Company. Lease rentals of Rs. 12.763 million (FY2021: Rs. 12.619 million) paid during the reporting fiscal year.

		Note	2022	2021
			(Rupees in 000s)	
17	DEFERRED TAXATION			
	Deferred tax liability due to			
	accelerated depreciation rate for tax purpose		4,725,107	4,263,361
	Deferred tax assets due to			
	provisions allowed on payment basis in tax computation		(145,463)	(109,278)
	Net deferred tax liability		4,579,644	4,154,083
	Reconciliation of deferred tax liability			
	Opening balance		4,154,083	3,436,537
	Impact of tax rate change on revaluation surplus on PPE	14	261,715	-
	Deferred tax charge for the year	17.1	163,846	717,546
			4,579,644	4,154,083
17.1	Deferred tax charge for the year			
	(Credit) / charge for the year		(147,416)	717,546
	Impact of tax rate change on opening balance		311,262	-
	Deferred tax charge for the year	33b	163,846	717,546

17.2 In accordance with the Finance Act, 2022, super tax at the rate of 4% for tax year 2022 and onwards has been levied on certain categories of tax payers in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 33% in accordance with applicable accounting and reporting standards.

		Note	2022	2021
18	EMPLOYEES BENEFIT OBLIGATIONS			
	Frozen Employees Benefit Obligations	18a	16,149	26,155
	Gratuity Fund	18b	-	-
			16,149	26,155
18a	Frozen Employees Benefit Obligations			
	Opening balance		26,155	28,627
	Payments for the year		(10,006)	(2,472)
			16,149	26,155

These are the left over amounts of discontinued post-employment benefits under gratuity scheme and accumulated compensatory absences scheme for the permanent employees of management cadre. These will be paid to employees when they retire or leave the Company.

		Note	2022	2021
18b	Gratuity Fund			
	Opening balance		133,540	74,100
	Expense for the year (cost of sales)		-	61,273
	Benefits paid during the year		(82,218)	(1,833)
			51,322	133,540
	Frozen gratuity to be paid in twelve months	22	(51,322)	(133,540)
	Closing balance		-	-

The management of the Company discontinued Gratuity Scheme for the workers cadre w.e.f. 30-06-2021. Gratuity amount had been calculated by multiplying service length till 30-06-2021 with the basic salary of worker as at 30 09-2021. This gratuity amount was to be paid by 30-06-2022, accordingly, the whole amount is shown under employee benefits obligation as current liability (Note 22).

	Note	2022	2021
		(Rupees in 000s)	

19 TRADE AND OTHER PAYABLES

	Note	2022	2021
Trade creditors	19a	850,790	2,227,608
Accrued liabilities	19b	742,791	591,118
Federal Excise Duty and Sales Tax		277,974	137,490
Royalty and Excise Duty		94,194	98,756
Withholding tax		519,630	489,298
		2,485,379	3,544,270

19a These include balances payable to foreign creditors under letters of credit arrangement for purchase of coal, machinery, equipment, and consumables. Total letters of credit facilities aggregated to Rs. 2,489.00 million (FY2021: Rs. 3,472.00 million) were available from commercial banks at the reporting date, out of which Rs. 2,420.497 million (FY2021: Rs. 423.426 million) were remained unutilized at that date. These letters of credit are due in 0-180 days and are secured against lien on import/local L/C documents, accepted draft/bill of exchange, 1st pari passu charge over all present and future fixed assets to the extent of Rs. 939 million in aggregate, and personal guarantees of the sponsoring directors.

19b Accrued liabilities

	Note	2022	2021
Gas Infrastructure Development Cess (GIDC)	19ba	491,745	502,700
Winding up of discount on initial recognition	31	(18,220)	(50,719)
Present value of GIDC		473,525	451,981
Unwinding of discount during the year	32	18,220	32,499
Present value of GIDC		491,745	484,480
Payable after twelve months shown under non current liabilities		-	(44,397)
Present value of GIDC payable within twelve months		491,745	440,083
Water conservancy charges		77,298	84,480
Other accrued liabilities		173,748	66,555
		742,791	591,118

19ba The GIDC including GST thereupon were payable to SNGPL in 24 monthly instalments as per Supreme Court of Pakistan Order dated 13-08-2020. This liability has been accounted for under IFRS-9 w.e.f. December 2020 as per "Accounting of Gas Infrastructure Development Cess" a guideline issued by the Institute of Chartered Accountants of Pakistan during January 2021.

