
Attock Cement
Pakistan Limited
FALCON CEMENT
Flying into Future
Annual Report 2012

Contents

The future cannot be seen without a proper vision. We take our inspirations from the falcon, being as a brand and symbol: this is an icon of vigilance and endurance. After sustaining the tough times, we are experiencing pride and joy of achievements. Both production and performance has been extraordinary. New goals are set and we are ready to fly into the future with zeal and confidence. Just like FALCON

Vision

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

Mission

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

Company Information

Board of Directors
Dr. Ghaith R. Pharaon (Chairman)
Laith G. Pharaon
Wael G. Pharaon
Shuaib A. Malik
Abdus Sattar
Babar Bashir Nawaz
Fakhrul Islam Baig

Chief Executive
Babar Bashir Nawaz

Alternate Directors
Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

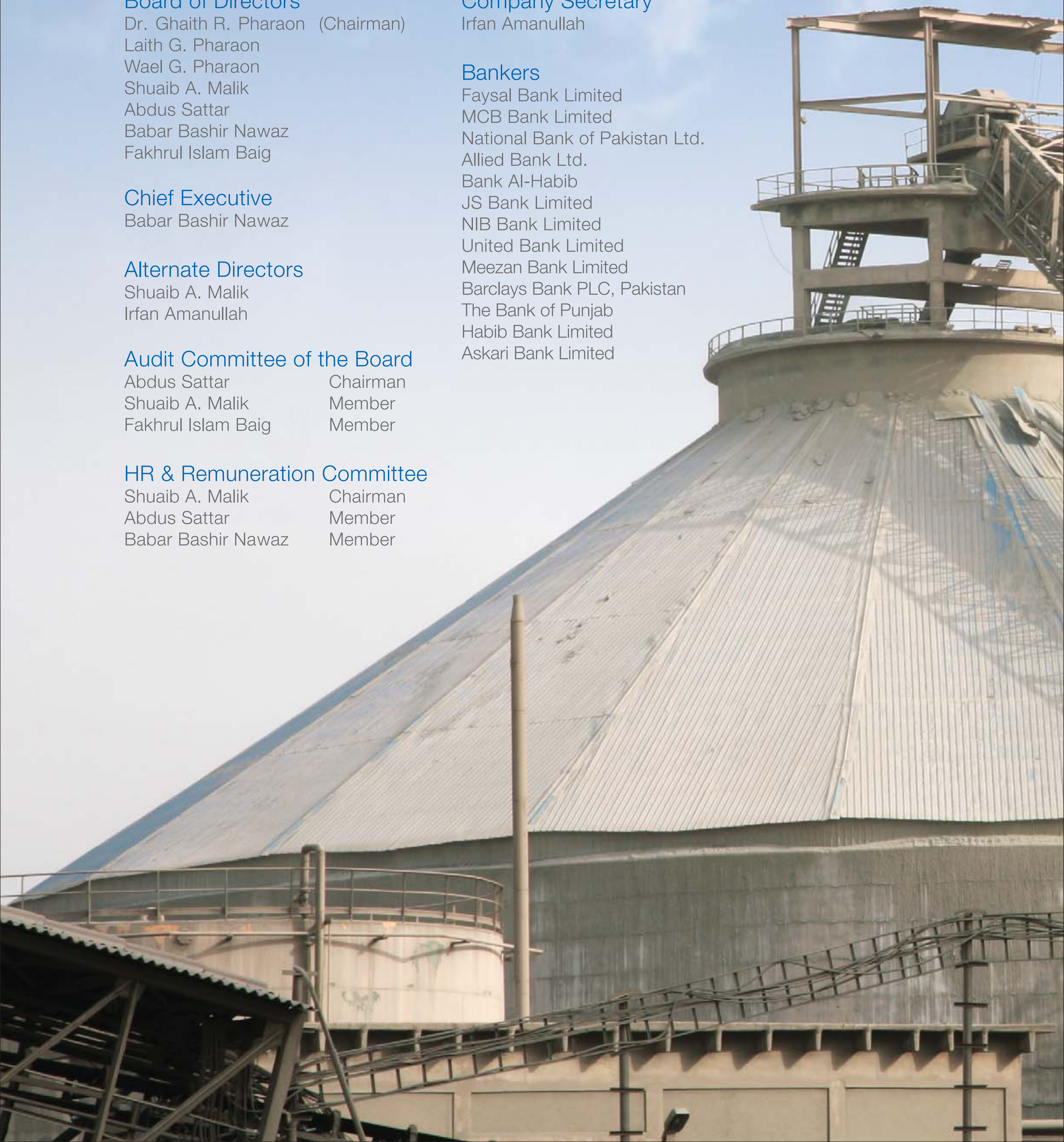
Abdus Sattar	Chairman
Shuaib A. Malik	Member
Fakhrul Islam Baig	Member

HR & Remuneration Committee

Shuaib A. Malik	Chairman
Abdus Sattar	Member
Babar Bashir Nawaz	Member

Company Secretary
Irfan Amanullah

Bankers
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan Ltd.
Allied Bank Ltd.
Bank Al-Habib
JS Bank Limited
NIB Bank Limited
United Bank Limited
Meezan Bank Limited
Barclays Bank PLC, Pakistan
The Bank of Punjab
Habib Bank Limited
Askari Bank Limited



Auditors
A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Registered Office
D-70, Block-4, Kehkashan-5
Clifton, Karachi-75600
Tel: (92-21) 35309773-4
UAN: (92-21) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Website: www.attockcement.com

Plant
Hub Chowki Lasbella
Baluchistan

Legal Advisor
Sattar & Sattar
Attorneys at Law

Share Registrar
Technology Trade (Pvt) Limited
Dagia House, 241-C, Block-2
PECHS, Off: Shahrah-e-Quaideen,
Karachi.
Tel: (92-21) 34391316-17
Fax: (92-21) 34391318

Board of Directors

Dr. Ghaith R. Pharaon
(Chairman)

Laith G. Pharaon

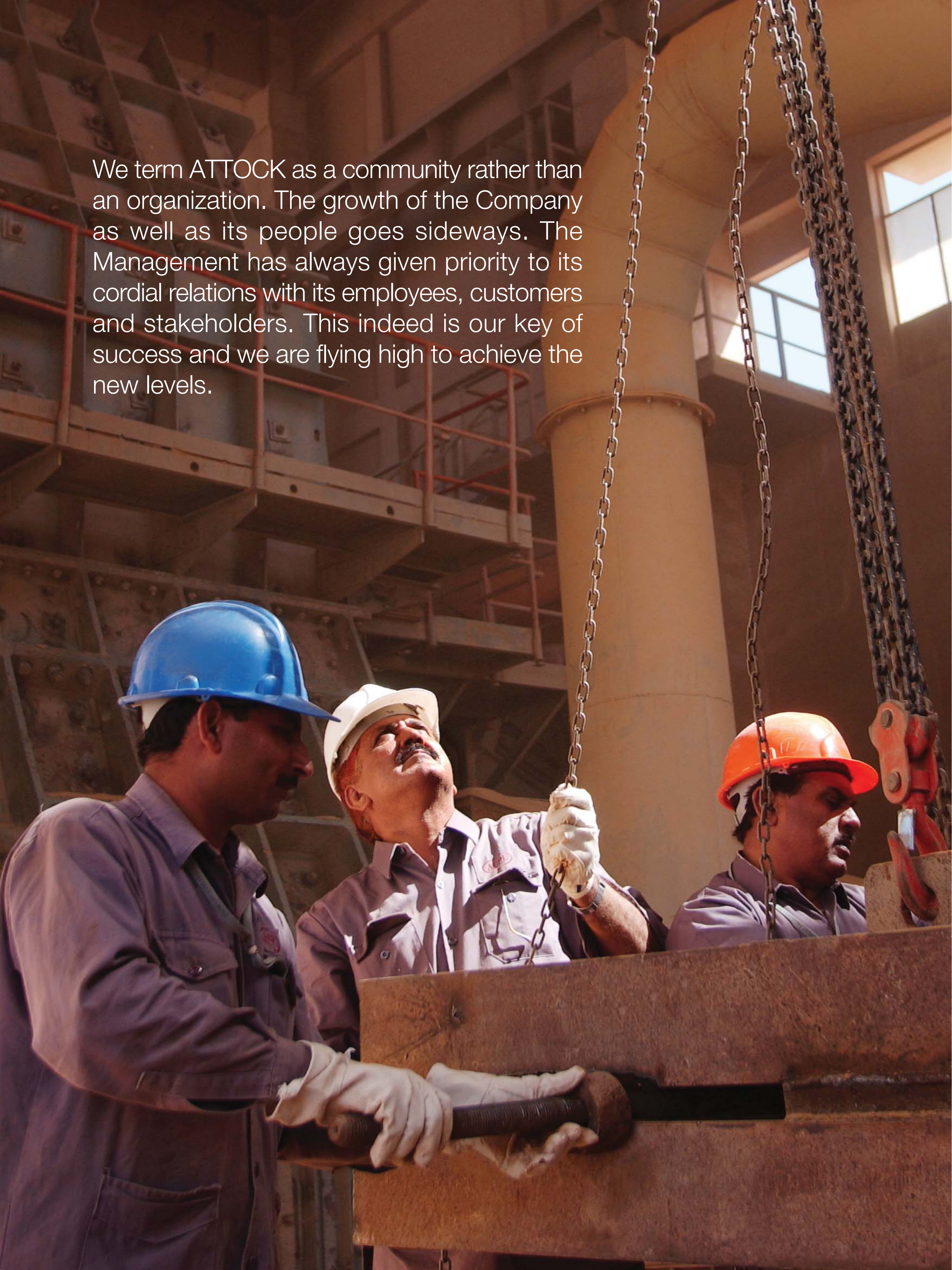
Wael G. Pharaon

Shuaib A. Malik

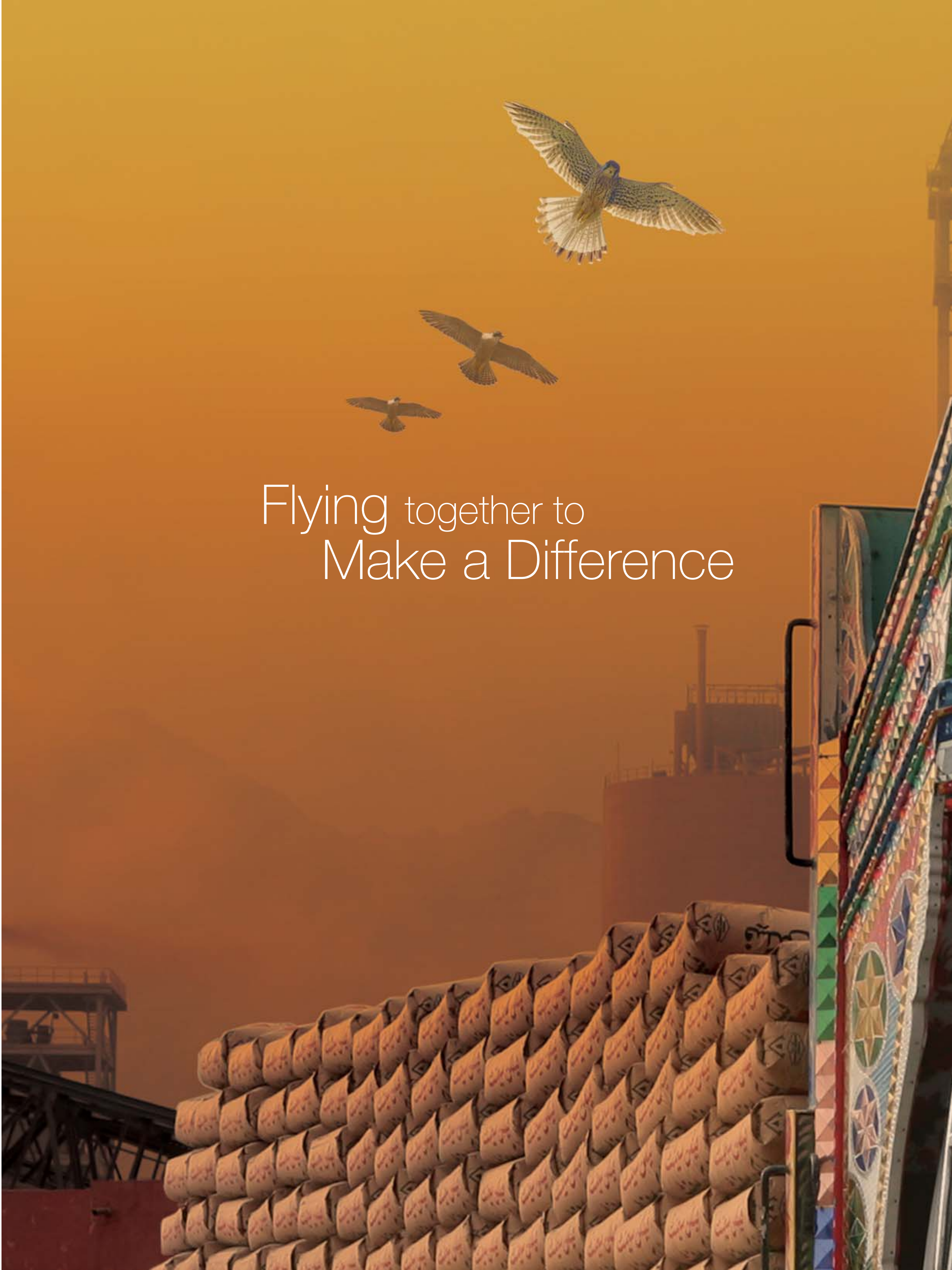
Abdus Sattar

Babar Bashir Nawaz

Fakhrul Islam Baig



We term ATTOCK as a community rather than an organization. The growth of the Company as well as its people goes sideways. The Management has always given priority to its cordial relations with its employees, customers and stakeholders. This indeed is our key of success and we are flying high to achieve the new levels.


