Attock Cement
Pakistan Limited

FALCON CEMENT

25 YEARS of

Growing Strong

Annual Report 2013

Growing Strong

The Journey Of Attock Cement Started From The Year 1981 And The Company Started Its Commercial Production From 1988. In 25 Years The Company Has Shown A Steady Growth Despite The Most Adverse Circumstances. ACPL Has Attained New Peaks Every Year Through Strong Team Efforts & Continuous Modernisation Of Plant To Improve Its Efficiencies And With Continous Hardwork. ACPL Has Cemented Its Place Not Only In The Local Market But Also In The Regional Markets Though Selling Quality Products.

Growing Strong

2013 — **Record Sales In Value**

2013 — **RecordP rofitability**

2013 — Corporate Excellence Award

2013 — Installation of Alternate Fuel System

2012 — Registration with UNFCCC for Carbon Reduction

2012 — Record Despatches 1,855,472 Tons

2010 — Waste Heat Recovery Project for generation of 12 MW Power

2008 — CSR- Construction of TCF School-Dr. Rachad Pharaon Campus

2006 — ISO certification 14001:2004

2006 — Installation of Line - 2

2003 — Installation of Coal Firing Plant

2002 — Listed at Karachi Stock Exchange

2002 — ISO certification 9001:2008

1994 — Enhancement of Capacity of Line-1 to 2,400 Mtons per day

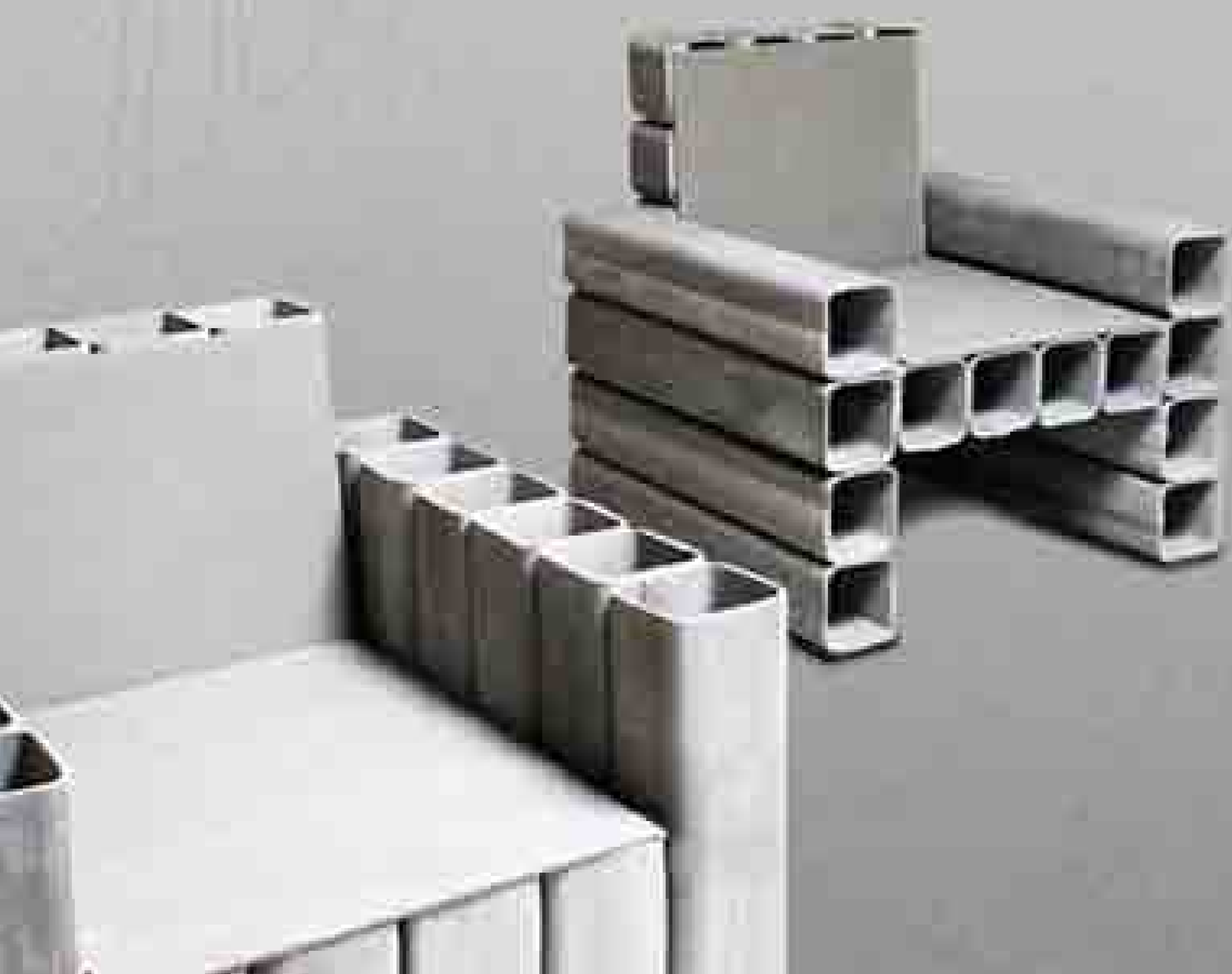
1988 — Commencement of Production of Line-1 2,000 Mtons per day

1981 — Incorporation of Company

Contents

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
Fakhrul Islam Baig
Babar Bashir Nawaz

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

Fakhrul Islam Baig

Babar Bashir Nawaz

FALCON is a trusted brand in the commercial markets of PAKISTAN due to its Premium Quality and Service. Our contribution and involvement in mega projects prove that our products are the first and foremost choice of quality conscious consumer. FALCON has been a cementing force in the major projects in and around Karachi.