20 BORROWINGS

Current Maturities of long term borrowings

	Note	2022	2021
Interest bearing borrowings	15a	807,364	972,412
Non-interest bearing borrowings	15b	38,513	163,125
		845,877	1,135,537

		Note	2022	2021
			(Rupees in 000s)	
21	MARKUP AND PROFIT PAYABLE			
	Banks and Financial Institutions			
	Under markup/interest basis		20,299	26,427
	Under islamic mode		24,343	12,706
	Finance leases		52	46
			44,694	39,179
	GCL WPPF Trust - related party		74,886	74,886
			119,580	114,065
22	EMPLOYEES' BENEFIT OBLIGATIONS			
	Workers' Profit Participation Fund (related party)	22a	215,338	107,384
	Workers' Welfare Fund		141,307	67,765
	Employees' benefit obligations		174,260	44,502
	Frozen gratuity	18b	51,322	133,540
	Provident Fund Trusts (related parties)		-	16,554
			582,227	369,745
22a	Workers' Profit Participation Fund (GCL WPPF Trust - related party)			
	Opening balance		107,384	-
	Allocation for the year	29	148,277	122,884
	Interest on amount used by the company	32	13,277	-
			268,938	122,884
	Payment made during the year		(53,600)	(15,500)
	Closing balance		215,338	107,384

23 CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognized at point in time when goods are transferred. The amount of Rs. 11.530 million (2021: Rs. 9.062 million) recognized in contract liabilities at the beginning of the period has been recognized as revenue for the period ended June 30, 2022.

24 CONTINGENCIES AND COMMITMENTS

24a The Competition Commission of Pakistan (the CCP) took suo moto action and issued Show Cause Notice on October 28, 2008 under section 30 of the Competition Ordinance, 2007 to almost all cement companies (including the Company) for alleged increase in the prices of cement across the country. The CCP passed an order on August 27, 2009 against all the cement companies and imposed a penalty amounting to Rs. 39.126 million on the Company. The cement manufacturers (including the Company) have challenged the CCP order in the Lahore High Court, Lahore (LHC) and seeks the declaration of the Competition Ordinance 2007 and Regulation 22 of the Competition (General Enforcement) Regulations 2007 to be ultra-vires the Constitution, and, further, that the show cause notice dated October 28, 2008 and order dated August 27, 2009 be declared illegal along with filing of appeal before the honorable Supreme Court of Pakistan (SCP).

"LHC vide its order dated 31 August 2009 restrained CCP from enforcing its order against the Company for the time being. Meanwhile the CCP Tribunal was constituted under the law to hear appeals against levy of penalty by CCP and the SCP set aside all the appeals to the Tribunal for its adjudication. However, the constitution of Tribunal has also been challenged by the Company along with other stakeholders before the Honorable Sindh High Court ("SHC") on various legal grounds, and the SHC very kindly has granted a stay order in favor of the Company against constitution of the CCP Tribunal.

LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Company and the appeal impugning the levy of penalty vide order dated 27 August 2009 has been referred to the Tribunal (constitution of Tribunal already challenged in SHC as referred above) to decide the same after issuance of notice to the Company. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan which is pending adjudication.

The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, Hence, no provision for the above penalty has been made in these financial statements.

24b The Pakistan Standards and Quality Control Authority (PSQCA) charged a marking fee @ 0.15% of the total production of cement to manufacturer for the renewal of license and imposed liability amounting to Rs. 24.000 million but management disagreed with this amount of liability. A writ petition is filled by APCMA before Lahore High Court which is pending for adjudication. Based on the legal opinion, the management is confident that the Company has good case and there are reasonable chances of success in the pending Petition in the court.

24c The Member (Colonies), Board of Revenue, Government of Punjab vide its order dated July 23, 2010 cancelled the sales of state land measuring 400 kanals in favor of the Company after the proceedings taken pursuant to the show cause notice no 408-SC-2010/1579/CS.III dated July 01, 2010. The Company filed writ petition before the Lahore High Court challenging the legality and validity of all these proceeding however the Lahore High Court dismissed the writ petition. The Company has filed a review petition against the earlier order of the LHC. The Adjudication in this review petition is pending. Based on the legal opinion, the management is confident that the Company has good case and there are reasonable chances of success in the Review Petition pending before the Lahore High Court.

24d Surcharge of Rs. 1,601.706 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 (“Rules”) against which the Company has filed writ petition in the LHC against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honorable Lahore High Court dismissed the petition since the matter was being reviewed by the relevant Authority. Management and the Company’s legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

24e The interest amounting to Rs. 241.071 million for the period that it remained unpaid to the Workers’ Profit Participation Fund (WPPF), being leftover amount, has not been accounted for in these financial statements as the management and the legal counsel of the Company believes that the interest on the leftover amount is not payable to the Authority, not so for established by the Government of Punjab.

24f Contingent tax cases which are pending for adjudication at various appellate forums are disclosed in Note 33c.