Flying together to
Make a Difference


ACPL
KILN FEEDING
SIEMENS
AQC1
BOILER INLET TEMP. 373.977
ATTOCK CEMENT PAKISTAN LIMITED LINE-ONE PROCESS CONTROL SYSTEM
DELL

Core Values

Ethics

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

Quality

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

People

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

Business Excellence

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

Quality Policy

- We are committed to produce high quality, FALCON CEMENT which not only meets but exceeds the international quality standards.
- We aim to maintain leadership of our Cement Industry providing premium quality products and excellent services to our consumers.
- We work as a team of dedicated Professionals who achieve excellence through training, development and continuous technological up-gradation.
- We aim to implement and continually improve the effectiveness of our Quality Management System.
- We provide safe and conducive work environment to our staff by ensuring stringent standards of safety and health.
- We make a contribution towards the uplift of our environment and inhabitants of the surroundings.

Environmental Policy

- ACPL is committed to produce premium quality cement while maintaining minimal environmental impact.
- Every endeavor will be made to effectively maintain and continually improve our processes/activities with respect to environment and maintain greenery within and around plant premises.
- As a responsible organization, ACPL will fulfill all the applicable legal, social and moral obligations related to environmental control.
- ACPL aims at contributing generously towards mitigating pollution effects and thus save this world for future generations.

Corporate Social Responsibility

We define Corporate Social Responsibility (CSR) as our commitment to work as partners with all our stakeholders to effectively improve the quality of life of the members of our workforce, their families and the local communities around our facilities.

CSR is locally managed and specific responsibilities have been assigned for coordinating local projects, communicating CSR activities internally and to external stakeholders, establishing stakeholders' dialogue and relations, as well as participating in corporate monitoring, evaluation and reporting.

Our CSR approach focuses on six main pillars- business conduct, employment practices, occupational health and safety (OH&S), community involvement, customer and supplier relations, and monitoring and reporting.

Employment Practices

Attock Cement counted 819 employees as at June 30, 2012. A large share of this number live in Communities where we are a major employer and source of income.

We pay competitive wages and offer employees numerous benefits, including professional development opportunities through internal training and payment of tuition for approved external programs.

Occupational Health & Safety

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety and all production facilities are fully compliant with quality standards.

The Company operates a 6 beds hospital in the area near its factory premises. The treatment is free for the local communities. Medical camps are also organised in nearby goths to provide general medical treatment and medicines to sick and needy people.


KG
CORNER

Community Relations

We are committed to be responsible neighbours. This means operating in compliance with applicable regulations and being an integral part of the life of our communities. We accomplish this through support of local non-profit organizations, providing access to our properties and engaging in constant dialogue with residents to inform them of our activities and listen and respond to their concerns.

Through these and other actions, we seek to make a difference in our community. Our presence has a measurable positive economic impact on our community.

Our products are essential to the construction industry, a key driver of economic activity that generates significant direct and indirect benefits in the value chain. Because our cement is generally consumed in proximity to their source, their utilization benefits local communities.

Combined with the salaries and benefits, direct and indirect taxes that we pay annually, as well as our capital expenditures, our presence has a measurable positive economic impact not only on our communities but also on the country as a whole.

Education

The Company currently operates a Primary level school that imparts education to children of both plant employees and also those from neighbouring villages.

The Company sponsored TCF-Dr. Rachad Pharaon Campus, primary section has started its academic activities from April, 2010 under the supervision of The Citizen Foundation (TCF), a non profit organization.

Primary section has the capacity of over 300 students, having ten class rooms.

The second phase of TCF-Dr. Rachad Pharaon Campus i.e. Secondary section is under construction and will Insha-Allah start its academic activities from 2013.

This school has been equipped with all modern facilities.

Corporate Strategy

Objectives

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

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

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

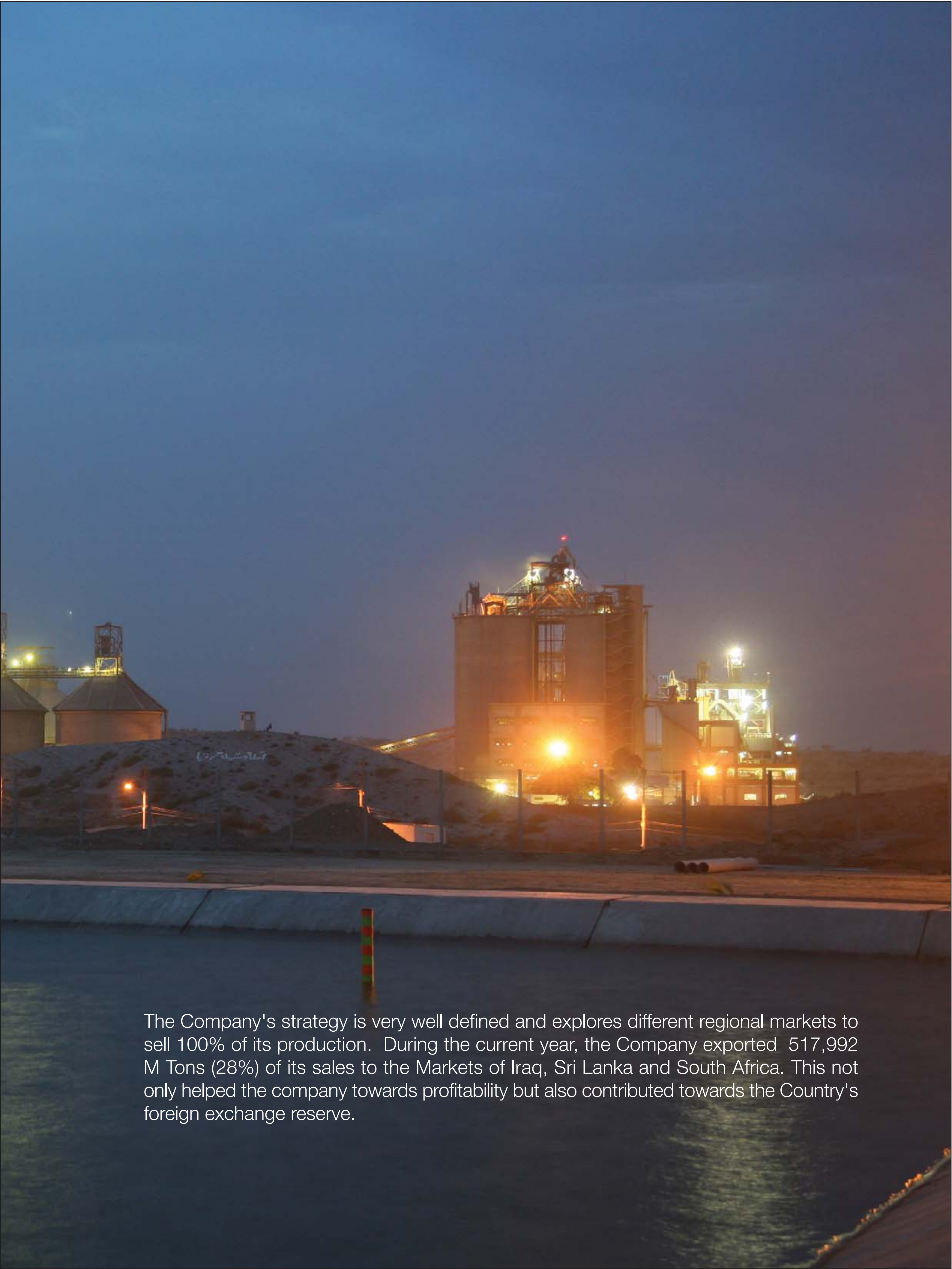
Strategy

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

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

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


Flying into new Horizons



The Company's strategy is very well defined and explores different regional markets to sell 100% of its production. During the current year, the Company exported 517,992 M Tons (28%) of its sales to the Markets of Iraq, Sri Lanka and South Africa. This not only helped the company towards profitability but also contributed towards the Country's foreign exchange reserve.

Management

Management Committee

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

Executive Committee

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

Procurement Committee

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

Risk Management Committee

The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

IT Steering Committee

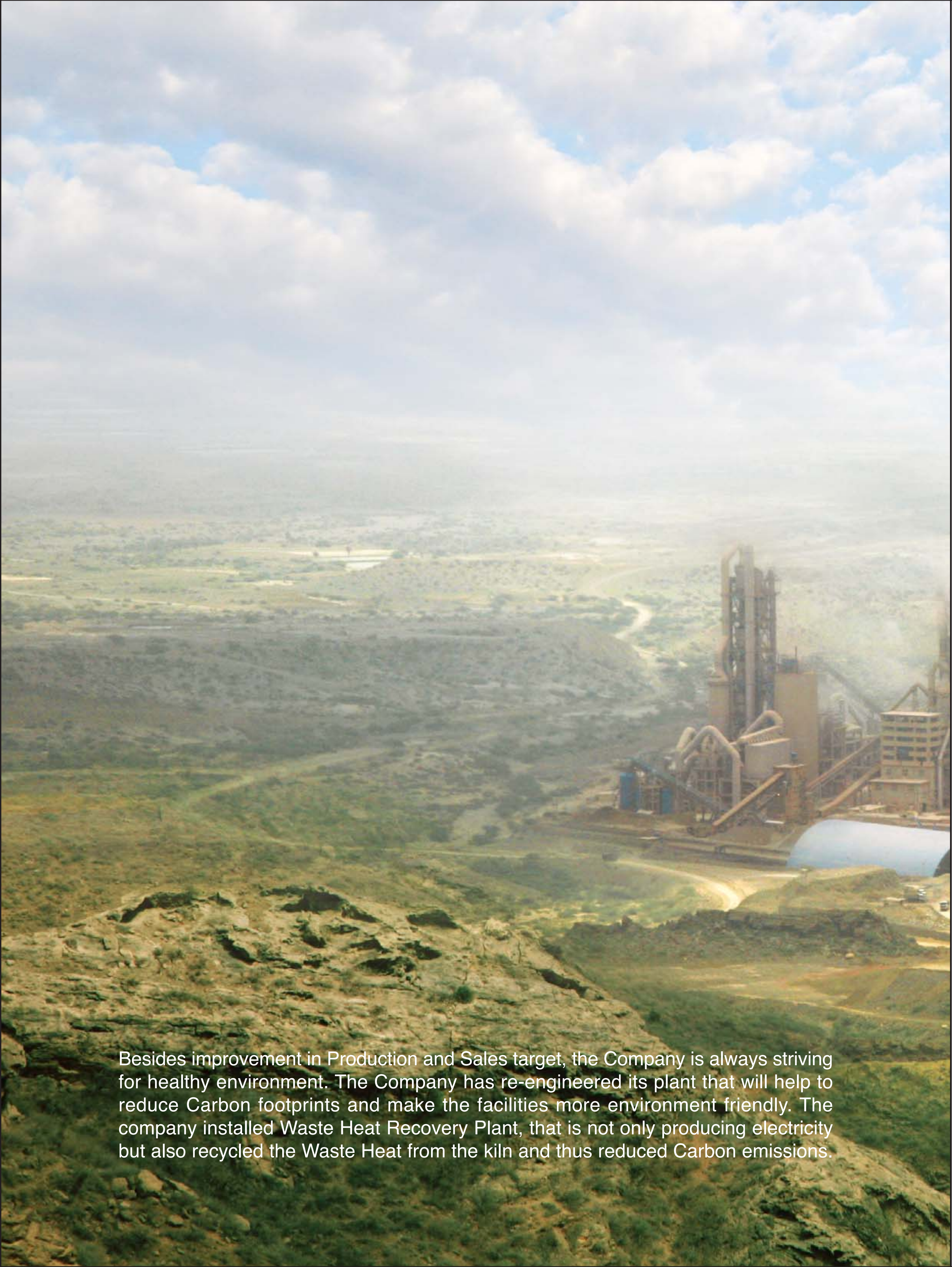
IT Steering Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee

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

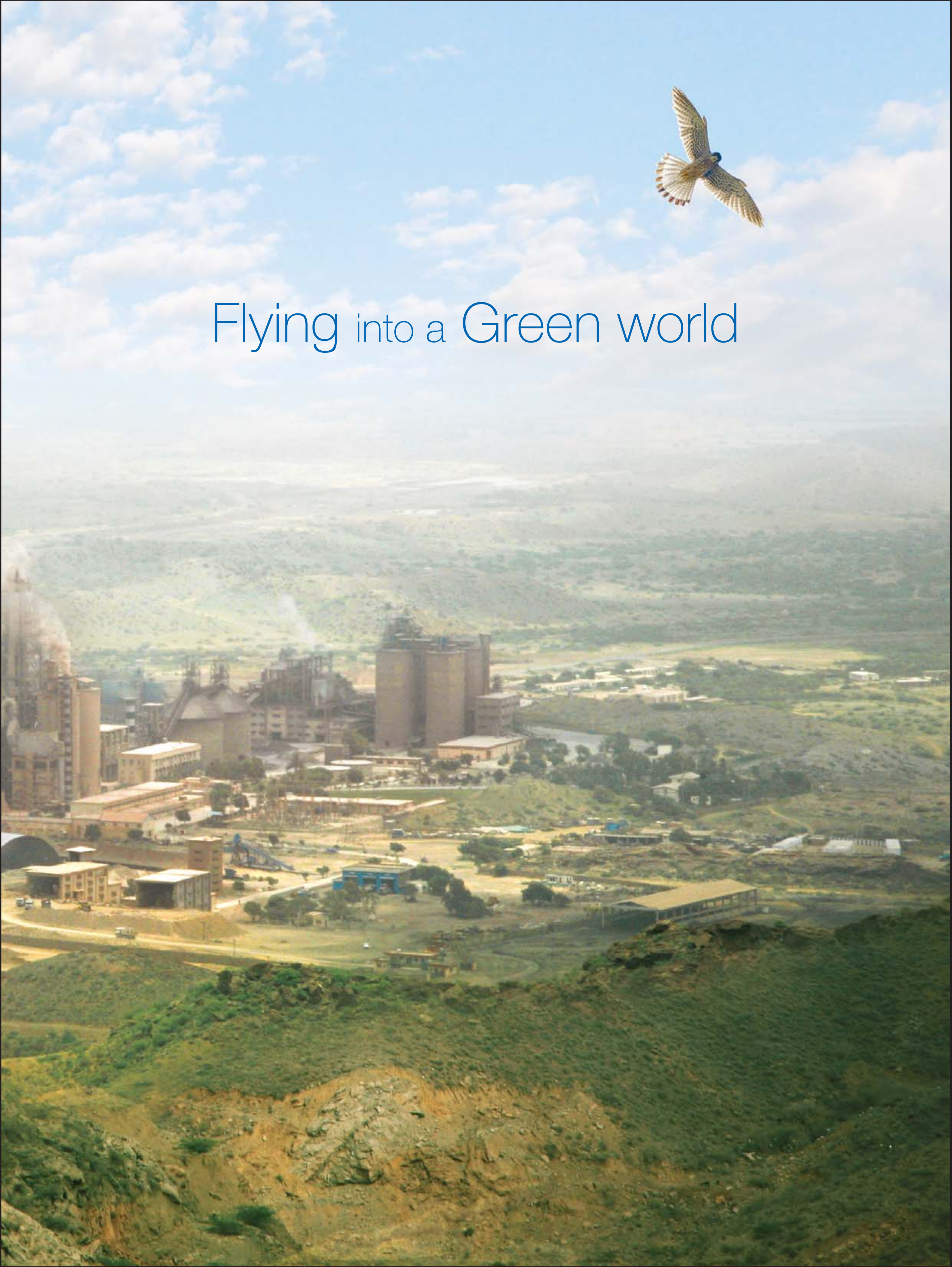
Safety Committee

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



Besides improvement in Production and Sales target, the Company is always striving for healthy environment. The Company has re-engineered its plant that will help to reduce Carbon footprints and make the facilities more environment friendly. The company installed Waste Heat Recovery Plant, that is not only producing electricity but also recycled the Waste Heat from the kiln and thus reduced Carbon emissions.

Flying into a Green world



Chairman's Review

بسم الله الرحمن الرحيم

I welcome you all in the 33rd Annual General Meeting of the Company.

Overview of the Economy

The fiscal year 2011-2012 saw numerous challenges to the economy including a sharp increase in oil prices in international markets, recessionary trends in global markets, severe energy crisis in the country, heavy rains in Sindh and a hostile law and order situation. Despite these challenges the country's economy performed reasonably well and posted a modest GDP growth of 3.7%.

The country managed to maintain its exports and also attracted record remittances from overseas Pakistanis but balance of payment remained a source of worry for the economic managers due to higher oil prices and discontinuation of coalition support fund on account of war on terror resulting in a devaluation of PKR against US $ by almost 6% in the last quarter of the fiscal year 2011-2012. This devaluation may further increase the existing inflationary trend in the economy.

Business & Industry Review

During the year under review the cement production capacity of the country increased to 44.2 million tones and because of lower local demand the industry remained focus in exploring the export markets. Afghanistan, Iraq, Sri Lanka, South Africa, India and other African and Middle Eastern markets remained the targets of the major cement players. Though the country has a great potential for local consumption to grow but combination of unstable security situation and deepening energy crises has hampered the growth in the sector. Between 2004 - 2008, the FDI in construction sector was very strong but since 2009 the investment in construction sector has been reduced considerably resulting in stagnant local cement consumption figures. This year the overall local demand was at 23.9 million tones though higher by 8% as compared to previous year but the industry is still waiting for major infrastructure initiatives from the Government which may boost the local demand and bridge the huge supply demand gap currently looming over the industry. Though on a smaller scale a construction boom has been witnessed in the second half of the year 2011-2012 and last six months of the fiscal year have shown promising trend in this sector but all this was because of private sector initiatives.

On fiscal side a positive indication has already been given by the government through reduction of excise duty in the federal budget. This is a recognition of fact that local cement industry has high incidence of indirect taxation and such further relief measures would contribute favourably towards the overall growth of the sector.

Operational and Financial Performance

The Company has performed remarkably well under the most difficult circumstances both operationally and financially. With both lines working efficiently and achieving a capacity utilization of 106% and 101%, the financial results have also shown considerable improvements. During the year the Company was able to sell its entire production capacity both in local and export markets and local sales was recorded at 1,337,480 tones whereas the export sales reached 517,992 tones. The Company managed its sales mix in such a manner that its net retention increased by 24% as against net increase of 12% in cost of production. Major cost saving initiative, WHRS project, was completed in December 2011 and it is now contributing positively towards cost of production and increase in margins. Second major cost saving initiative, Alternate Fuel Project, is currently underway and it is anticipated that during the year 2012-2013 it will also be commissioned. This project would also enhance the overall margins of the company. Overall profit after tax of the company has, therefore, increased by Rs. 753 million (110%) due to increase in net retention and significant contribution from WHRS project.

Acknowledgement

The Company deeply acknowledges and expresses its gratitude for the efforts and dedication of its human resource that has enabled the Management to run the operation seamlessly. The Company also acknowledges the support it has received from CBA on various matters.

I also take this opportunity to express my sincere thanks to the government both federal and provincial, local administration, our customers, bankers and suppliers for their continuing support, cooperation and patronage.

Dr. Ghaith R. Pharaon
Chairman

September 15, 2012
Dubai, U.A.E.

In the name of Allah, The Most Gracious, The Most Benevolent & The Most Merciful.

Directors' Report

The Directors' of your Company have pleasure to present before you the Annual Report of your Company along with audited financial statements for the year ended June 30, 2012.

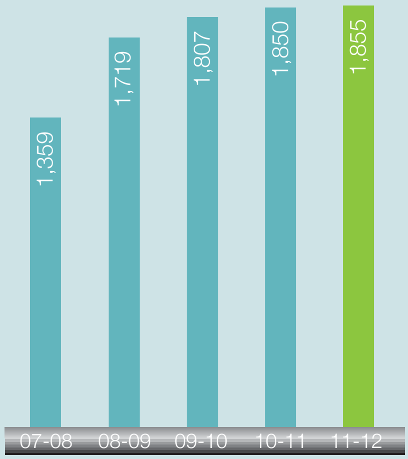
Production & Sales Statistics

During the year 2011-2012, the Company achieved production of over 100% of its rated capacity both in line 1 and line 2. Dispatches were also recorded at an all time high volume. The detailed data has been enumerated in the table below along with comparison with previous year:

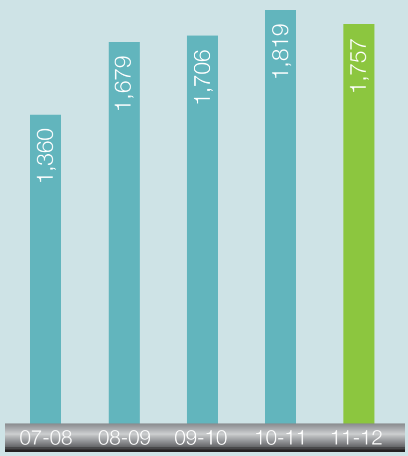
	2011 - 2012	2010 - 2011
	--------------- Tons	---------------
Clinker Production	1,756,843	1,819,458
Cement Production	1,849,176	1,862,201
Cement Dispatches	1,855,472	1,849,851
Capacity Utilization	103%	106%

During the year under review, the company achieved an average rated capacity of 103%, with line 1 operating at 106% of its rated capacity and Line 2 operating at 101% of its rated capacity.

The volumetric sales was the highest ever achieved by the Company surpassing all previous records. This is a significant milestone keeping in view the highly uncertain economic and political conditions, energy crisis, poor law and order situation and significant slowdown in the regional markets.



Cement Sales
Thousand M. Tonnes



Clinker Production
Thousand M. Tonnes

During the year under review the Company sold 1,337,480 tons of Cement (72% of its total sales) in the local market with Karachi remaining the principal market for the Company's products, where despite extremely poor law and order situation the Company was able to sell 72% of its total sales as compared to 70% in the preceding year, followed by interior Sindh and Baluchistan markets. The performance is commendable as there is always stiff competition in this market among the south based plants due to better net retention. The balance 517,992 tons (28% of total cement despatches) was exported to the regional markets of Iraq, Sri Lanka and South Africa. While every effort was made to maximize local sales specially in the core market of Karachi, the Company still had to rely on exports for about 30% of its total sales even though prices in export markets were significantly lower than the local market. However, over the last couple of years the Company is managing its sales mix in such a manner that it can achieve maximum sales revenue and also achieve 100% capacity utilization.

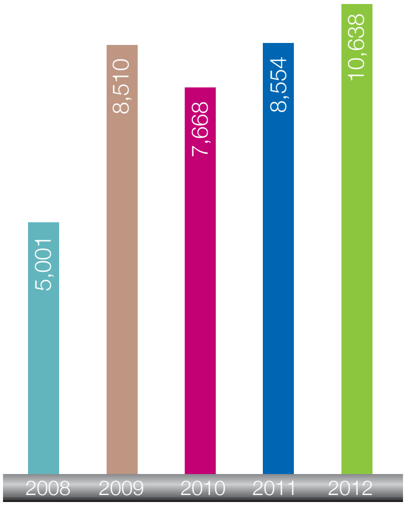
FINANCIAL PERFORMANCE

A comparison of the key financial results of your Company for the year ended June 30, 2012 with the same period last year is as under:

	2011 - 2012	2010 - 2011	Increase	Increase
	Rs. in million			%
Net Sales	10,638	8,554	2,084	24
Gross Profit	2,947	1,731	1,216	70
Profit Before Tax	2,035	1,034	1,001	97
Profit After Tax	1,437	684	753	110
EPS in Rupees	16.59	7.90	8.69	110

(i) Sales Performance

The overall sales revenue increased by Rs. 2,084 million (24%) as compared to last year. This is mainly attributable to increase in average net retention by Rs. 1,109 per ton of cement sold as compared to same period last year. This is the highest ever sales achieved by the company in terms of revenue.



Net Sale Revenue
Rupees in million

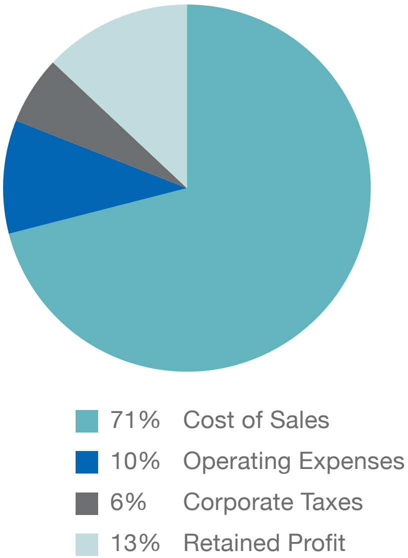
(ii) Profitability

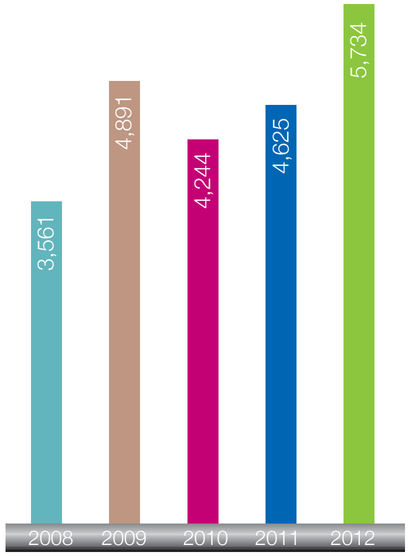
Company earned a net profit after tax of Rs. 1,437 million as compared to Rs. 684 million earned during the corresponding period, showing a significant increase of Rs. 753 million (110%). The gross and operating margins also improved from 20% and 12% to 28% and 19% respectively.