Growing Strong with

Achievements

Core

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.

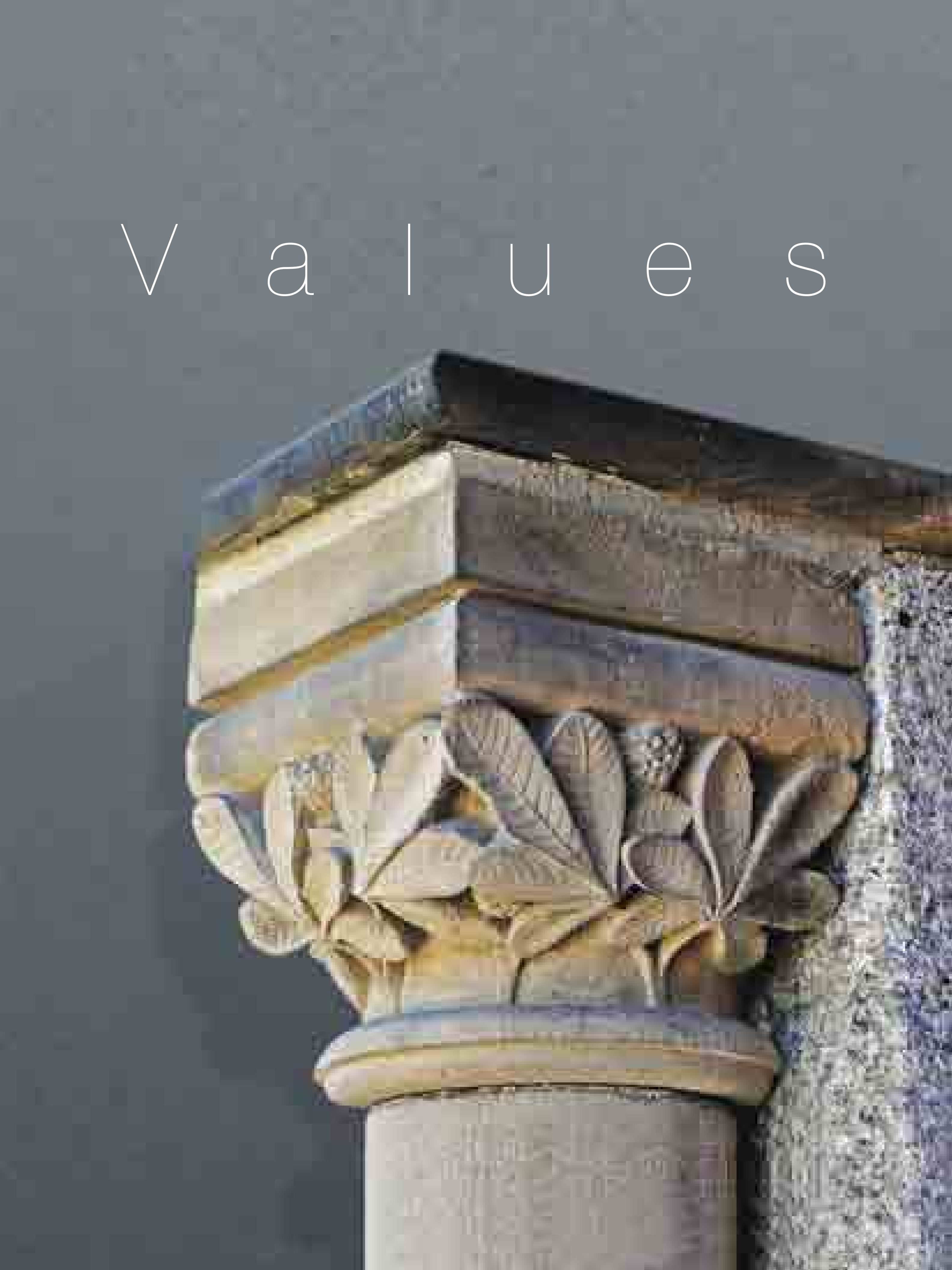
People

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.

Values



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 endeavour 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.

During the year, the company successfully registered its WHRS with United Nations Framework Convention on Climate Change (UNFCCC) for reduction in carbon emissions.

Whistle Blowing

Policy Statement

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the company polices, any misuse of company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate polices to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation. The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

All Executives have signed a code of conduct and the Company takes any deviation very seriously.

The Company encourages Whistle Blowing System to raise the issue directly to Chief Executive and / or to the Company Secretary provided that:-

- The Whistleblower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his own end;
- The Whistleblower understands that his act will cause more good than harm to the Company and he/ she is doing this because of his loyalty with the Company; and
- The Whistleblower understands the seriousness of his /her action and is ready to assume his / her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal.

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 783 employees as at June 30, 2013. 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.

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 2015.

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

Attock Cement believes in hiring Quality Manpower to run its' technical and commercial operations in the utmost professional manner. We term Attock as a family rather than an organization. The growth of the company goes side by side with this family. The company follows the principle of investing in the future of employees and training them in such a way that they can assume leadership roles of tomorrow.

Growing Strong with a

Team for Success

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 are 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.