24g Bank guarantees

Commercial banks have issued the following bank guarantees on behalf of the Company in favor of:

	Note	2022	2021
		(Rupees in 000s)	
Sui Northern Gas Pipeline Limited		185,000	185,000
Islamabad Electricity Supply Corporation		92,560	92,560
Mines and Minerals Department		600	600
		278,160	278,160

In addition to above bank guarantees, a commercial bank has issued performance guarantee against export sales on behalf of the Company amounting to USD 10,000 (FY2021: USD 10,000).

24h Commitments

	Note	2022	2021
Against supply of plant and machinery under letters of credit	15am	1,501,081	1,398,341
Against supply of inventories under letters of credit		68,502	421,693
		1,569,583	1,820,034

	Note	2022	2021
		(Rupees in 000s)	

25 REVENUE FROM CONTRACT WITH CUSTOMERS

	Note	2022	2021
Local sales		22,507,313	17,853,068
Less:			
Sales tax		(3,628,431)	(2,901,117)
Federal excise duty		(2,524,875)	(2,664,733)
Advance income tax		(22,680)	(18,749)
Freight and discount		(137,539)	(161,484)
		(6,313,525)	(5,746,083)
		16,193,788	12,106,985

26 COST OF SALES

	Note	2022	2021
Packing and raw materials consumed		1,195,219	1,213,314
Electricity, gas and water		1,379,458	1,160,398
Coal, diesel and furnace oil		6,618,174	4,600,267
Royalty and excise duty on minerals		276,414	315,827
Consumable parts and supplies		606,789	448,179
Repair and maintenance		281,163	32,347
Salaries, wages and benefits		460,992	362,074
Transportation and freight		307,313	196,104
Insurance		14,945	16,947
Vehicle running and travelling		10,558	6,970
Other expenses		57,530	47,003
Depreciation	4ca	987,411	1,039,907
		12,195,966	9,439,337
Adjustment of work-in-process inventory			
Opening balance		831,055	316,627
Closing balance		(610,468)	(831,055)
		220,587	(514,428)
Adjustment of finished goods inventory			
Opening balance		74,780	65,551
Closing balance		(85,215)	(74,780)
		(10,435)	(9,229)
		12,406,118	8,915,680

27 GENERAL AND ADMINISTRATION EXPENSES

	Note	2022	2021
Salaries and benefits		520,687	288,816
Vehicle running and travelling		27,422	14,520
Legal and professional charges		9,150	14,579
Auditors' remuneration	27a	1,969	2,154
Communication expenses		8,634	14,601
Rent, rates and taxes		974	572
Fee and subscription		11,829	4,783
Utilities		7,534	3,840
Other expenses		22,977	22,489
Amortization	5	4,251	3,286
Depreciation	4ca	26,581	24,897
		642,008	394,537

		Note	2022	2021
			(Rupees in 000s)	
27a	Auditors' remuneration			
	Audit fee		1,207	1,207
	Half year review fee		604	604
	Certification fee		-	143
	Out-of-pocket expenses		158	200
			1,969	2,154

28 SELLING AND DISTRIBUTION EXPENSES

		Note	2022	2021
	Salaries and benefits		73,551	54,478
	Vehicle running and travelling		3,210	2,229
	Sales promotion		1,031	871
	Other expenses		1,944	1,951
	Depreciation	4ca	1,934	1,693
			81,670	61,222

29 OTHER EXPENSES

		Note	2022	2021
	Workers' Profit Participation Fund	22a	148,277	122,884
	Workers' Welfare Fund		63,377	46,696
	Zakat		78	629
			211,732	170,209

30 OTHER INCOME

		Note	2022	2021
	Gain on disposal of non - current assets held for sale		60,926	-

A piece of land in Lahore having book value of Rs. 50.416 million had been sold out during the year in open market to Eleven West (Pvt) Limited against a consideration of Rs. 111.342 million net of disposal expenses.

31 FINANCE INCOME

		Note	2022	2021
	Income from financial assets under interest / markup basis			
	Profit on bank deposits		51,928	32,412
	Markup on advance to Balochistan Glass Limited (related party)		75,441	60,619
	Winding up of discount on GIDC	19b	-	50,719
			127,369	143,750

	Note	2022	2021
		(Rupees in 000s)	
32 FINANCE COST			
Banks and financial institutions			
under markup/interest basis			
Long term borrowings		121,027	146,384
Un-winding up of discount and catch up adjustments	15b	10,210	31,402
Lease finance charges		1,335	2,210
		132,572	179,996
under Islamic mode			
Long term borrowings		86,504	90,870
others			
Letters of credit financing cost		13,003	21,252
Bank guarantees commission		4,583	67,823
Bank charges		8,800	6,984
		26,386	96,059
		245,462	366,925
Long term loan -GCL WPPF Trust		-	232
Default charge on taxes and duties		23	399
Workers Profit Participation Fund (related party)		13,277	-
Workers Welfare Fund		10,165	-
Late payment surcharge on utilities bills		-	20,778
Un-winding up of discount on GIDC		18,220	32,499
Foreign currency exchange (credit) / loss		(480)	156
		286,667	420,989