Increase in net profit and margins are mainly attributable to the following factors:

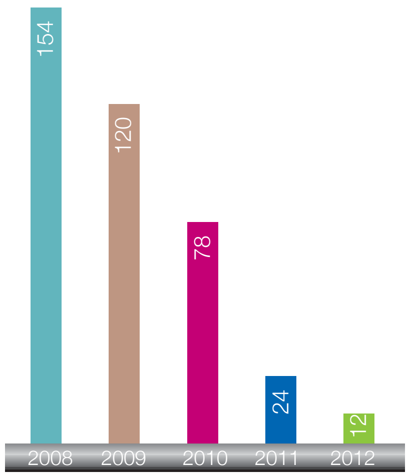
- The average combined net retention improved by Rs. 1,109 (24%) per ton over corresponding period mainly due to higher net retention achieved in both local market as well as in rupee based export sales.
- Overall Production cost increased by Rs. 457 per ton as compared to same period last year mainly due to increase in fuel cost and diesel prices. Even though the prices of coal remain stable as compared to last year but were offset by the devaluation of Pak Rupee against US Dollar resulting in a higher cost for the Company.
- With the commencement of 12 MW Waste Heat Recovery System (WHRS) from December 2011, the per ton electricity cost also reduced significantly. The commissioning of this project has greatly helped the Company to control the production cost which was showing a rising trend in the backdrop of double digit inflation, massive increase in power tariff and diesel prices and devaluation of PKR against US $.

Distribution of Total Revenue





Net Retention
Rupees per ton



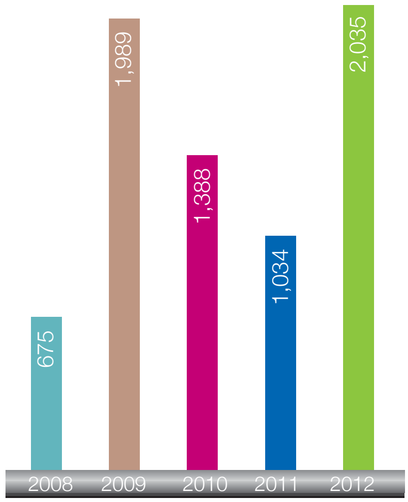
Finance Cost
Rupees in million

(iii) Appropriation

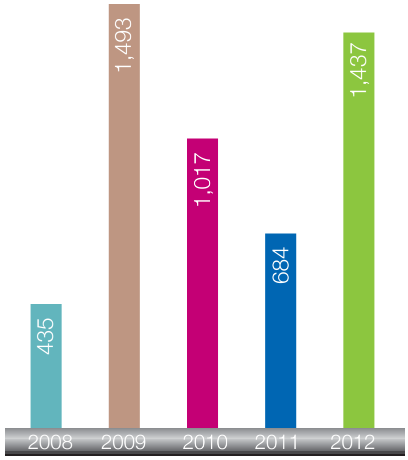
The financial results for the year under review are as follows:

	2011-2012	2010-2011
	Rs. in '000	
Profit after tax	1,436,649	684,429
Un-appropriated profit b/f	4,932,457	4,529,464
Profit available for appropriation	6,369,106	5,213,893
Appropriation:		
Final Cash Dividend paid for the year 2011:		
Rs. 4.50 per share (2010: Rs 3.25 per share)	(389,679)	(281,436)
Interim Cash Dividend paid for the year 2012:		
Rs. 2.50 per share (2011: Rs Nil per share)	(216,489)	-
Un-appropriated profit c/f	5,762,938	4,932,457

The Board of Directors in its meeting held on September 15, 2012 proposed a final cash dividend of Rs 6.00 per share (2011: Rs 4.50 per share) amounting to Rs 519.6 million (2011: Rs 389.7 million) and proposed a transfer of Rs 129.9 million from “unappropriated profit” to “reserve for issuance of bonus shares” (2011: Rs Nil) for issuance of three bonus shares for every twenty shares held (2011: Nil) subject to the approval of the company in the forthcoming annual general meeting.



Profit Before Tax
Rupees in million



Profit After Tax
Rupees in million

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 2,247 million during the year to the national exchequer as well as Rs. 49 million were outstanding on account of statutory levies. An amount of approximately Rs. 187 million was also paid as withholding income tax deducted by the Company from shareholders, employees, suppliers and contractors. In addition to that your Company earned precious foreign exchange of approximate US $ 30 million during the year under review from export sales.

MARKETING

The year 2011-2012 was a very tough year from marketing point of view as during most part of the year the core market of Karachi remained disturbed because of poor law and order situation. The situation in Sindh market also remained uncertain in the first six months of the fiscal year due to heavy monsoon rains. This coupled with ongoing energy crisis, higher interest rates, lesser investments in real estate sector and lower spending from the government on development program made it difficult to maintain sales in the local market. As a result, despite lower prices, the company had to rely on exports to the extent of almost 28% of its total sales.

Despite the above challenges, the Company by the grace of Almighty Allah and with the support of our customers was able to achieve 100% capacity utilization as against an industry average capacity utilization of 74%.

During the year under review, the company launched a new product by the name of FALCON BLOCK CEMENT in the core market of Karachi to cater the need of block makers. The product was an instant success and was able to capture a sizable market share. The product has now become immensely popular among the block makers due to its quick setting time and is contributing favourably in the overall sales revenue of the company.

HUMAN RESOURCES

The Company remained focus in providing best career development opportunities for its human resource capital through management development programs and innovative work assignments and projects. With the less availabilities of foreign experts at plant site, it was company's own manpower resources who performed some of the most important tasks without any external assistance which shows the quality of its manpower.

The Company follows the principle of acknowledging and rewarding high performing individuals through a quality incentive program which not only keep the staff motivating but also attract quality talent from the market.

Our Management Trainee Program is designed to attract fresh graduates who possess significant abilities, with willingness to learn and believe in developing themselves as a team player.

The Company provides different learning and growth opportunities to the local people through its structured apprenticeship program. It helps in giving the deprived a fair chance to get employment and learn to develop themselves as respectable individuals of society.

During the year under review the Company successfully concluded CBA agreement for the year 2012 and 2013.

CORPORATE SOCIAL RESPONSIBILITY

ACPL continues to contribute sizable amount in various CSR related activities foremost among them being education and health. The Company's commitment towards providing quality education, training opportunities to local youth and health care to local inhabitants of the area where the manufacturing facilities of the company are located attracted applaud from local dignitaries and intellectuals, media and other social organizations.

The Company's major education initiative i.e. The Citizen Foundation School - Dr. Rachad Pharaon Campus continued to provide quality education free of cost to the children of local area. The school has 24 classrooms with a capacity of over 600 students and is equipped with all modern facilities.

A complete Medical Centre with state of the art medical equipments, team of qualified doctors and nursing staff is operational round the clock at plant site and provides free treatment to the local people. The Company operates two Welfare Dispensaries, located at the Medical Centre and Goth Sakran, which provide free medicines to the poor and needy people of the area. During the year company arranged 3 medical camps where the people of the area were treated without any charge. The company also conducted free eye camp where 12 cataract operations were carried out without any fee.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

We, at ATTOCK, take all possible measures to ensure that all our employees as well as communities within which we operate remain safe at all time. Environmental protection is a top priority on company's SHE agenda. The company ensures that its production processes are eco friendly and efficient. We constantly try and improve energy efficiencies both at production facilities and in our offices.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Directors hereby confirm that:

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

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

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

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

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

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

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

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

	Rupees in Million	Year Ended
Provident Fund (audited)	309	December 2011
Gratuity Funds (unaudited)	145	June 2012
Pension Funds (unaudited)	189	June 2012

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

No.	Name of the Directors / Chief Executive		No. of meetings attended
1	Dr. Ghaith R. Pharaon	Chairman/ Non Executive Director	5*
2	Mr. Laith G. Pharaon	Non Executive Director	4*
3	Mr. Wael G. Pharaon	Non Executive Director	5*
4	Mr. Shuaib A. Malik	Non Executive Director	5
5	Mr. Abdus Sattar	Independent Director	5
6	Mr. Babar Bashir Nawaz	Executive Director	5
7	Mr. Fakhrul Islam Baig	Executive Director	5

* Overseas directors attended the meetings either in person or through alternate directors.

Leave of absence was granted to those Directors who could not attend some of the Board Meetings due to their other preoccupations.

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

No.	Name of the member		No. of meetings attended
1	Mr. Abdus Sattar	Chairman/ Independent Director	4
2	Mr. Shuaib A. Malik	Non Executive Director	4
3	Mr. Fakhrul Islam Baig	Executive Director	4

k) During the year 2011-12, following directors have attended the Directors training programs:

No.	Name of the Director / Chief Executive	
1	Mr. Babar Bashir Nawaz	Executive Director
2	Mr. Irfan Amanullah	Alternate Director

l) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2011-2012 have been given on page 79.

m) The key operating and financial data for the last 6 years has been set out on page 77.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2012 has been given on page 78.

AUDITORS

The retiring auditors, Messrs A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 33rd Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

AUDIT COMMITTEE

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

Mr. Abdus Sattar	Chairman	Independent Director
Mr. Shuaib A. Malik	Member	Non-Executive Director
Mr. Fakhrul Islam Baig	Member	Executive Director

Terms of Reference

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

1. Determination of appropriate measures to safeguard the assets.

2. Review of preliminary announcements of results prior to publication.

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

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

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

5. Ensuring coordination between the internal and external auditors.

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

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

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

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

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

11. Determination of compliance with relevant statutory requirements.

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

13. External Auditors

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

HR & REMUNERATION COMMITTEE

The Board, in compliance with the new Code of Corporate Governance has formed HR & Remuneration Committee comprising of the following members:

Mr. Shuaib A. Malik	Non- Executive Director / Chairman
Mr. Abdus Sattar	Independent Director
Mr. Babar Bashir Nawaz	Executive Director

Terms of Reference

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

- Recommending Human Resource Management policies to the Board;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the COO, CFO , Company Secretary and Head of Internal Audit; and
- Consideration and approval on recommendation of CEO on such matters for key management positions who report directly to CEO or COO.

Alternate Fuel Project

As reported earlier, the company is installing an Alternate Fuel Project which will allow the Company to use alternate fuels like Municipal Waste, Shredded Tyres, Biomass etc. in place of existing primary fuel source i.e. coal and gas.

A contract for supply of dosing and feeding system was signed with a renowned European supplier and the project is currently under implementation and is expected to be completed by early 2013. With the use of alternate fuel, the Company would be able to reduce its production cost to some extent.

Certified Emission Reductions (CER's)

As earlier reported, the Waste Heat Recovery Project is able to generate around 25,000 ~ 35,000 CERs under United Nation Framework Convention for Climate Change (UNFCCC). The project has been uploaded for registration on UNFCCC website and we are now awaiting final approval from Executive Board (EB) of UNFCCC. Once the project gets approval from Executive board the company would able to sell CERs in European exchange market and would generate additional income.

FUTURE OUTLOOK

The current business environment is extremely challenging for the cement industry in general and for the company in particular. Double digit inflation, energy crisis prevailing in the country and security issues have imbalanced the equation posing significant business risk for the management to maintain the margins. With the key power and freight costs and rupee devaluation would continue to hurt the profitability and plant efficiencies and productivity being already at maximum levels, the survival will only be through cost saving initiatives. The management is fully focused on maintaining the margins through cost reduction. One such initiative i.e. Waste Heat Recovery System has already commenced its production and work on other project i.e. Alternate Fuel Project has already been initiated.

The long term stability of the cement sector is fully dependent upon the economy of the country and how it attracts much needed investment in infrastructure and real estate projects. With more and more people moving towards urban cities and towns the need of massive investment in housing and infrastructure projects can trigger the cement demand in medium term which may help the company to pass on the impact of rising cost to the consumers and maintain its margins. An upsurge in cement demand has been witnessed during the last quarter of fiscal year 2011-12 and it is anticipated that with elections around the corner the government would invest massively in projects of public interest which would keep this demand momentum going in the year 2012-13. Besides this, sufficient funds have been allocated for the development of new dams in the budget and this can also increase the cement demand.

With the un-utilized cement capacity of around 10~12 million tones per annum in the country, the company is also exposed to capacity utilization risk and the unstable political and law & order situation may affect the business strategies. However, your management is continuously addressing this challenge by implementing an optimum sales mix of local and export sales to maximize its sales revenue and maintain healthy margins.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

September 15, 2012
Dubai, U.A.E.

Notice of the Thirty-Third (33rd) Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of Attock Cement Pakistan Limited will be held on Friday, October 19, 2012 at 03:00 p.m. at Sheraton Hotel & Towers, Karachi to transact the following:

1. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2012 together with the Report of Auditors and the Directors thereon.

2. To consider and if thought fit, approve final cash dividend of 60% (Rs. 6 per share) as recommended by the Board of Directors for the year ended June 30, 2012. This is in addition to the interim cash dividend of 25% (Rs. 2.50 per share) already paid during the year.

3. To appoint auditors for the financial year 2012-2013 and to fix their remuneration.

Special Business

4. To approve the issue of bonus shares in the ratio of three (03) bonus shares for every twenty (20) ordinary shares (15%) held by the shareholders as recommended by the Board of Directors. To give effect to the above, the Directors have recommended to consider and if thought fit, pass with or without modification the following resolution as an ordinary resolution,

   "RESOLVED THAT a sum of Rs. 129,893,159 (Rupees One Hundred Twenty Nine Million Eight Hundred Ninty Three Thousand One Hundred Fifty Nine Only) be capitalized out of the unappropriated profit of the company and applied towards the issue of 12,989,316 ordinary shares of Rs. 10/- each as fully paid bonus shares to be allocated to the shareholders in proportion of three (03) shares for every twenty (20) existing ordinary shares held by the members of the Company who are registered on the books of the company on October 10, 2012 and that, after allotment, such new shares shall rank pari passu in all respect with the existing ordinary shares of the Company. These bonus shares will not be eligible for the final cash dividend of 60% for the year ended June 30, 2012.