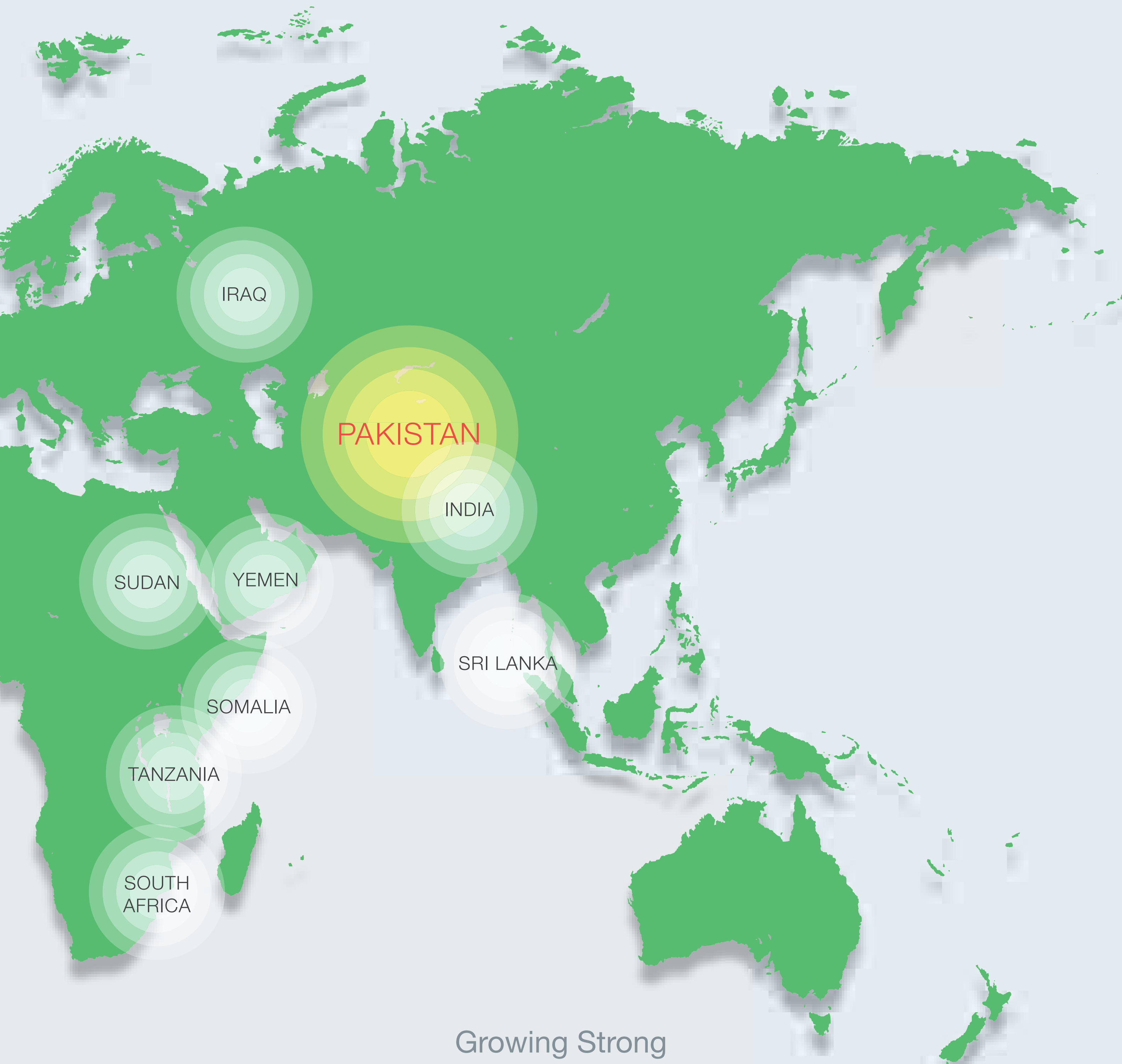
Budget Committee

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.

The Management all the time striving to make FALCON as brand not only in the local market but also in regional markets. During the current year, the Company exported 483,831 MTons to the markets of IRAQ, SRILANKA & SOUTH and EAST AFRICAN MARKETS.



Growing Strong

Beyond Borders

Chairman's Review

بسم اللّٰه الرّحمن الرّحيم

I welcome you all in the 34th Annual General Meeting of the Company.

Overview of the Economy

The year 2012-2013 was relatively a tough year for Pakistan's economy with continuous power and gas outages and highly explosive law and order challenges which gripped the economy in a very serious and uncertain situation. However, despite such an uncertain situation, the economy showed great resilience and showed a growth of around 3% which is highly impressive under the given circumstances. The year 2012-2013 was election year and during most part of the year political situation affected the economy but even then the commercial activities remained reasonably good.

On a positive side, during the year, inflation fell significantly resulting a lower bench mark interest rate and performance of Large Scale Manufacturing Sector, Construction and Mining Sector remained satisfactory. However, other sectors of the economy like Service and Agriculture could not perform as expected and thus affected the overall GDP growth.

Pakistan, as a country, still has lot to offer to the investors and economy has the potential to grow at 6% - 7% if the country overcomes the energy crisis. It is very heartening to learn that the new government is fully focused on this issue and hopefully this matter will be resolved in next 2-3 years which will contribute significantly towards the economic prosperity of the country.