33 TAXATION

	Note	2022	2021
Current tax - Current period		1,235,319	19,169
Deferred tax	17.1	163,846	717,546
		1,399,165	736,715

33a The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Provision for current tax is made @ 29% for the current year net off tax credit u/s 113 & 113C, if any, as per provision of the Income tax Ordinance 2001. Provision for super tax @ 10% is also made for the current year as required by the Tax Law.

33b **Numerical reconciliation between average effective tax-rate and the applicable tax rate**

	2022	2021
Accounting profit before taxation	2,753,888	2,288,098
Tax at applicable @ 33% including super tax (FY2021: 29%)	908,783	663,548
Effect of:		
Depreciation due to accelerated depreciation rates in tax	108,919	160,015
Provisions to be claimed on actual/payment basis	(3,776)	49
Permanent taxable differences	(116,155)	(86,897)
Super tax	190,131	-
Tax rate change	311,262	-
Tax charge for the year	1,399,164	736,715
Effective tax rate	51%	32%

33c Current income tax appeals pending for adjudication:

33ca The Company has challenged before the Lahore high Court, the levy of ACT @ 17% in the presence of depreciation losses which are admissible allowances. LHC has allowed interim relief in the form of stay order for not paying ACT and accordingly income tax assessment for tax years 2014, 2015 and 2016 were made without ACT. Management is confident that these appeals will be decided in favor of the company. However, provision for ACT were accrued in these financial statements in the respective years on prudence basis which had been reversed as tax credit u/s 113C against normal corporate tax from tax year 2017 and onward in these financial statements.

33cb The Inland Revenue Appellate Tribunal (IRAT) allowed tax credit u/s 113(2)(c) amounting to Rs. 282.567 million to the Company, however the department challenged this before the Lahore High Court, Lahore. Management as well as legal council is confident that this appeal will be decided in favor of the company as LHC has already decided this matter in favor of other taxpayers on the same ground as sought by the Company. Therefore, impact of the subject tax credit allowed by IRAT was provided in the financial statements.

33cc The tax department has initiated income tax as well as sales tax audit proceedings from tax year 2015 to tax year 2020 for the whole cement industry. The Company has challenged the audit proceeding before the Lahore High Court who has instructed the tax department not to issue assessment order till conclusion of the case.

33cd The management and tax advisor of the company affirms that these appeals will be decided in its favor, accordingly, no provisions of such tax demands have been incorporated in these financial statements.

	2022	2021
	(Rupees in 000s)	

34 EARNINGS PER SHARE - Basic and diluted

	2022	2021
Weighted average number of ordinary shares outstanding during the year	400,273,960	400,273,960
Profit after tax (Rupees in thousands)	1,354,723	1,551,383
Earnings per share - basic (Rupees)	3.38	3.88

There is no dilutive effect on the basic earnings per share of the company as the Company has no such commitments at the date of statement of financial position.

35 ADJUSTMENT FOR NON-CASH AND OTHER ITEMS

	2022	2021
Depreciation	1,015,926	1,066,497
Amortization	4,251	3,286
Finance expenses	258,237	357,088
Un-winding up of discount - banks debts	10,210	31,402
Un-winding up of discount - GIDC	18,220	32,499
Finance income	(127,369)	(93,031)
Winding up of discount - GIDC	-	(50,719)
Provision for retirement benefits	-	51,692
WWF and WPPF	211,654	169,580
Other income - gain on disposal of non current assets held for sale	(60,926)	-
	1,330,203	1,568,294

36 NET CHANGES IN WORKING CAPITAL

	2022	2021
Inventories	(1,484,586)	(809,244)
Trade and other receivables	95,075	100,553
Loan and advances	3,071	750
Deposits	(2,588)	-
Prepayments	(74,356)	17,341
Trade and other payables	(1,121,508)	(370,923)
Contract liabilities	42,131	3,891
	(2,542,761)	(1,057,632)

37 FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

Note 3.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	2022	2021
		(Rupees in 000s)	
Financial assets at amortized cost			
Trade and other receivables	8	483,277	503,770
Loan and advances	9	602,607	605,942
Non current deposits	6	47,253	70,393
Current deposits	10	34,848	9,120
Cash and bank balances	12	1,098,126	1,295,034
		2,266,111	2,484,259

Advances to employees against salary or for expenses are excluded from 'Loan and advances' as these will not be settled through cash.