   Fraction shares to be allotted as a result of distribution of Bonus Shares be consolidated with the Company Secretary for sale in the open market in due course and proceeds be donated to The Citizen Foundation (TCF).

   For the purpose of giving effect to the foregoing, the Chief Executive and the Company Secretary be and are hereby authorised to take all necessary actions under the law and to settle any questions or difficulties that may arise in the distribution of the said Bonus Shares or in the disposal of fractions and payment of proceeds thereof."

5. The Company in its 28th Annual General Meeting had obtained approval of the shareholders for investments under Section 208 of the Companies Ordinance, 1984 and accordingly the shareholders of the Company are presented with the statement under Section 160(1)(b) of the Companies Ordinance, 1984 in compliance with the SRO 865(I)/2000 dated December 06, 2000 in case of decisions to make investments that have been made by the shareholders previously and have not yet been implemented.

   A statement under SRO 865(I)/2000 dated December 06, 2000 is being enclosed with this notice.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 28, 2012

Notes:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday October 11, 2012 to Friday October 19, 2012 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 10, 2012 are entitled to attend and vote at the meeting.

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

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

5. Members are requested to provide by mail or fax their Computerised National Identity Card (CNIC) number or passport number, if foreigner (unless it has been provided earlier) to enable the Company to comply with relevant laws.

6. SECP has also directed vide SRO No. 779(I)2011 dated August 18, 2011 to issue dividend warrant only crossed as "A/c Payee only" and should bear the valid Computerized National Identity Card (CNIC) Number of the registered member. Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company's Share Registrar M/s. Technology Trade (Pvt) Limited, Dagia House 241-C, Block-2, PECHS, Off: Shahrah-e-Quaideen, Karachi.

7. As directed by SECP vide Circular No.18 of 2012 dated June 5, 2012, we give the shareholders the opportunity to authorise the Company to directly credit in their bank account with cash dividend, if any, declared by the company in future. If they wish that the cash dividend if declared by the company be directly, credited into their bank account, instead of issuing a dividend warrant, please provide the following details.

Title of Bank Account		Branch Name and Address	
Bank Account Number		Cell number of Shareholder	
Bank's Name		Landline number of Shareholder, if any	

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

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

A. For attending the meeting:

i) In case of individuals, the account holder or sub-account holder shall authenticate his / her Original CNIC at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies:

i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirements.

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

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

iv) The proxy shall produce his / her original CNIC or original Passport at the time of meeting.

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

STATEMENT UNDER SRO 865(I)/2000 DATED DECEMBER 06, 2000

In the 28th Annual General Meeting held on October 22, 2007 shareholders approved investments in following associated companies:

Pakistan Oilfields Ltd. (POL)
Attock Refinery Ltd. (ARL)
Attock Petroleum Ltd. (APL)
National Refinery Ltd. (NRL)

No investment so far has been made in any of the above-mentioned associated concerns.

1. Reasons for not making investment

The company has invested surplus cash in Projects which would constitute favourably towards its cost of production.

2. Major Change in financial position of investee companies since the date of last resolution

There has been no major change in financial position of POL, ARL, APL and NRL.

Statement of Compliance with the code of corporate governance

For the year ended June 30, 2012

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of the Karachi Stock Exchange in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Independent Director*	Non-Executive Directors	Executive Directors
Mr. Abdus Sattar	Dr. Ghaith R. Pharaon	Mr. Babar Bashir Nawaz
	Mr. Laith G. Pharaon	Mr. Fakhr-ul-Islam Baig
	Mr. Wael G. Pharaon	Mr. Irfan Amanullah (Alternate Director)
	Mr. Shuaib A. Malik	

*The independent director meets the criteria of independence under clause i(b) of the Code 2002 since the present Board was elected in October 2011, prior to issuance of the revised Code in April 2012. The Code 2012 requires atleast one independent director as per the definition of independent director, which would be applicable from next election of directors.

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

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board of Directors during the year June 30, 2012.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended was destroyed in fire incident. However, the company's management has recompiled the policy manual.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. 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 and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

9. All the directors of the Board are fully conversant with the duties and responsibilities as directors of corporate bodies. The Board had previously arranged an orientation course of the Code of Corporate Governance for its directors to apprise them of their roles and responsibilities. Further, the booklet on the Code as published by the Securities and Exchange Commission of Pakistan (SECP) has been circulated amongst the directors of the Board.

10. The Board has approved the appointment, remuneration, and terms and conditions of employment of the Head of Internal Audit and the CFO, who is also the Company Secretary.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.

18. The Board has outsourced the internal audit function to Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.

23. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods. The transactions were carried out on terms equivalent to those that prevail in the arm's length transactions.

24. We confirm that all other material principles enshrined in the Code have been complied with.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

September 15, 2012
Dubai, U.A.E.

Review Report To The Members

on statement of compliance with best practices of code of corporate governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Attock Cement Pakistan Limited to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal controls covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations 35 (x) of the Karachi Stock Exchange requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2012.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
September 26, 2012

Auditors' Report To The Members

We have audited the annexed balance sheet of Attock Cement Pakistan Limited as at June 30, 2012 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2012 and of the profit, its cash flows and changes in equity for the year then ended; and

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

A. F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
September 26, 2012

Name of the engagement partner: Syed Fahim ul Hasan

Financial Statements

Balance Sheet As at June 30, 2012

	Note	2012	2011
		Rupees '000	
SHARE CAPITAL AND RESERVES			
Authorised capital			
125,000,000 ordinary shares of Rs 10 each		1,250,000	1,250,000
Issued, subscribed and paid-up capital	3	865,955	865,955
Unappropriated profit		5,762,938	4,932,457
		6,628,893	5,798,412
NON-CURRENT LIABILITIES			
Deferred taxation	4	938,078	566,358
CURRENT LIABILITIES			
Trade and other payables	5	1,205,215	1,311,132
Accrued mark-up		-	3,980
Taxation		129,297	63,267
		1,334,512	1,378,379
CONTINGENCY AND COMMITMENTS	6		
		8,901,483	7,743,149

	Note	2012	2011
		Rupees '000	
NON-CURRENT ASSETS			
Fixed assets	7	5,471,655	5,331,951
Long-term investment	8	4,500	4,500
Long-term loans and advances	9	24,348	16,237
Long-term deposits	10	42,980	42,980
		5,543,483	5,395,668
CURRENT ASSETS			
Stores, spares and loose tools	11	1,419,739	1,342,341
Stock-in-trade	12	539,343	541,028
Trade debts - considered good		190,444	50,772
Loans and advances	13	35,390	25,754
Short-term deposits and prepayments	14	13,902	11,789
Accrued interest		2,149	2,149
Other receivables	15	57,909	47,419
Investments	16	879,362	116,064
Cash and bank balances	17	219,762	210,165
		3,358,000	2,347,481
		8,901,483	7,743,149

The annexed notes 1 to 34 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Profit and Loss Account For the year ended June 30, 2012

	Note	2012	2011
		Rupees '000	
Net sales	18	10,638,021	8,553,921
Cost of sales	19	(7,691,421)	(6,823,346)
Gross profit		2,946,600	1,730,575
Distribution cost	20	(705,125)	(512,936)
Administrative expenses	21	(221,577)	(186,365)
Other operating expenses	22	(119,173)	(76,722)
Other operating income	23	145,899	104,221
Operating profit		2,046,624	1,058,773
Finance cost	24	(11,593)	(24,287)
Profit before taxation		2,035,031	1,034,486
Taxation	25	(598,382)	(350,057)
Profit after taxation		1,436,649	684,429
Other comprehensive income		-	-
Total comprehensive income		1,436,649	684,429
Earnings per share	26	Rs 16.59	Rs 7.90

The annexed notes 1 to 34 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Cash Flow Statement For the year ended June 30, 2012

	Note	2012	2011
		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	1,944,836	693,318
Finance cost paid		(15,573)	(20,307)
Income tax paid		(160,632)	(368,198)
(Increase) / Decrease in long-term loans and advances		(8,111)	685
Net cash from operating activities		1,760,520	305,498
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(448,942)	(1,403,212)
Proceeds on disposal of operating assets		1,747	2,324
Purchase of open ended mutual fund units		(3,130,000)	(630,000)
Proceeds from sale of open ended mutual fund units		2,409,458	1,751,290
Interest received		22,408	23,244
Net cash used in investing activities		(1,145,329)	(256,354)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividends paid		(605,594)	(281,088)
Net increase / (decrease) in cash and cash equivalents		9,597	(231,944)
Cash and cash equivalents at beginning of the year		210,165	442,109
Cash and cash equivalents at end of the year	17	219,762	210,165

The annexed notes 1 to 34 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Statement of Changes in Equity For the year ended June 30, 2012

	Share capital	Unappropriated profit	Total
	←	Rupees '000	→
Balance as at June 30, 2010	865,955	4,529,464	5,395,419
Final dividend for the year ended June 30, 2010 @ Rs 3.25 per share	-	(281,436)	(281,436)
Profit after taxation for the year ended June 30, 2011	-	684,429	684,429
Balance as at June 30, 2011	865,955	4,932,457	5,798,412
Final dividend for the year ended June 30, 2011 @ Rs 4.50 per share	-	(389,679)	(389,679)
Interim dividend for the year ended June 30, 2012 @ Rs 2.50 per share	-	(216,489)	(216,489)
Profit after taxation for the year ended June 30, 2012	-	1,436,649	1,436,649
Balance as at June 30, 2012	865,955	5,762,938	6,628,893

The annexed notes 1 to 34 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Karachi Stock Exchange. Its main business activity is manufacturing and sale of cement. The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.1.2 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards effective in current year but not relevant

Certain standards, amendments and new interpretations to existing approved accounting standards are applicable from the current year. However, as these did not affect the financial statements, these have not been detailed here.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

- IAS 19 (Amendment) 'Employee Benefits' is effective for the periods beginning on or after January 1, 2013. This amendment requires an entity to recognise actuarial gains and losses (renamed as remeasurements) immediately in other comprehensive income. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. Past service costs will be recognised in the period of a plan amendment and will no longer be spread over a future-service period. A curtailment now occurs only when an entity significantly reduces the number of employees. Curtailment gains / losses are accounted for as past-service cost. Further, presentation and disclosure requirements have also changed. The company is yet to assess the full impact of the amendments.

- IFRS 13, ‘Fair value measurement’, is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except where stated otherwise in the accounting policies below.

2.3 Staff retirement benefits

Defined benefit plans

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

The latest actuarial valuations of the schemes have been carried out as at June 30, 2012 using the Projected Unit Credit method. Cumulative net unrecognised actuarial gains and losses at the beginning of the year which exceed 10% of the greater of the present value of the obligations and the fair value of the respective fund's assets are amortised over the average remaining working life of the employees.

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

Defined contribution plan

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

2.4 Trade and other payables

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

2.5 Provisions

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

2.6 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates available, if any.

Deferred

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

2.7 Fixed Assets - property, plant and equipment

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

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

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in income currently.

2.8 Borrowings and their cost

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

2.9 Investments

The company determines the appropriate classification of its investment at the time of purchase as follows:

Long-term investments

The investment in associated company is stated at cost. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in income currently. The equity method of accounting has not been followed as the effect of applying this method is immaterial.

Investments - held to maturity

These are investments with fixed or determinable payments and fixed maturity with the company having positive intent and ability to hold till maturity. These are stated at amortised cost.

Investments - at fair value through profit or loss

Investments held for trading are classified at fair value through profit or loss account. These are measured at fair value which is re-assessed at each reporting date. In case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company. Changes in fair value are recognised in profit and loss account.

2.10 Stores, spares and loose tools

These are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Items in transit are stated at cost.

2.11 Stock-in-trade

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

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

2.12 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at original invoice amount less a provision for impairment. A provision for impairment 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. Trade debts and other receivables considered irrecoverable are written-off.

2.13 Cash and cash equivalents

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

2.14 Foreign currencies

Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the balance sheet date. Exchange differences are included in income currently.

The financial statements are presented in Pakistan Rupee, which is the company's functional and presentation currency.

2.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for goods supplied, stated net of discounts, returns and value added taxes.

Revenue from sale of goods is recognised on despatch of goods to customers i.e. when the significant risks and reward of ownership have been transferred to the customer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2.16 Financial assets and liabilities

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

Financial assets and liabilities are off set and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Dividend

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

2.18 Significant accounting estimates and judgments

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

(i) Taxation - notes 4.1 & 25
(ii) Staff retirement benefits - note 5.3

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

3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs 10 each 2012	2011		2012 Rupees '000	2011
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
52,714,964	52,714,964	Shares allotted as bonus shares	527,150	527,150
86,595,439	86,595,439		865,955	865,955

3.1 As at June 30, 2012, Pharaon Investment Group Limited (Holding) S.A.L., Lebanon and its nominees held 72,795,426 (2011: 72,795,426) ordinary shares of Rs 10 each.

4. DEFERRED TAXATION

	2012 Rupees '000	2011
Credit balances arising in respect of accelerated tax depreciation allowances	942,439	570,655
Debit balances arising in respect of provision for slow moving and obsolete stores and spares	(4,361)	(4,297)
	938,078	566,358

4.1 Deferred tax liability is restricted to 77.90% of the total deferred tax liability based on the following assumptions:

- export sales will continue to fall under Final Tax Regime; and
- historical trend of export and local sales ratio will continue to be the same in foreseeable future.