Industry Review

During the year under review the total cement capacity of the country remained at the level of 44.8 million tones; local demand for the year was recorded at 25 million tones showing a marginal increase of around 5% over the corresponding period while exports were recorded at 8 million tones. Following devastating floods that hit the country in 2011, the Pakistan's local demand has been witnessing gradual gains. However, any future increase in local demand would require higher infrastructure related government spendings.

Over the years, Pakistan Cement Industry has largely been dependent upon exports to attain a decent level of capacity utilization and it seems that this trend would remain continue in foreseeable future also due to lack of investment in housing and construction sector by both the private and public sector investors. To keep the momentum going the industry needs to control the higher energy cost by investing in capital incentive cost efficient projects. At present, the industry has marked its presence strongly in the markets of Afghanistan, Sri Lanka, Iraq, South Africa, East Africa and in some of the GCC countries and is deriving at least 25% of its consumption from these markets. This effort is by all means commendable as these exports are without any encouragement or support from the government in the form of subsidy.

In the recently announced Federal Budget, the Government has kept a record Public Sector Development Budget together with an announcement of building 1000 housing colonies with 500 units each and this may prove to be a trigger point for the revival of industry and may contribute positively towards the overall local consumption however it has to be seen as to how much fiscal space will be available with the Government to initiate and complete these ambitious projects and programs. The demand side of the equation may get affected because of imposition of GST on retail prices of the cement.

Operational & Financial Performance

But despite uncertain business environment, unpredictable market conditions, energy outages and poor law and order situation the Company was able to elbow its way to overall productivity and profitability. The Company as a whole achieved an overall rated clinker production capacity of 104% and sold 1,845,881 tons of cement. Out of this the share in local market was 74% and 26% of the quantity exported to Iraq, Sri Lanka and South Africa. The Company managed its sales mix in such a manner that overall net retention of the company improved by 10% as compared to previous year.

On the cost side of the equation, the WHRS effectively contributed towards managing rising electricity cost and efficient purchase of coal enabled the company to keep its overall fuel cost at an affordable level resulting only a marginal increase of 4% in the overall production cost. This combination of higher net retention and effective control over the production cost enabled the company to post the record profit after tax for the year under review.

Acknowledgement

The Company deeply acknowledges and express its gratitude for the efforts and dedication of its management and non management staff and also acknowledges the support it has received from both the Federal and Provincial Governments and from its customers and suppliers.

Dr. Ghaith R. Pharaon
Chairman

August 15, 2013
Islamabad, Pakistan

Directors' Report

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

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, 2013.

PRODUCTION & SALES STATISTICS

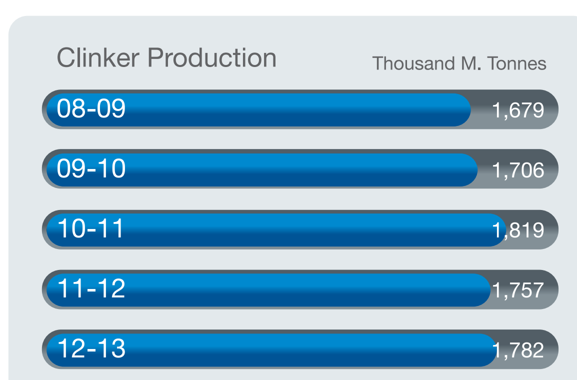
During the year 2012-2013, the Company achieved production of over 100% of its rated capacity both in line 1 and line 2. Despatches were in line with the last year's despatches as the company, by the grace of Allah, continued to sell 100% of its production both in domestic and in regional markets. This achievement is commendable as the law and order situation in local markets especially in the core of market of Karachi was not conducive and in regional market stiff competition is being faced by the company because of surplus available in regional countries. The detailed data has been enumerated in the table below along with comparison with previous year:

	2012 – 2013	2011 – 2012
	-------- QTY IN TONS --------	
Clinker Production	1,781,569	1,756,843
Cement Production	1,843,591	1,849,176
Cement Dispatches	1,845,881	1,855,472
Capacity Utilization	104%	103%

During the year under review, the company achieved an average rated capacity of 104%, with line 1 operating at 108% of its rated capacity and Line 2 operating at 101% of its rated capacity.

During the year under review the Company sold 1,362,050 MTons (2011-12: 1,337,480 MTons) of Cement in the local market showing a growth of 2% as compared to previous year. Local despatches showed steady progress despite highly uncertain economic and political conditions, energy crisis, poor law and order situation and significant slowdown in the overall economic activities due to election year.

The balance quantity of 483,831 M tons was exported to the regional markets of Iraq, Sri Lanka and South Africa. While every effort was made to maximize local sales especially in the core market of Karachi, the Company still had to rely on exports for about 26% of its total sales even though prices in export markets were significantly lower compared to the local market. However, over the last couple of years the Company has managed its sales mix in such a manner that it can achieve maximum sales revenue and also achieve 100% capacity utilization.