	Note	2022	2021
Financial liabilities at amortized cost			
Non current borrowings	15	643,371	1,459,412
Current borrowings	20	845,877	1,135,537
Finance lease	16	5,487	16,923
Markup and profit payables	21	119,580	114,065
Trade and other payables (excluding payable to government)	19	1,593,581	2,863,123
Employees benefits obligation	22	225,582	194,596
Unclaimed dividend		18,668	18,969
		3,452,146	5,802,625

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its head office, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

37a Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, and interest rate risk which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Company's transactions are carried out in Pakistani Rupees (Rs.). Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CNY. Payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging.

	2022	2021	2022	2021
	(FC in '000s)		(Rupees in 000s)	
Trade and other payables - Trade creditors				
USD	231	10,302	47,501	1,631,000
CNY	7,263	7,513	224,646	1,418,000
			272,147	3,049,000

	2022	2021
Sensitivity analysis:		
Increase in foreign currency exchange rate by 1%	2,721	30,490
Decrease in foreign currency exchange rate by 1%	(2,721)	(30,490)

Interest rate sensitivity

The Company is exposed to changes in market interest rates through borrowings at variable interest rates that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR"). The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2022	2021
	(Rupees in 000s)	
Fixed interest rate financial assets		
Bank balances at PLS accounts & TDR	681,056	675,497
Variable interest rate financial liabilities / (assets)		
Borrowings	1,489,248	2,594,949
Borrowing at fixed rate	(55,135)	(165,405)
Advance to associated company	(587,366)	(587,366)
	846,747	1,842,178

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for the year 2021.

	Markup / Profit	
	2022	2021
	(Rupees in 000s)	
Variable interest rate financial liabilities		
Increase of 100 basis points	8,467	18,422
Decrease of 100 basis points	(8,467)	(18,422)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Company is not exposed to other price risk.

37b Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, advances and deposits, trade and other receivables. The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2022	2021
	(Rupees in 000s)	
Banks and financial institutions	1,131,228	1,325,975
Customers	377,265	472,340
Utility companies	47,253	47,253
Employees	15,241	18,576
Associated company	693,378	618,796
	2,264,365	2,482,940

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

	Note	2022	2021
		(Rupees in 000s)	
Banks and financial institutions		1,131,228	1,325,975
Customers		377,265	472,340
Utility companies		47,253	47,253
Employees		15,241	18,576
Associated company		693,378	618,796
		2,264,365	2,482,940

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

		2022	2021
	A1+	1,091,739	1,286,722
	A1	167	808
	A-2	907	2,581
	A-3	3,566	3,604
		1,096,379	1,293,715

The Company continuously monitors the credit quality of customers based on internal evaluation assessment and/or reports on customers from the market. The Company's policy is to deal only with credit worthy counterparties. New customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The credit terms range between 7 and 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

Trade receivable

	Note	2022	2021
Current		373,433	461,105
1 - 60 days past due		17	1,806
61 - 180 days past due		19	781
More than 180 days past due		3,796	8,648
	8	377,265	472,340

Management believes that the amounts that are past due are still collectable in full based on historical payment behavior and extensive analysis of customer credit risk. Therefore no provision is made in these financial statements.

The Company does not hold any security on the trade receivables balance, In addition, the Company does not hold collateral relating to other financial assets (e.g. cash and cash equivalents held with banks).

Credit risk on balances receivable amounting to Rs. 693.378 million (FY2021: 618.796 million) from an associated company includes accrued markup of Rs. 31.430 million (FY2021: Rs. 19.787 million) which is past due for more than 365 days at year end. Credit risk of advance to associated company is monitored by analyzing the profitability and cash flows of the associated company. Further these are also secured by way of personal guarantee of common director and post dated cheque from the concerned director. therefore, the management belief that credit risk is minimal. Margin against letters of guarantee/credit are placed with high rated banks. Advances/loans to employees are secured against retirement benefits. Hence, management belief that the credit risk is minimal.