	Note	2012	2011
		Rupees '000	

5. TRADE AND OTHER PAYABLES

	Note	2012	2011
Creditors	5.1	194,622	174,840
Accrued liabilities		449,457	393,011
Electricity charges payable		189,767	173,349
Royalty payable		71,009	71,427
Sales tax payable		21,673	-
Excise duty payable		5,828	90,525
Advances from customers		31,988	140,095
Retention money		74,839	164,457
Security deposits		29,057	15,585
Workers' Profits Participation Fund	5.2	107,749	55,610
Workers' Welfare Fund		11,424	21,159
Payable to Pension Funds	5.3	27	1,562
Payable to Gratuity Funds	5.3	-	1,133
Payable to Provident Funds		-	225
Taxes deducted at source and payable to statutory authorities		9,356	-
Unclaimed dividend		2,041	1,467
Others	5.1	6,378	6,687
		1,205,215	1,311,132

5.1 Creditors, accrued liabilities and other liabilities include Rs 12.1 million, Rs 3.41 million and Rs 5.76 million (2011: Rs 6.04 million, Rs 3.55 million and Rs 5.76 million) respectively in respect of amounts due to related parties.

	Note	2012	2011
		Rupees '000	

5.2 Workers' Profits Participation Fund

	Note	2012	2011
At the beginning of the year		55,610	74,588
Allocation for the year	22	107,749	55,610
		163,359	130,198
Interest on funds utilised in company's business	24	768	983
		164,127	131,181
Less: amount paid to the Fund		56,378	75,571
		107,749	55,610

5.3 Retirement benefits

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
	Rupees '000			

5.3.1 Movement in liability / (asset)

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Balance at July 1	1,562	1,133	(1,794)	673
Charge for the year	12,437	15,630	12,077	16,452
Payments to / on behalf of the fund	(13,972)	(25,623)	(8,721)	(15,992)
Balance at June 30	27	(8,860)	1,562	1,133

5.3.2 Balance sheet reconciliation as at June 30

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Present value of obligations	202,548	147,995	169,002	139,448
Less: Fair value of assets	(187,047)	(150,325)	(167,023)	(123,914)
	15,501	(2,330)	1,979	15,534
Unrecognised actuarial (loss) / gain	(7,259)	(6,530)	10,538	(14,401)
Unrecognised past service cost	(8,215)	-	(10,955)	-
	27	(8,860)	1,562	1,133

5.3.3 Movement in the present value of defined benefit obligations and fair value of plan assets

The movement in the present value of defined benefit obligations during the year is as follows:

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Balance at July 1	169,002	139,448	151,528	130,580
Current service cost	9,498	12,639	9,870	9,976
Interest cost	23,578	19,524	19,364	16,497
Actuarial loss / (gain)	6,086	(8,204)	(5,793)	(10,249)
Benefits paid	(5,616)	(15,412)	(5,967)	(7,356)
Balance at June 30	202,548	147,995	169,002	139,448

The movement in the fair value of plan assets during the year is as follows:

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Balance at July 1	167,023	123,914	145,943	101,084
Expected return on plan assets	22,256	16,771	17,678	12,649
Actuarial (loss) / gain	(10,588)	(571)	648	1,545
Employer contributions	13,972	25,623	8,721	15,992
Benefits paid	(5,616)	(15,412)	(5,967)	(7,356)
Balance at June 30	187,047	150,325	167,023	123,914

5.3.4 Charge for the year

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
	Rupees '000			
Current service cost	9,498	12,639	9,870	9,976
Interest cost	23,578	19,524	19,364	16,497
Expected return on assets	(22,256)	(16,771)	(17,678)	(12,649)
Net actuarial (gain) / loss recognised	(1,122)	238	(643)	2,628
Past service cost recognised	2,739	-	1,164	-
	12,437	15,630	12,077	16,452

5.3.5 Actual return on plan assets

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Actual return on plan assets	11,668	16,200	18,326	14,194

5.3.6 Principal actuarial assumptions

	2012 Pension Funds	2012 Gratuity Funds	2011 Pension Funds	2011 Gratuity Funds
Expected return on plan assets % per annum	12.5	12.5	13	13
Expected rate of increase in salaries % per annum	10.5	10.5	11	11
Discount factor used (% per annum)	12.5	12.5	14	14
Retirement age (years)	60	60	60	60

As per actuarial recommendation, the expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

5.3.7 Plan assets

Plan assets are comprised of the following:

	2012 Pension Funds %	2012 Gratuity Funds %	2011 Pension Funds %	2011 Gratuity Funds %
Equity	1.89	0.62	3.79	5.68
Bonds	5.48	7.14	6.06	8.16
Others	92.63	92.24	90.15	86.16
	100.00	100.00	100.00	100.00

5.3.8 Based on actuarial advice for the year ending June 30, 2013 expected contribution to pension funds would be Rs 15.77 million and expected contribution to gratuity funds would be Rs 9.07 million.

5.3.9 Comparison for five years

	2012	2011	2010	2009	2008
	Rupees '000				
Pension funds					
Fair value of plan assets	187,047	167,023	145,943	143,619	127,091
Present value of defined benefit obligations	(202,548)	(169,002)	(151,528)	(121,278)	(107,665)
(Deficit) / Surplus	(15,501)	(1,979)	(5,585)	22,341	19,426
Experience (loss) / gain on plan liabilities	(6,086)	5,793	(2,224)	9,889	18,741
Experience (loss) / gain on plan assets	(10,588)	648	(12,658)	5,601	(1,300)
Gratuity funds					
Fair value of plan assets	150,325	123,914	101,084	80,393	82,557
Present value of defined benefit obligations	(147,995)	(139,448)	(130,580)	(108,733)	(89,322)
Surplus / (Deficit)	2,330	(15,534)	(29,496)	(28,340)	(6,765)
Experience gain / (loss) on plan liabilities	8,204	10,249	(3,704)	(18,003)	(16)
Experience (loss) / gain on plan assets	(571)	1,545	665	(2,727)	(1,254)

The above information is based on actuarial advice.

6. CONTINGENCY AND COMMITMENTS

6.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs 374 million on the company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The company alongwith other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court.

Simultaneously, the company also filed a writ petition against CCP before the Sindh High Court contending that the CCP order is illegal, issued without lawful authority and is corum non-judice. The Sindh High Court has granted an ad-interim injunction suspending the operation of CCP order. The company has also filed an appeal against CCP's order in the Supreme Court of Pakistan.

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

6.2 Commitments for capital expenditure outstanding as at June 30, 2012 amounted to Rs 416.60 million (2011: 166.93 million).

		Note	2012	2011
			Rupees '000	
7.	**FIXED ASSETS**			
	Operating assets	7.1	4,897,742	3,670,788
	Capital work-in-progress	7.3	135,762	1,281,828
	Stores held for capital expenditures		438,151	379,335
			5,471,655	5,331,951

7.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles	Total
	Rupees '000							
At July 01, 2011								
Cost	4,554	1,010,536	6,012,883	197,399	24,422	76,462	81,046	7,407,302
Accumulated depreciation	-	(310,677)	(3,146,089)	(146,261)	(15,004)	(65,720)	(52,763)	(3,736,514)
Net book value	4,554	699,859	2,866,794	51,138	9,418	10,742	28,283	3,670,788
Year ended June 30, 2012								
Opening net book value	4,554	699,859	2,866,794	51,138	9,418	10,742	28,283	3,670,788
Additions	-	210,922	1,341,012	2,191	1,261	5,499	13,076	1,573,961
Disposals - note 7.2	-	-	-	-	-	-	(839)	(839)
Transfers to stores	-	-	(37,769)	-	-	-	-	(37,769)
Depreciation charge	-	(52,844)	(226,802)	(9,337)	(3,681)	(5,575)	(10,160)	(308,399)
Closing net book value	4,554	857,937	3,943,235	43,992	6,998	10,666	30,360	4,897,742
At June 30, 2012								
Cost	4,554	1,221,458	7,313,547	199,586	25,683	81,959	85,810	8,932,597
Accumulated depreciation	-	(363,521)	(3,370,312)	(155,594)	(18,685)	(71,293)	(55,450)	(4,034,855)
Net book value	4,554	857,937	3,943,235	43,992	6,998	10,666	30,360	4,897,742
At July 01, 2010								
Cost	4,554	1,005,560	5,827,020	189,372	22,616	70,997	79,129	7,199,248
Accumulated depreciation	-	(263,086)	(2,956,255)	(137,148)	(11,436)	(57,408)	(44,154)	(3,469,487)
Net book value	4,554	742,474	2,870,765	52,224	11,180	13,589	34,975	3,729,761
Year ended June 30, 2011								
Opening net book value	4,554	742,474	2,870,765	52,224	11,180	13,589	34,975	3,729,761
Additions	-	4,976	220,587	8,027	1,806	5,465	5,458	246,319
Disposals	-	-	-	-	-	-	(3,541)	(3,541)
Transfers to stores	-	-	(34,724)	-	-	-	-	(34,724)
Depreciation charge	-	(47,591)	(189,834)	(9,113)	(3,568)	(8,312)	(8,609)	(267,027)
Closing net book value	4,554	699,859	2,866,794	51,138	9,418	10,742	28,283	3,670,788
Rate of depreciation %	-	5%	5%	10%	20%	25%	20%	

7.2 The details of operating assets sold, having net book value in excess of Rs 50,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Mode of disposal	Particulars of purchaser
	Rupees '000					
Vehicle	621	559	62	465	Tender	Mr. Saqlain Shah Ward No. 4, Mohalla Gorzyaanwala, Tehsil Kot Addu, District Muzaffargarh, Punjab
"	621	559	62	505	"	Mr. Qamar Raza House No. A-79, Block-13, Gulistan-e-Johar, Karachi
"	622	560	62	124	Company policy	Mr. Ghazanfar Khan Suri - Ex-Employee
"	621	559	62	62	"	Syed Agha Abbas - Employee
"	979	881	98	98	"	Sheikh Tariq Jamil - Employee
"	979	881	98	98	"	Mr. Khizar Hayat - Employee
"	969	872	97	97	"	Syed M. Wasi Zaidi - Employee
"	969	872	97	97	"	Mr. Masroor Pervaiz -Employee
"	1,376	1,239	137	137	"	Mr. M. Nasir Khan - Employee
"	555	491	64	64	"	Mr. Atta M. Shakir - Ex-employee
	8,312	7,473	839	1,747		

7.3 Capital work-in-progress

	2012	2011
	Rupees '000	
Plant and machinery	12,952	1,030,633
Civil works	13,345	157,736
Electrical and mechanical work	7,770	68,125
Advances to suppliers		
- plant and machinery	76,558	-
- civil works	12,449	1,129
- electrical and mechanical works	5,926	4,439
Borrowing cost	-	11,632
Others	6,762	8,134
	135,762	1,281,828

8. LONG-TERM INVESTMENT

	2012	2011
	Rupees '000	
Investment in related party (associated company)		
Attock Information Technology Services (Private) Limited - 450,000 (2011: 450,000) fully paid ordinary shares of Rs 10 each - at cost	4,500	4,500

8.1 The company holds 10% (2011: 10%) of investee's total equity. The break-up value per share is Rs 20.36 (2011: Rs 18.18). Total assets and total liabilities of the investee as at June 30, 2012 amounted to Rs 97.32 million and Rs 5.70 million (2011: Rs 87.44 million and Rs 5.62 million) respectively.

9. LONG-TERM LOANS AND ADVANCES – Considered good

	Note	2012	2011
		Rupees '000	
Chief Executive		9,826	1,281
Executives		18,135	13,868
Other Employees		24,535	22,964
		52,496	38,113
Recoverable within one year	13	(28,148)	(21,876)
Long term portion		24,348	16,237

9.1 Reconciliation of the carrying amount of loans and advances to Chief Executive and Executives:

	Chief Executive		Executives	
	2012	2011	2012	2011
	Rupees '000			
Opening balance	1,281	3,842	13,868	11,590
Disbursements	11,411	-	16,883	9,985
Repayments	(2,866)	(2,561)	(12,616)	(7,707)
	9,826	1,281	18,135	13,868

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

9.3 The maximum amounts due from Chief Executive and Executives at the end of any month during the year were Rs 11.09 million (2011: Rs 3.62 million) and Rs 18.14 million (2011: Rs 14.36 million) respectively.

10. LONG-TERM DEPOSITS

These are security deposits held with The Karachi Electric Supply Company Limited (KESC) and carry interest at the rate of 5% (2011: 5%) per annum.