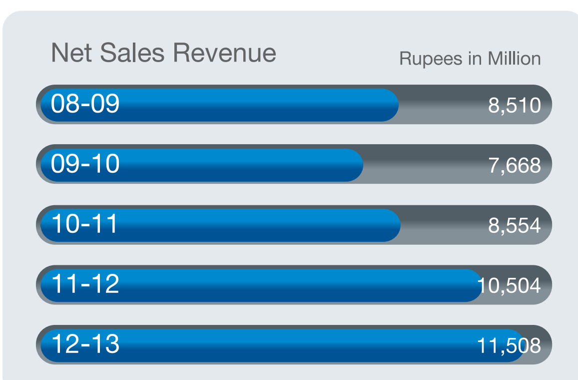
FINANCIAL PERFORMANCE

A comparison of the key financial results of your Company for the year ended June 30, 2013 with the same period last year is as under:

	2012 – 2013	2011-2012	Increase	Increase
	------------------ Rs. In Million ------------------			%
Net Sales	11,508	10,504	1,004	10%
Gross Profit	3,535	2,812	723	26%
Profit Before Tax	2,676	2,035	641	31%
Profit After Tax	2,136	1,437	699	49%
EPS in Rupees	21.45	14.43	7.02	49%

(i) Sales Performance

The overall sales revenue increased by Rs. 1,004 million (10%) as compared to the previous year. This is mainly attributable to increase in average net retention by Rs. 573 (10%) per ton of cement sold as compared to same period last year.



(ii) Profitability

Company earned a net profit after tax of Rs. 2,136 million as compared to Rs. 1,437 million earned during the corresponding period, showing a significant increase of Rs. 699 million (49%). The gross and operating margins also improved from 27% and 19% to 31% and 23% respectively.

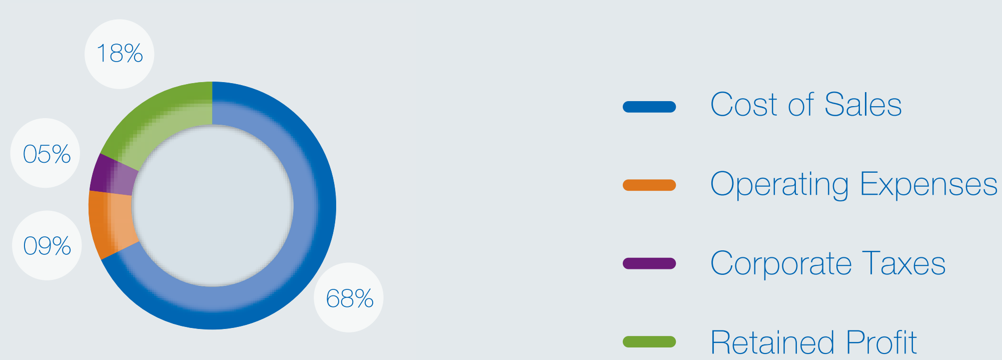
Besides improvement in net retention which contributed significantly towards increase in net profit and margins the other main factors are as follows:

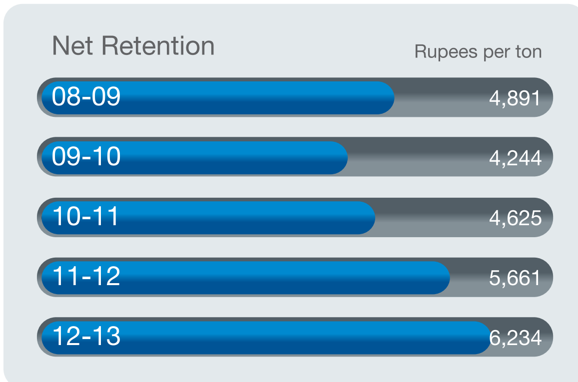
- The average coal prices reduced from US $ 106 per ton C&F Karachi to US $ 99 per ton C&F Karachi contributing favourably towards the overall production cost. However this effect was partially offset because of constant devaluation of PKR against US Dollar.

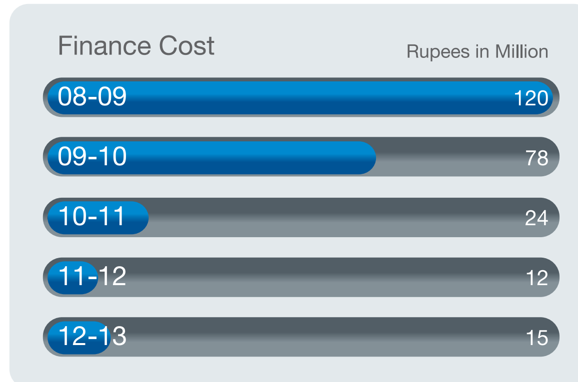
- Another significant contribution towards production cost was generation of 64.8 million units of electricity free of cost from the company's Waste Heat Recovery System which was under first full year operation. This free electricity to the extent of 25% of company's requirement also played a major role in ensuring that overall production cost remain under control.

The Management is striving to ensure that all the relevant cost parameters should remain under constant watch and any abnormality in any of the cost structure to be addressed immediately. However, constant rupee devaluation and resulting higher inflationary impact poses a threat to the overall margins in months to come.