37c Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 day periods at a minimum. This objective was met for the reporting period.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Carrying value	Contractual cash flows	Within 6 months	More than 6 months and up to 12 months	More than 1 year and up to 5 years	More than 5 years and up to 10 years	Total
				(Rupees in 000s)			
As at June 30, 2022							
Borrowings	1,489,248	1,489,248	459,062	386,818	643,368	-	1,489,248
Finance lease	5,487	5,487	4,885	602	-	-	5,487
Trade and other payables	1,593,581	1,593,581	419,620	1,173,961	-	-	1,593,581
Employee benefits obligation	225,582	225,582	225,582	-	-	-	225,582
Markup and profits payable	119,580	119,580	119,580	-	-	-	119,580
Unclaimed dividend	18,668	18,668	18,668	-	-	-	18,668
	3,452,146	3,452,146	1,247,397	1,561,381	643,368	-	3,452,146
As at June 30, 2021							
Borrowings	2,594,949	2,594,949	515,797	619,739	1,459,413	-	2,594,949
Finance lease	16,923	16,923	5,820	5,874	5,229	-	16,923
Trade and other payables	2,863,123	2,863,123	2,069,303	793,820	-	-	2,863,123
Employee benefits obligation	194,596	194,596	194,596	-	-	-	194,596
Markup and profits payable	114,065	114,065	114,065	-	-	-	114,065
Unclaimed dividend	18,969	18,969	18,969	-	-	-	18,969
	5,802,625	5,802,625	2,918,550	1,419,433	1,464,642	-	5,802,625

37d Fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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:

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

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

iii "Inputs for the asset or liability that are not based on observable market date (unobservable inputs) (level 3)."

The Company has not disclosed the fair values of the current financial assets and current financial liabilities disclosed in Note 36 as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

37e Capital risk Management:

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Company's objectives when managing capital are:

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

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings less cash and cash equivalents.

The gearing ratio as at June 30, 2022 is as follows:

	Note	2022	2021
		(Rupees in 000s)	
Non current borrowings	15	643,371	1,459,412
Lease liability	16	5,487	16,923
Current borrowings	20	845,877	1,135,537
Total debts		1,494,735	2,611,872
Cash and bank balances	12	(1,098,126)	(1,295,034)
Net debts		396,609	1,316,838
Issued, subscribed and paid up capital	13	4,002,739	4,002,739
Revaluation surplus of PPE	14	4,283,107	4,773,441
Retained earnings		8,561,778	6,981,112
Total equity		16,847,624	15,757,292
Capital employed		17,244,233	17,074,130
Gearing ratio		2%	8%
Net debt against total equity of Re. 1		0.02	0.08

Gearing ratio showed that 2% (FY2021: 8%) of the capital employed is financed through borrowings; whereas gearing ratio reduced due to repayment of debts and retention of earnings within the company.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements except those related to maintenance of debt covenants including restriction on dividend declaration without obtaining NOC commonly imposed by the providers of debt finance with which the Company has complied. The Company has obtained NOC from the banks and financial institution for payment of dividend.

38 PROVIDENT FUND DISCLOSURE AND COMPLIANCE

GCL Officers' Provident Fund

The investments out of Provident Fund Trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and Rules formulated for this purpose.

GCL Workers' Provident Fund

This fund is wholly managed by CBA. The Trust is in process of completing its accounts and audit to comply with the provisions of section 218 of the Companies Act, 2017.

	2022	2021
	(Numbers)	

39 NUMBER OF EMPLOYEES

	2022	2021
Number of employees at year end	393	382
Average number of employees during the year	397	394

40 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS & EXECUTIVES

The aggregated amounts charged in the financial statements as regard to these persons are as under:

	Chief Executive		Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021
	- - - - - - - - - - (Rupees in 000s) - - - - - - - - - -					
Director's meeting fee	-	-	-	-	-	
Managerial Remuneration	124,655	71,280	84,600	76,140	78,575	59,044
Allowances	12,465	7,920	8,460	8,460	95,107	72,165
Bonus and other benefits	102,583	14,543	68,752	11,772	64,603	13,844
Contribution to post employment benefit	-	-	-	-	6,377	5,757
	239,703	93,743	161,812	96,372	244,662	150,810
No. of employees	1	1	2	2	26	23

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year. The Company also provides the chief executive, executive directors and some of the executives with Company maintained cars for business purpose No meeting fee was paid to any director during the year.

41 RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Following are the related parties with whom the Company had entered into transactions during the year:

Name of related parties	Relationship	2022	2021
		Direct shareholding %age in the Company	
Muhammad Tousif Peracha	Chief Executive Officer	53.730%	53.680%
Tabbasum Tousif Peracha	Spouse of director	0.048%	0.048%
Mustafa Tousif Ahmed Peracha	Director	0.123%	0.123%
Abdur Rafique Khan	Director	22.726%	22.726%
Sorath Jamani	Director	0.000%	0.000%
Amna Khan	Director	5.688%	5.688%
Mian Nazir Ahmed Peracha	Director	0.000%	0.000%
Feriha Nazir Peracha	Spouse of a director	0.656%	0.656%
Qamar Nazir Peracha	Spouse of a director	0.656%	0.656%
Faisal Aftab Ahmad	Director	0.000%	0.000%
Daniyal Jawaid Peracha	Director	0.004%	0.004%
Khalid Siddiq Tirmizey	Director	0.025%	0.025%
Ali Rashid Khan	Spouse of a director / Key management personnel	5.083%	5.102%
Balochistan Glass Limited	Associated company (Common directorship)	-	-
Shahpur Commerce (Pvt) Limited	Associated company (Common directorship)	-	-
GCL Officers' Provident Fund Trust	Post employment benefit	-	-
GCL Workers' Provident Fund Trust	Post employment benefit	-	-
GCL WPPF Trust	Trust	-	-
Abdul Shoeb Piracha	Key management personnel	-	-
Muhammad Shamail Javed	Key management personnel	-	-
Syed Firasat Abbas	Key management personnel	-	-
Farukh Naveed	Key management personnel	-	-
Muhammad Tahir	Key management personnel	-	-