11. STORES, SPARES AND LOOSE TOOLS

	2012	2011
	Rupees '000	
Bricks	42,130	44,900
Coal (including in transit Rs 630.4 million; 2011: Rs 83.6 million)	1,071,554	976,226
Stores and spares (including in transit Rs 17.6 million; 2011: Rs 28.3 million)	320,065	336,968
Loose tools	1,986	1,490
	1,435,735	1,359,584
Less: Provision for slow moving and obsolete items	15,996	17,243
	1,419,739	1,342,341

12. STOCK-IN-TRADE

	2012	2011
Raw materials	91,230	52,354
Packing materials	66,656	62,165
Work-in-process	295,418	328,384
Finished goods	86,039	98,125
	539,343	541,028

13. LOANS AND ADVANCES - Considered good

Current portion of long-term loans and advances

	2012	2011
Chief Executive and Executives	15,242	10,004
Other Employees	12,906	11,872
	28,148	21,876
Other advances - employees	54	104
Advances to suppliers	7,188	3,774
	35,390	25,754

14. SHORT-TERM DEPOSITS AND PREPAYMENTS

	2012	2011
Deposits - considered good	3,288	3,736
Prepayments	10,614	8,053
	13,902	11,789

	Note	2012	2011
		Rupees '000	

15. OTHER RECEIVABLES

	Note	2012	2011
Sales tax recoverable		21,416	20,232
Inland freight subsidy receivable		-	12,056
Export rebate receivable		8,938	8,760
Due from Gratuity Funds	5.3	8,860	-
Due from Provident Fund		12,676	-
Due from related parties		4,413	3,956
Others		1,606	2,415
		57,909	47,419

16. INVESTMENTS

	Note	2012	2011
Investments - at fair value through profit and loss	16.1	879,362	116,064

16.1 These represent investments in open ended mutual funds (quoted). The details of investments are as follows:

2012	2011		2012	2011
--------------- Units ---------------			Rupees '000	
-	5,034,614	ABL Cash Fund	-	50,492
-	500,439	Lakson Money Market Fund	-	50,534
-	150,000	MCB Islamic Income Fund	-	15,038
700,420	-	Askari Soverign Cash Fund	70,806	-
1,754,677	-	First Habib Cash Fund	177,295	-
1,962,913	-	HBL Money Market Fund	201,969	-
987,533	-	IGI Money Market Fund	100,239	-
2,024,839	-	MCB Cash Management Optimizer	202,715	-
498,107	-	Meezan Cash Fund	24,935	-
1,008,799	-	PICIC Income Fund	101,403	-
			879,362	116,064

16.1.1 The fair value of these investments is the Net Asset Value (NAV) as at June 30, 2012 as quoted by the respective Asset Management Company.

17. CASH AND BANK BALANCES

	Note	2012	2011
		Rupees '000	
Cash at bank			
- On PLS saving accounts	17.1	129,798	155,423
- On current accounts		89,549	54,581
Cash and cheques in hand		415	161
		219,762	210,165

17.1 At June 30, 2012 the mark-up rates on PLS saving accounts ranging from 5% to 10.80% (2011: 5% to 11.30%) per annum.

18. NET SALES

	2012	2011
	Rupees '000	
Local sales	10,038,613	8,311,061
Export sales	2,647,024	2,445,639
	12,685,637	10,756,700
Sales tax	(1,383,273)	(1,193,656)
Special excise duty	-	(93,131)
Federal excise duty	(664,343)	(915,992)
	(2,047,616)	(2,202,779)
	10,638,021	8,553,921

18.1 The revenue from customers which individually exceeded 10% of the net revenue, either in current year or prior year, amounted to Rs 2 billion, Rs 1.3 billion and Rs 0.03 billion (2011: Rs 1.9 billion, Rs 1.4 billion and Rs 1.3 billion) respectively.

18.2 Export sales comprise of sale made in the following regions:

	2012	2011
	Rupees '000	
Middle East Asia	1,961,303	1,882,010
Africa	538,191	446,592
Others	147,530	117,037
	2,647,024	2,445,639

	Note	2012	2011
		Rupees '000	
19. COST OF SALES			
Raw materials consumed		705,275	646,211
Packing materials consumed		699,998	663,606
Cement packaging and loading charges		17,857	17,526
Salaries, wages and benefits	19.1	751,486	582,731
Fuel		3,076,756	2,691,772
Electricity and water		1,520,706	1,647,920
Stores and spares consumed		318,950	270,187
Repairs and maintenance		73,857	51,449
Insurance		45,909	28,822
Vehicle running and maintenance		77,712	63,987
Travelling and entertainment		6,572	3,825
Communication		779	932
Printing and stationery		2,334	2,356
Security expenses		48,961	44,544
Depreciation		300,241	262,930
(Reversal of) / Provision for slow moving and obsolete stores, spares and loose tools		(1,247)	868
Other expenses		223	2,969
		7,646,369	6,982,635
Add: Opening work-in-process		328,384	221,139
Less: Closing work-in-process		(295,418)	(328,384)
Cost of goods manufactured		7,679,335	6,875,390
Add: Opening stock of finished goods		98,125	46,081
		7,777,460	6,921,471
Less: Closing stock of finished goods		(86,039)	(98,125)
		7,691,421	6,823,346

19.1 Salaries, wages and benefits include Rs 21.27 million and Rs 16.56 million (2011: Rs 21.03 million and Rs 13.23 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

20. DISTRIBUTION COST

	Note	2012	2011
		Rupees '000	
Salaries, wages and benefits	20.1	50,174	43,804
Handling and other export related expenses		216,475	206,709
Commission on local sales		134,123	-
Commission on export sales		42,391	50,210
Advertisement and sales promotion		364	695
PSI marking fee		10,639	8,559
Carriage outward			
- on local sales		9,743	9,410
- on export sales		235,270	189,784
Travelling and entertainment		4,772	2,404
Vehicle running and maintenance		793	723
Printing and stationery		27	226
Communication		175	126
Other expenses		179	286
		705,125	512,936

20.1 Salaries, wages and benefits include Rs 1.44 million and Rs 1.08 million (2011: Rs 1.72 million and Rs 1.06 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

21. ADMINISTRATIVE EXPENSES

	Note	2012	2011
		Rupees '000	
Salaries, wages and benefits	21.1	149,562	115,498
Travelling and entertainment		6,669	6,207
Vehicle running and maintenance		6,458	5,827
Depreciation		8,158	8,681
Rent, rates and taxes		8,255	7,945
Utilities		3,720	4,312
Communication		4,302	3,635
Insurance		3,237	9,279
Repairs and maintenance		3,141	2,942
Printing and stationery		4,787	4,568
Advertising		1,287	1,461
Subscription		1,282	744
Legal and professional charges		7,501	4,584
Auditors' remuneration	21.2	2,372	2,187
Donations	21.3	3,997	5,595
Training		616	320
Other expenses		6,233	2,580
		221,577	186,365

21.1 Salaries, wages and benefits include Rs 5.36 million and Rs 3.82 million (2011: Rs 5.61 million and Rs 3.14 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

21.2 Auditors' remuneration

	2012	2011
	Rupees '000	
Audit fee	1,200	1,100
Fee for review of half yearly financial statements and Statement of 'Code of Corporate Governance'	750	610
Taxation services	80	87
Other certifications, attestations and other services	100	90
Out-of-pocket expenses	242	300
	2,372	2,187

21.3 None of the Directors or their spouses had any interest in donees.

22. OTHER OPERATING EXPENSES

	Note	2012	2011
		Rupees '000	
Workers' Profits Participation Fund	5.2	107,749	55,610
Workers' Welfare Fund		11,424	21,112
		119,173	76,722

23. OTHER OPERATING INCOME

	2012	2011
Income from financial assets		
Interest income on:		
- deposit accounts	-	6,934
- PLS savings accounts	20,259	13,664
- security deposit with KESC	2,149	2,149
	22,408	22,747
Gain on sale of open ended mutual fund units	33,394	42,018
Gain on re-measurement of fair value of open ended mutual fund units	9,362	1,064
	42,756	43,082
Exchange gain	25,139	6,419
Income from non-financial assets		
Gain on disposal of operating assets	908	730
Others		
Export rebate	16,239	15,767
Scrap sales	7,036	14,638
Sales tax refund	21,416	-
Reversal of provision for Workers' Welfare Fund	9,563	-
Others	434	838
	145,899	104,221

	2012	2011
	Rupees '000	

24. FINANCE COST

	2012	2011
Mark-up on short term loan	-	1,587
Mark-up on running finance	130	6,176
Bank charges and commission	10,695	15,541
Interest on Workers' Profits Participation Fund	768	983
	11,593	24,287

25. TAXATION

	2012	2011
Current	226,662	382,000
Deferred	371,720	(31,943)
	598,382	350,057

25.1 Relationship between tax expense and accounting profit

	2012	2011
Profit before taxation	2,035,031	1,034,486
Tax at the applicable rate of 35%	712,261	362,070
Flood surcharge	-	24,500
Effect of final tax regime	(113,879)	(36,513)
	598,382	350,057

26. EARNINGS PER SHARE

	2012	2011
Profit after taxation	1,436,649	684,429
Number of ordinary shares outstanding at the end of year (in thousands)	86,595	86,595
Earnings per share	Rs 16.59	Rs 7.90

26.1 Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2012 and 2011 which would have any effect on the earnings per share if the option to convert is exercised.

27. CREDIT FACILITIES

The facilities for short term running finance available amounted to Rs 1.3 billion (2011: 1.23 billion). The rates of mark-up ranging between one month KIBOR minus 0.5% and 3 months KIBOR plus 0.25% (2011: one month KIBOR minus 0.5% and 3 months KIBOR plus 0.25%) per annum.

The facilities for opening letters of credit and guarantee as at June 30, 2012 amounted to Rs 3.23 billion (2011: Rs 3.17 billion) of which unutilised balance at year end amounted to Rs 2.67 billion (2011: Rs 2.61 billion).

The above arrangements are secured by way of charge over stocks and book debts and equitable mortgage of fixed assets.

28. CASH GENERATED FROM OPERATIONS

	2012	2011
	Rupees '000	
Profit before taxation	2,035,031	1,034,486
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	308,399	271,611
Gain on disposal of operating assets	(908)	(730)
Gain on sale of open ended mutual fund units	(33,394)	(42,018)
Gain on re-measurement of fair value of open ended mutual fund units	(9,362)	(1,064)
Interest income	(22,408)	(22,747)
Finance cost	11,593	24,287
	253,920	229,339
Profit before working capital changes	2,288,951	1,263,825
Effect on cash flow due to working capital changes		
(Increase) in current assets		
Stores, spares and loose tools	(77,398)	(695,847)
Stock-in-trade	1,685	(174,858)
Trade debts	(139,672)	4,594
Loans and advances	(9,636)	20,378
Short term deposits and prepayments	(2,113)	(1,251)
Other receivables	(10,490)	(18,583)
	(237,624)	(865,567)
(Decrease) / Increase in current liabilities		
Trade and other payables	(106,491)	295,060
	(344,115)	(570,507)
Cash generated from operations	1,944,836	693,318

29. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Executives	
	2012	2011	2012	2011	2012	2011
	Rupees '000					
Managerial remuneration	12,679	10,566	10,169	8,652	98,804	68,039
Housing allowance	4,438	3,698	2,300	3,439	33,161	25,486
Utility allowance	1,691	1,409	438	705	6,803	5,203
Bonus	6,339	4,350	4,247	3,550	60,703	26,045
Retirement benefits	2,122	1,719	1,676	870	18,549	12,695
Others	2,741	2,435	3,243	4,144	17,757	10,648
	30,010	24,177	22,073	21,360	235,777	148,116
Number of person(s)	1	1	2	2	76	57

The Chief Executive, Executive Directors and certain executives are provided with free use of company maintained cars and are also provided with medical facilities in accordance with their entitlements.

A sum of Rs 0.32 million (2011: Rs 0.32 million) was paid to a non-executive Director in respect of advisory services.

In addition to the above, fee to two non-executive directors during the year amounted to Rs 1.17 million (2011: Rs 1.12 million).

30. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

	2012	2011
	Rupees '000	
Holding company		
Dividend paid	509,568	236,585
Recovery of expenses	825	765
Associated companies		
Purchases of goods	253,639	216,235
Reimbursement of expenses	3,492	3,740
Reimbursement of staff cost on secondment	513	405
Recovery of expenses from related parties	8,832	8,152
Recovery of staff cost on secondment	1,055	763
Other related parties		
Payments made to retirement benefit funds	96,294	42,686
Key management compensation		
Salaries and other short-term employee benefits	59,340	53,054
Post-employment benefits	4,275	3,429

The related party status of outstanding balances as at June 30, 2012 is included in other receivables, loans and advances and trade and other payables.

31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

31.1 Financial risk factors

The company's activities expose it to variety of financial risks namely market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

31.2 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	Total
	Rupees '000						
Financial assets							
Loans and receivables							
Loans and advances	-	-	-	28,202	24,348	52,550	52,550
Deposits	-	42,980	42,980	3,288	-	3,288	46,268
Trade debts	-	-	-	190,444	-	190,444	190,444
Interest accrued	-	-	-	2,149	-	2,149	2,149
Other receivables	-	-	-	36,493	-	36,493	36,493
Cash and bank balances	129,798	-	129,798	89,964	-	89,964	219,762
Long term investment	-	-	-	-	4,500	4,500	4,500
Fair value through profit or loss							
Investments	-	-	-	879,362	-	879,362	879,362
June 30, 2012	129,798	42,980	172,778	1,229,902	28,848	1,258,750	1,431,528
June 30, 2011	155,423	42,980	198,403	276,630	20,737	297,367	495,770
Financial liabilities							
At amortised cost							
Trade and other payables	-	-	-	1,205,215	-	1,205,215	1,205,215
June 30, 2012	-	-	-	1,205,215	-	1,205,215	1,205,215
June 30, 2011	-	-	-	1,004,995	-	1,004,995	1,004,995
On balance sheet date gap							
June 30, 2012	129,798	42,980	172,778	24,687	28,848	53,535	226,313
June 30, 2011	155,423	42,980	198,403	(728,365)	20,737	(707,628)	(509,225)

a) Market Risk

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2012, the company is not exposed to interest rate risk as company's significant interest bearing assets are on fixed interest rates.

(ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. At June 30, 2012, trade and other payables of Rs 79.04 million (2011: Rs 35.26 million) and trade debts of Rs 74.54 million (2011: Rs 6.10 million) are exposed to foreign currency risk.

As at June 30, 2012, if the Pakistan Rupee had weakened / strengthened by 9% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs 0.42 million (2011: Rs 2.74 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables, and trade debts.

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

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund, or its management company.

The company limits price risk by maintaining a diversified portfolio and by continuous monitoring of developments in open ended income funds. In addition, the company actively monitors the key factors that affect the open ended income funds. The maximum exposure to price risk as at June 30, 2012 amounts to Rs 879 million (2011: Rs 116 million).

As at June 30, 2012, if the prices of the open ended income funds had increased / decreased by 1% with all other variables held constant, profit before tax for the year would have been higher / lower by Rs 8.79 million (2011: Rs 1.16 million), mainly as a result of gains / losses on open ended income funds classified as fair value through profit and loss.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs 1,432 million the financial assets exposed to the credit risk amounts to Rs 1,427 million. The carrying values of financial assets which are neither past due nor impaired are as under:

	2012	2011
	Rupees '000	
Trade debts	190,444	50,772
Deposits, loans, advances and other receivables	137,875	114,430
Investments at fair value through profit or loss	879,362	116,064
Bank balances	219,347	210,004
	1,427,028	491,270

Trade debts of the company are not exposed to significant credit risk as the company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2012, secured and unsecured trade debts amounted to Rs 167 million and Rs 23 million (2011: Rs 41 million and Rs 10 million) respectively. Moreover, there is no past due or impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs 43 million are maintained with The Karachi Electric Supply Company Limited (KESC) and advances to employees amounting to Rs 53 million (2011: Rs 38 million) are secured against their retirement benefits.

The fair value through profit or loss investments represent investments in open ended mutual funds. The company manages its credit and price risk by investing in income based diversified mutual funds.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by PACRA or JCR-VIS.

c) Liquidity risk

Liquidity risk reflects the company's inability in raising funds to meet commitments. The company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. As at June 30, 2012 there is no maturity mismatch between financial assets and liabilities that expose the company to liquidity problems as described in maturity table.

d) Fair values of the financial instruments

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

31.3 Capital Risk Management

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

The company finances its operations and manages its working capital through equity.

32. CAPACITY AND PRODUCTION

	2012	2011
	(Metric tons)	
Production capacity		
- Clinker	1,710,000	1,710,000
- Cement	1,795,500	1,795,500
Actual production		
- Clinker	1,756,843	1,819,458
- Cement	1,849,176	1,862,201

33. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 15, 2012 proposed a final cash dividend of Rs 6.00 per share (2011: Rs 4.50 per share) amounting to Rs 519.6 million (2011: Rs 389.7 million) and proposed a transfer of Rs 129.9 million from "unappropriated profit" to "reserve for issuance of bonus shares" (2011: Rs Nil) for issuance of three bonus shares for every twenty shares held (2011: Nil) subject to the approval of the company in the forthcoming annual general meeting.

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on September 15, 2012.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Six years at a Glance

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
	Rupees in million unless otherwise stated					
Production and Sales						
Clinker production (in tonnes)	1,756,843	1,819,458	1,706,299	1,678,619	1,359,766	1,314,666
Capacity utilization %	103	106	100	98	80	76
Cement production (in tonnes)	1,849,176	1,862,201	1,792,619	1,721,665	1,364,511	1,234,878
Cement sales (in tonnes)	1,855,472	1,849,851	1,807,077	1,719,162	1,359,487	1,228,793
Profit & Loss						
Net sales	10,638	8,554	7,668	8,510	5,001	4,560
Cost of sales	7,691	6,823	5,710	5,801	3,887	3,006
Gross profit	2,947	1,731	1,958	2,709	1,114	1,555
Other income	146	104	262	167	28	23
Operating profit	2,047	1,059	1,466	2,108	829	1,295
Profit before tax	2,035	1,034	1,388	1,989	675	1,193
Profit after tax	1,437	684	1,017	1,493	435	796
Balance Sheet						
Paid-up capital	866	866	866	722	722	722
Unappropriated profit	5,763	4,932	4,529	4,043	2,785	2,674
Long term & deferred liabilities	938	566	598	1,059	1,359	1,377
Current liabilities	1,335	1,378	1,065	1,136	980	1,012
Fixed assets less depreciation	5,472	5,332	4,202	4,144	4,333	4,443
Other long term assets	72	64	64	67	58	57
Current assets	3,358	2,347	2,793	2,762	1,480	1,285
Key Financial Ratios						
Gross profit %	27.70	20.23	25.53	31.83	22.28	34.10
Operating profit %	19.24	12.38	19.12	24.77	16.58	28.40
Net profit after tax %	13.51	8.00	13.26	17.54	8.70	17.46
Return on equity %	21.68	11.80	18.85	31.24	12.32	23.45
Return on capital employed %	30.88	18.26	24.46	36.12	16.95	27.13
No. of days in inventory	25.59	28.94	23.40	38.63	38.40	33.57
No. of days in receivables	6.53	2.17	2.64	1.99	3.58	1.59
Fixed assets turnover ratio (times)	1.94	1.60	1.82	2.05	1.15	1.03
Current ratio (times)	2.52	1.70	2.62	2.43	1.51	1.27
Price earning ratio (times)	4.91	6.20	5.62	4.06	12.79	11.07
Dividend yield ratio %	9.58	9.18	7.57	7.14	1.95	3.69
Dividend payout ratio %	51.23	56.96	42.59	29.00	24.88	40.77
Dividend cover ratio (times)	1.95	1.76	2.35	3.45	4.02	2.45
Debt: equity ratio	-	-	-	0.13	0.23	0.29
Interest cover ratio (times)	176.54	43.59	18.88	17.60	5.38	12.69
Shares and Earnings						
Market price / share as at June 30 (Rs.)	81	49	66	70	77	122
Earnings per share (Rs.)	16.59	7.90	11.74	17.24	6.03	11.02
Cash dividend per share	8.5	4.5	5.0	5.0	1.5	4.5
Bonus shares issued %	15	-	-	20	-	-
Break-up value per share	76.55	66.96	62.31	66.21	48.99	47.06

Pattern of Shareholding As on June 30, 2012

No. of Shareholders	Shareholdings From	To	Total Shares Held
215	1	100	5,879
178	101	500	53,790
228	501	1000	158,129
207	1001	5000	483,531
58	5001	10000	427,204
22	10001	15000	265,099
11	15001	20000	201,481
6	20001	25000	135,184
8	25001	30000	236,500
4	30001	35000	135,334
6	35001	40000	233,780
2	40001	45000	86,957
3	45001	50000	146,948
1	55001	60000	57,992
2	65001	70000	140,000
1	70001	75000	70,305
1	75001	80000	78,754
3	80001	85000	250,500
2	90001	95000	187,500
5	95001	100000	494,768
2	105001	110000	218,203
1	110001	115000	112,500
1	125001	130000	129,570
1	130001	135000	132,818
3	145001	150000	447,600
1	155001	160000	160,000
1	160001	165000	160,755
2	180001	185000	366,310
1	190001	195000	192,500
1	205001	210000	209,496
1	230001	235000	234,725
1	255001	260000	257,496
1	265001	270000	266,193
1	295001	300000	300,000
1	310001	315000	313,207
1	325001	330000	326,599
1	330001	335000	332,601
1	390001	395000	391,536
1	395001	400000	396,500
1	405001	410000	406,896
1	495001	500000	500,000
1	595001	600000	600,000
1	625001	630000	626,521
1	675001	680000	677,112
1	995001	1000000	1,000,000
1	1190001	1195000	1,191,240
1	72700001	72800000	72,795,426
994			86,595,439

	Categories of shareholder	Shares held	Percentage
1	DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDERN	11	0.00
2	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-	0.00
3	EXECUTIVES	-	0.00
4	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL AND MODARABAS	1,797,573	2.08
6	MUTUAL FUNDS	2,961,637	3.42
7	SHAREHOLDERS HOLDING 5% OR MORE	72,795,426	84.06
8	OTHERS		
	- Institutions	2,823,328	3.26
	- Public sector companies	1,967,352	2.27
	- Individuals	4,250,112	4.91
		86,595,439	100

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

Total Paid-up Capital of the Company	86,595,439	Shares
5% of the paid-up capital of the Company	4,329,772	Shares

Name of Shareholders	Description	No. of Shares held	Percentage
Pharaon Investment Group Limited, Holding S.A.L. Beirut, Lebanon	Falls in Category # 7	72,795,426	84.06

No Shares were transacted by the Chief Executive, Directors, Executives and their spouses and minor Childern from July 01, 2011 to June 30, 2012 in the shares of the Company.

However, on July 18, 2012 the Chief Executive of the Company has purchased 100,000 ordinary shares of the company. The transaction has been duly advised to the Karachi Stock Exchange vide letter dated July 19, 2012 to meet the requirements of Regulation No. 16(6) of the Listing Regulations of Karachi Stock Exchange.

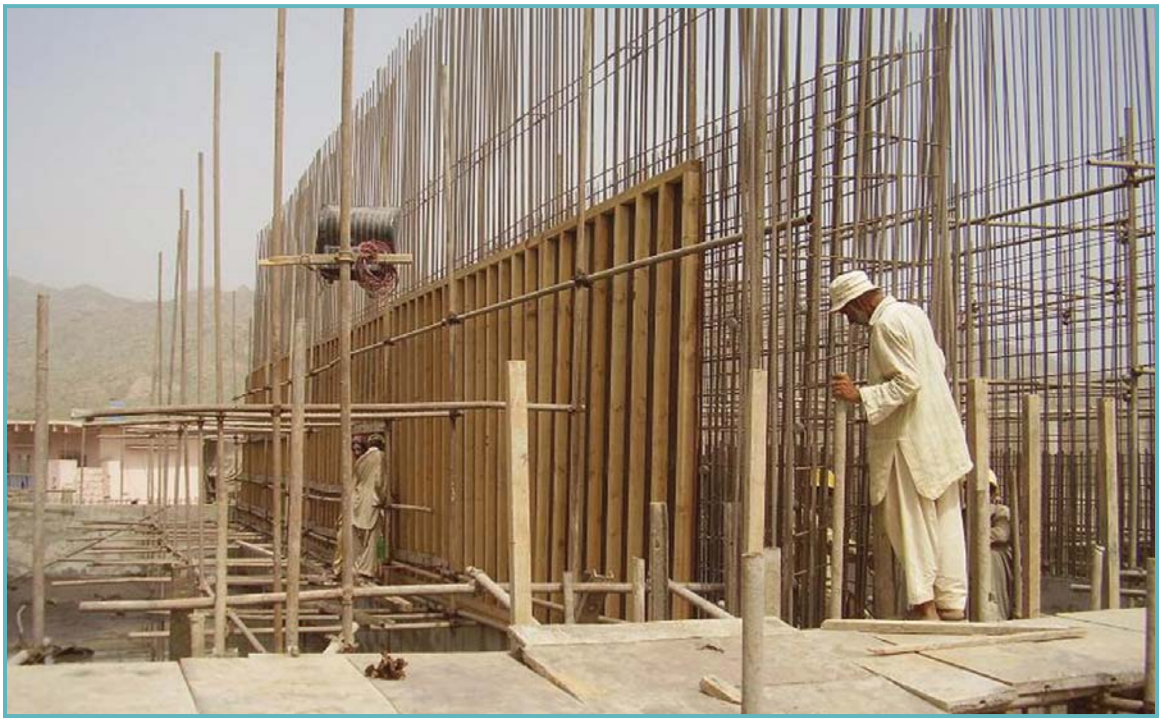
Events of the Year

32nd Annual General Meeting

Annual Sales Convention

Long Service Award Ceremony

Alternate Fuel Project



Form of proxy

33rd Annual General Meeting of Attock Cement Pakistan Limited

I/We ______________________________

of. ______________________________

being a member(s) of Attock Cement Pakistan Limited holding ______________________________

ordinary shares as per share register folio No. ______________________________ or CDC participant ID No. and

sub-account No. ______________ hereby appoint ______________________________

of ______________________________ Or failing him / her ______________________________ of

______________________________ as my / our Proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company to be held on October 19, 2012 and at any adjournment thereof.

Signed this ______________________________ day of ______________________ 2012.

____

Signature

(Signature must agree with the specimen signature registered with the Company)

Witness:

1. Name: ______________________________
   Address: ______________________________
   CNIC / Passport No. ______________________________

2. Name: ______________________________
   Address: ______________________________
   CNIC / Passport No. ______________________________

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, D-70, Block-4, Kehkashan-5, Clifton, Karachi-75600, not less than 48 hours before the time of holding the meeting and must be duly signed and witnessed.

2. A Proxy need not be a member of the Company.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

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

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

3. The proxy shall produce his/her original passport at the time of the meeting.

4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

Attock Cement Pakistan Limited
D-70, Block-4, Kehkashan-5 Clifton, Karachi-75600
Tel: (92-21) 35309773-4 UAN: (92-21) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Website: www.attockcement.com

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