Distribution of Total Revenue





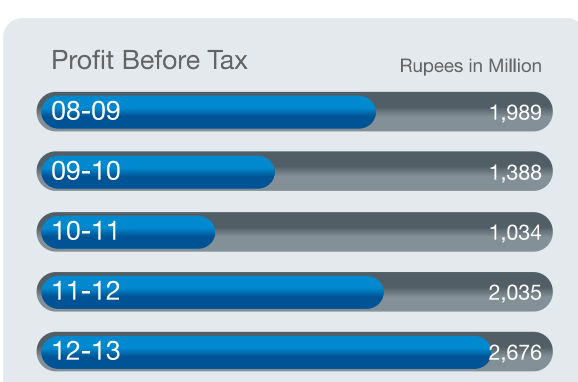


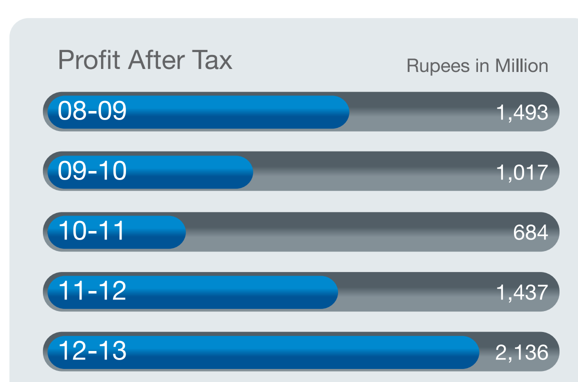
(iii) Appropriation

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

	2013	2012
	-------------- Rs in '000	--------------
Profit after tax	2,136,085	1,436,649
Un-appropriated profit b/f	5,762,938	4,932,457
Profit available for appropriation	7,899,023	6,369,106
Appropriation:		
Bonus Shares for the year 2012:		
15% bonus shares (2011: Nil)	(129,893)	-
Final Cash Dividend paid for the year 2012:		
Rs. 6.0 per share (2011: Rs. 4.5 per share)	(519,573)	(389,679)
Interim Cash Dividend paid for the year 2013:		
Rs. 3.0 per share (2012: Rs. 2.5 per share)	(298,754)	(216,489)
Un-appropriated profit c/f	6,950,803	5,762,938

The Board of Directors in their meeting held on August 15, 2013 proposed a final cash dividend of Rs 10.00 per share (2012: Rs 6.00 per share) amounting to Rs 995.85 million (2012: Rs 519.6 million) and proposed a transfer of Rs 149.38 million from "unappropriated profit" to "reserve for issuance of bonus shares" (2012: Rs 129.9 million) for issuance of three bonus shares for every twenty shares held (2012: three bonus shares for every twenty shares held) subject to the approval of the Company in the forthcoming annual general meeting.





CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 2,588 million during the year to the national exchequer on account of payments towards Sales Tax, Income tax, Excise duty and statutory levies. An amount of approximately Rs. 231 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$ 25 million during the year under review from export sales.

MARKETING

The year 2012-2013 was again a 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 and unstable political conditions. This coupled with the energy crisis, non availability of local government system and lower spending from the government on development program made it difficult to maintain the sales in the local market.

Despite the above challenges, the Company by the grace of Almighty Allah and with the support of our customers was able to achieve a capacity utilization of 103% as against an industry average capacity utilization of 75%.

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 availability 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 keeps the staff motivating but also attracts 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.

CORPORATE SOCIAL RESPONSIBILITY

As a Company, ACPL, is committed to contribute towards the improvement of environment and to the welfare of the communities residing in and around the area where the production facilities of the company are situated. The company fully realizes that it cannot have a healthy and growing business unless the communities we serve are healthy and sustainable. The Company continues to invest 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 supported TCF school is providing quality education to the children of local communities almost free of cost and its fully equipped state of the art medical centre, alongwith team of qualified doctors and health workers is providing round the clock services to the local communities. Besides this the company sponsored medical and eye camps are also contributing towards improvement of health of local population.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

The Company is taking 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 environment 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 presents 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)	352	December 2012
Gratuity Funds (unaudited)	145	June 2013
Pension Funds (unaudited)	210	June 2013

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		No. of meetings attended
1.	Dr. Ghaith R. Pharaon	Chairman/ Non Executive Director	5
2.	Mr. Laith G. Pharaon	Non Executive Director	5
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	3

*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.

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 five (5) meetings of the Audit Committee were held. Attendance of Members of Audit Committee is as follows:

No.	Name of the Members		No. of meetings attended
1.	Mr. Abdus Sattar	Chairman / Independent Director*	5
2.	Mr. Shuaib A. Malik	Non Executive Director	5
3.	Mr. Fakhrul Islam Baig	Executive Director	4

*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.

k) During the year only one director was required to attend the director's training program. However, the same could not take place due to his preoccupation. All other directors are either exempted or have attended the required training in prior year.

l) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2012-2013 have been given on page 84.

m) The key operating and financial data for the last 6 years is set out on page 82.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2013 is given on page 83.

AUDITORS

The retiring auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 34th Annual General Meeting and offer themselves for reappointment. The Board 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

*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.

Terms of Reference of Audit Committee

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 of 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 Human Resource 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

*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.

Terms of Reference of HR & Remuneration Committee

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 COO or CEO.

PROJECTS

Grinding Unit in Basra, Iraq

The company is installing a Cement grinding unit in Basra, Iraq with a capacity of 900,000 MTons per annum. The technical and financial studies have been completed. The company has applied for necessary approval both at State Bank of Pakistan and before Basra Investment Commission. Subject to regulatory approvals the work on project will hopefully commence during first half of 2014.

Alternate Fuel Project

The Company has installed an Alternate Fuel project which has commenced operation from May 2013. With the help of this modern European Plant, the company is now able to smoothly replace the primary fuel coal with alternate fuels like Municipal Waste, shredded Tyres, and Biomass. With the use of alternate fuel, the company would be able to reduce its production cost to some extent.

Certified Emission Reductions (CER's)

During the year, Waste Heat Recovery System (WHRS) has been registered with United Nations Framework Convention on Climate Change (UNFCCC) as a Clean Development Mechanism (CDM) project for qualification of Carbon Emission Reductions (CERs).

ACPL's project is one of the few projects of Pakistan which has been registered with UNFCCC after passing through their stringent requirements for registration.