Related parties include associated entities, directors and their close family members, key management personnel and post employmet benefits / trusts. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2022	2021
	(Rupees in 000s)	
Transactions with associates		
Balochistan Glass Limited		
Short term advance - net	-	48,976
Markup on short term advance	75,441	60,619
Sale of cement	532	2,380
Shahpur Commerce (Pvt) Limited		
Purchase of coal	492,578	-
Transactions with GCL WPPF Trust		
Repayment of loan from the Trust	-	182,428
Markup on the above loan	-	232
Payment of WPPF contribution during the year	53,600	15,500
Markup on the outstanding amount of WPPF	13,277	-
Transactions with directors and their close family members		
Dividend	-	224,298
Transactions with key management personnel		
Salaries and benefits	128,573	65,561
Post employment benefit	2,901	2,697
Transactions with post employment benefits (provident funds)		
Contribution by the Company		
Cost of sales	13,969	12,115
General and administrative expenses	3,650	3,772
Selling and distribution expenses	2,410	654
	20,029	16,541

Chief executive and directors' salaries and benefits and chairman board meeting fee is disclosed in note 40.

42 CAPACITY AND PRODUCTION - CLINKER

	2022	2021
Listed capacity	2,010,000	2,010,000
Production	1,408,266	1,726,962

Lower capacity utilization of cement plant as well as change in actual production over the last year is due to gap between demand and supply of cement in local market. The capacity figure of the plant is based on 300 working days in a year.

43 CORRESPONDING FIGURES

Correspondence figures have been rearranged and reclassified, wherever necessary. However, no major reclassification has been made other than as follows:

	2021
	(Rupees in 000s)
Salaries and benefit	
Cost of sales to general and administrative expenses	14,595
General and administrative expenses to selling and distribution expenses	34,388
Accrued liabilities	
Employees benefit obligation to frozen gratuity	9,281

44 NON ADJUSTING AFTER THE DATE OF FINANCIAL POSITION

The Board of Derictors of the Company in its meeting held on September 29, 2022 has proposed a final cash dividend of Re.1.0 per share for the year ended June 30, 2022 for approval of the members in the Annual General Meeting. The financial ststements for the yer ended June 30, 2022 do not include the effect of the proposed appropriation, which will be accounted for in the financial ststements for year ending June 30, 2023.

45 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on September 29, 2022.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

FORM OF PROXY

The Secretary
Gharibwal Cement Limited
Pace Tower, 1st Floor, 27-H,
College Road, Gulberg II, Lahore.
LAHORE

I/We .... of .... being a membe of

Gharibwal Cement Limited, and holder of .... Ordinary Shares as per Shares Register

Folio No. .... hereby appoint Mr./Mrs./Ms. ....

of ....

Folio No. .... who is also a member of Gharibwal Cement Limited as my/our proxy to attend and vote for and on my / our behalf at the 61th Annual General Meeting of the Company to be held on Thursday, October 27, 2022 at 12:00 noon at the registered office of the Company (Gharibwal Cement Pace Tower, 1st Floor, 27-H, College Road, Gulberg II, Lahore.) and at any adjournment thereof.

As witnessed given under my / our hand (s) .... day of .... , 2020.

Signature

On Five
Rupees
Revenue
Stamp

Witness:

Signature ....

Name ....

Address ....

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 act as proxy unless he is a member of the Company.

3. Signature should agree with the specimen signature registered with the Company.

پراکسی فارم

جناب سیکرٹری صاحب
غریب وال سیمنٹ لمیٹڈ
پیس ٹاور، فرسٹ فلور، H-27
گلبرگ ii، لاہور

میں /ہم ____ غریب وال سیمنٹ لمیٹڈ کے ممبران ہیں

اور فولیو نمبر _______________ سے لیکر _________________ تک کل _____________________ شیئرز رکھتے ہیں

میں /ہم اپنی جگہ مسٹر /مسز /مس _____________________________ کو پراکسی نامزد کرتا ہوں /کرتے ہیں جو کہ کمپنی کا ایک ممبر ہے

رہائش ____ اس کا فولیو نمبر ____________ ہیں۔

مسٹر /مسز /مس ________________________ کو اختیار دیا جاتا ہے کہ وہ کمپنی کا 62واں سالانہ اجلاس جو کہ جمعرات 27 اکتوبر 2022 کو منعقد ہو رہا ہے

ہماری جگہ اجلاس میں شرکت کرے اور ووٹ ڈالے یا اور کوئی عمل جو ایک ممبر کی حیثیت سے کرنا لازم ہو وہ ادا کرے۔

جیسا کہ نیچے گواہی موجود ہے۔ یہ فارم ______ اکتوبر 2022 کو جاری کیا گیا۔

گواہ ____________________

نام ____________________

پتہ ____________________

5 روپے کا ڈاک ٹکٹ دستخط

نوٹ

i: پراکسی کو با اختیار ہونے کے لیے پانچ روپے کے ڈاکٹکٹ پر دستخط ہونا اور اجلاس شروع ہونے کے 48 گھنٹے قبل اس کا رجسٹرڈ آفس میں موصول ہونا ضروری ہے

ii۔ کمپنی کے ممبر کے علاوہ کسی اور شخص کو پراکسی نامزد نہیں کیا جا سکتا۔

iii۔ ممبر کے دستخط کمپنی کے پاس موجود دستخط کے مطابق ہونے چاہیے۔

E-DIVIDEND MANDATE LETTER

Mandatory Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs.,____, being a/the shareholder(s) of Gharibwal Cement Limited (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

Shareholder's Details	
Name of the Shareholder(s)	
Folio No. CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy) - Mandatory	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
Zakat Status (Payable or not payable) (submit declaration as per Zakat & Ushr Ordinance 1980, if zakat not payable)	

Shareholder's Bank Account Details	
Title of Bank Account *	
IBAN **	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

*Title of Bank account should match with CDC Account Title for smooth transfer of funds

**Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

____

Signature of Shareholder (Please affix company stamp in case of corporate entity)

Note:
This letter must be sent by shareholders to his Stock broker or to CDC in case of Investor Account with CDC which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.
In case of physical shares, please send directly to our share registrar (M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore).

E-Dividend کی فراہمی کے لیے خط

الیکٹرانک طریقے سے منافع کی ادائیگی اور لازمی بنک کی معلومات کی فراہمی۔

جنابِ عالی:

میں/ہم/میسرز ________________________ غریب وال سیمنٹ لمیٹڈ کے شیئر ہولڈر ہونے کے ناطے سے اجازت دیتا ہوں/دیتے ہیں کہ ہمارا نقد منافع جو بھی کمپنی طے کرے وہ مندرجہ ذیل بنک اکاؤنٹ میں ادا کر دیا جائے۔

شیر ہولڈر کی معلومات

فولیو نمبر/CDC/اکاؤنٹ نمبر ________________________

رابطہ نمبر ________________________

شیئر ہولڈر کا پتہ ________________________

____

زکواۃ کی کٹوتی سے متعلق معلومات ________________________

بنک کی معلومات

بنک اکاؤنٹ ٹائٹل ________________________

بنک اکاؤنٹ نمبر ________________________

بنک کا نام ________________________

برانچ کوڈ ________________________

برانچ کا پتہ ________________________

بنک اکاؤنٹ میں نام اور CDS اکاؤنٹ کا نام مشترک ہونا چاہیے تاکہ منافع کی ادائیگی آسانی سے ہو سکے۔

برائے مہربانی مکمل IBAN نمبر فراہم کریں تاکہ آپ کا منافع آپ کے اکاؤنٹ میں منتقل کیا جا سکے۔

بیان کیا جاتا ہے اوپر دی گئی معلومات میرے علم کے مطابق صحیح اور مکمل ہیں اور میں ان میں کسی بھی قسم کی تبدیلی سے متعلق کمپنی کو آگاہ رکھوں گا۔

____

شیئر ہولڈر کے دستخط

یہ خط آپ اپنے CDS امیدوار کو اگر آپ کے شیئرز CDS پر رجسٹر ہیں یا ہمارے شیئر رجسٹرار کو اگر آپ کے پاس کاغذی شکل میں میسر ہیں کو ارسال کریں۔ شیئر رجسٹرار کا پتہ 1-k کمرشل ایریا ماڈل ٹاؤن لاہور ہے۔

HEAD OFFICE:
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Gulberg-II, Lahore, Pakistan.
PABX: + 92 42 3 60 60 60 0
E-mail: info@gharibwalcement.com
www.gharibwalcement.com

FACTORY:
30km Pind Dadan Khan Jehlum Road,
Ismailwal, Tehsil Choa Saidan Shah,
District Chakwal, Lahore.