The CDM allows emission-reduction projects in developing countries to earn Certified Emission Reduction (CER) credits, each equivalent to one (01) ton of CO_2. These CERs or Carbon Credits can be traded and sold in the Carbon Trade Exchanges and are used by developing nations to finance their industrial projects to reduce carbon emissions.

FUTURE OUTLOOK

Pakistan's domestic consumption is expected to grow at a steady pace over the next few years. The new Government formed after the elections has a lot of challenges, foremost among them being the energy crisis, rising poverty level and poor law and order situation. All these challenges can only be overcome through the proper and efficient management of the economy and therefore we expect that the Government would concentrate on achieving higher GDP growth which in turn

would help the cement sector to grow in tandem. The key factors which will increase the local cement consumption up to 30 million tons by June 2015 will be the housing sector, government led infrastructure projects and flood reconstruction projects. However, immediate threats to hamper the economy are poor law and order situation and energy crisis and management is hopeful that new government would tackle these issues on priority basis. The important measures announced in the Federal Budget has though indicated that Government is giving top priority to construction sector and has allocated Rs. 1,155 bn for PSDP besides announcing construction of 1000 housing colonies with each colony consist of 500 houses of 3 marla over a period of next 3 years under its housing scheme. These factors would contribute towards an increase in the overall consumption of cement in the country during the years to come.

On export side, new challenges are rising. With the influx of cheap Iranian cement in Iraq, the company's main export market, the prices have become highly unattractive. The Company has successfully explored the markets of Sri Lanka and South Africa and is diverting almost 40% of its exportable quantities into these markets. However, the company is looking forward to find out few more export destinations in order to diversify its exports and reduce its dependency on any single market.

As far as cost control measures are concerned, the company's Alternate Fuel Project has commenced its operation and hopefully it would further reduce the fuel cost which would partially contribute towards reduction in production cost. The company is actively considering other capital intensive cost cutting-projects in order to remain competitive on this front.

The management is fully aware of challenges and making every effort to holding strong and makes steady progress both in terms of despatches and overall profitability.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

August 15, 2013
Islamabad, Pakistan

Notice of the Thirty-Fourth (34th) Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of Attock Cement Pakistan Limited will be held on Monday, September 30, 2013 at 2:30 p.m. at Karachi Marriott Hotel to transact the following:

1. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2013 together with the Report of Auditors and the Directors thereon.

2. To consider and if thought fit, approve the final cash dividend of 100% (Rs. 10.00 per share) as recommended by the Board of Directors for the year ended June 30, 2013. This is in addition to the interim cash dividend of 30% (Rs. 3.00 per share) already paid during the year.

3. To appoint the auditors for the financial year 2013-2014 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. 149,377,130 (Rupees One Hundred Forty Nine Million Three Hundred Seventy Seven Thousand One Hundred Thirty Only) be capitalized out of the un-appropriated profits of the company and applied towards the issue of 14,937,713 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 in the books of the company on September 19, 2013 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 100% for the year ended June 30, 2013.

   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), a non-profit organization.

   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. To approve an increase in the authorized share capital of the Company, and in this connection to pass the following resolution as and by way of a Special Resolution:

   "RESOLVED THAT the authorized share capital of the Company be and is herby increased from 1,250,000,000 (Rupees One Thousand Two Hundred Fifty Million) to 2,000,000,000 (Rupees Two Thousand Million) by creation of 75,000,000 ordinary shares of Rs. 10 each; that the new shares shall rank pari passu in all respects with the existing ordinary shares in the capital of the Company.

   FURTHER RESOLVED THAT the Memorandum of Association of the Company be altered by substituting for Clause V, with the following new Clause:

“The authorized share capital of the company is Rs. 2,000,000,000 (Rupees Two Thousand Million) divided into 200,000,000 ordinary shares of Rs.10 each.

FURTHER RESOLVED THAT Chief Executive of the Company and Company Secretary be and are hereby jointly and singly authorized to complete all the legal and corporate formalities for the said increase in the Authorized Capital of the company and authenticate the Resolution.”

A statement under Section 160(1)(b) of the Companies Ordinance, 1984, pertaining to the above motioned Special Business is being enclosed with this notice.

6. 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 27(I)/2012 dated January 16, 2012 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 27(I)/2012 DATED JANUARY 16, 2012 is being enclosed with this notice.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 06, 2013

Notes:

1. The Register of members and share transfer books of the Company will remain closed from Friday September 20, 2013 to Monday September 30, 2013 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on September 19, 2013 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 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) Ltd., Dagia House 241-C, Block-2, PECHS, Off: Shahra-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 the cash dividend in their bank account, if any, declared by the company in future. If you wish that the cash dividend if declared by the company be directly, credited into your 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 nominees 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 SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning the special business to be transacted at the Annual general meeting of the Company to be held on September 30, 2013 pertaining to increase in authorized share capital of the Company.

At present the authorized share capital of the Company is Rs. 1,250,000,000 (Rupees One Thousand Two Hundred Fifty Million) divided into 125,000,000 shares of Rs. 10/- whereas the paid up share capital is Rs 995,847,550 (Rupees Nine Hundred Ninety Five Million Eight Hundred Forty Seven Thousand Five Hundred Fifty) divided into 99,584,755 shares of Rs. 10/- each. The difference in Authorized and paid up capital is only around Rs 254 million (Rupees Two Hundred Fifty Four Million). The Board of Directors in their meeting held on August 15, 2013 have declared 15% bonus shares which will further decrease the gap between the authorized and paid up capital.

In order to provide more cushion to issue Right / Bonus shares in future, the board of directors of the Company has recommended increase in the authorized share capital of the Company from Rs 1,250,000,000 (Rupees One Thousand Two Hundred Fifty Million) to Rs 2,000,000,000 (Rupees Two Thousand Million) by creation of 75,000,000 ordinary shares of Rs. 10/- each. The Board of Directors has also recommended to alter Clause V of the Memorandum of Association of the Company to reflect the proposed increase in authorized share capital of the Company.

The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respect.

No Director or Chief Executive of the Company or their relatives has any interest in the proposed alteration except in their capacities as Director / Chief Executive / Shareholder(s).

STATEMENT UNDER SRO 27(I)/2012 DATED JANUARY 16, 2012

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 concern.

a. Total investment approved Rs 2,500,000,000 (Rupees Two Thousand Five Hundred Million).

b. Amount of investment made to date; “Nil”

c. Reasons for not making investment;

   The company is considering few more investment proposals which would constitute favourably towards its cost of production.

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

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

Statement of Compliance
with the code of corporate governance

For the year ended June 30, 2013

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. Gaith 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, 2013.

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 has been maintained.

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. During the year only one director was required to attend the director’s training program. However, the same could not take place due to his preoccupation. All other directors are either exempted or have attended the required training in prior year.

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 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, executive 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

August 15, 2013
Islamabad, Pakistan

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 for the year ended June 30, 2013 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's 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 of the Karachi Stock Exchange require 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 status of 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, 2013.

As mentioned in the Statement, following has not been complied:

- Arranging training programs for its directors during the year (point reference 9 of the Statement).

A. F. Ferguson & Co.
Chartered Accountants

Karachi
August 23, 2013

Auditors' Report To The Members

We have audited the annexed balance sheet of Attock Cement Pakistan Limited as at June 30, 2013 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, 2013 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.
Chartered Accountants

Karachi
August 23, 2013

Name of the engagement partner: Syed Fahim ul Hasan

Financial Statements

for the year ended June 30, 2013

Balance Sheet
As at June 30, 2013

	Note	2013	2012
		----------- Rupees '000 -----------	
Non-current assets			
Fixed assets - property, plant and equipment	3	5,998,663	5,471,655
Long-term investment	4	4,500	4,500
Long-term loans and advances	5	28,653	24,348
Long-term deposits	6	42,980	42,980
		6,074,796	5,543,483
Current assets			
Stores, spares and loose tools	7	956,276	1,419,739
Stock-in-trade	8	564,899	539,343
Trade debts - considered good		349,283	190,444
Loans and advances	9	35,434	35,390
Short-term deposits and prepayments	10	19,423	13,902
Investments	11	2,282,729	879,362
Accrued interest		4,298	2,149
Other receivables	12	29,444	57,909
Cash and bank balances	13	389,014	219,762
		4,630,800	3,358,000
Total assets		10,705,596	8,901,483
Share capital and reserves			
Share capital	14	995,848	865,955
Unappropriated profit		6,950,803	5,762,938
		7,946,651	6,628,893
Non-current liabilities			
Liabilities against asset subject to finance lease	15	6,517	-
Deferred taxation	16	1,078,078	938,078
		1,084,595	938,078
Current liabilities			
Trade and other payables	17	1,613,545	1,205,215
Current maturity of liabilities against asset subject to finance lease	15	1,862	-
Taxation - provision less payments		58,943	129,297
		1,674,350	1,334,512
Total liabilities		2,758,945	2,272,590
Contingency and commitments	18		
Total equity and liabilities		10,705,596	8,901,483

The annexed notes 1 to 38 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, 2013

	Note	2013	2012
		----------- Rupees '000 -----------	
Net sales	19	11,507,706	10,503,898
Cost of sales	20	(7,972,732)	(7,691,421)
Gross profit		3,534,974	2,812,477
Distribution costs	21	(577,636)	(571,002)
Administrative expenses	22	(263,216)	(221,577)
Other expenses	23	(230,172)	(119,173)
Other income	24	227,029	145,899
Profit from operations		2,690,979	2,046,624
Finance cost	25	(14,894)	(11,593)
Profit before taxation		2,676,085	2,035,031
Taxation	26	(540,000)	(598,382)
Profit after taxation		2,136,085	1,436,649
Other comprehensive income		-	-
Total comprehensive income		2,136,085	1,436,649
Basic and diluted earnings per share	27	Rs 21.45	Rs 14.43

The annexed notes 1 to 38 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, 2013

	Note	2013	2012
		----------- Rupees '000 -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	3,618,608	1,944,836
Finance cost paid		(14,894)	(15,573)
Income tax paid		(470,354)	(160,632)
Increase in long-term loans and advances		(4,305)	(8,111)
Net cash from operating activities		3,129,055	1,760,520
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(876,144)	(448,942)
Proceeds from disposal of operating assets		9,082	1,747
Purchase of open ended mutual fund units		(4,471,944)	(3,130,000)
Proceeds from sale of open ended mutual fund units		3,177,169	2,409,458
Interest received		20,518	22,408
Net cash used in investing activities		(2,141,319)	(1,145,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(817,063)	(605,594)
Lease rental paid		(1,421)	-
		(818,484)	(605,594)
Net increase in cash and cash equivalents		169,252	9,597
Cash and cash equivalents at beginning of the year		219,762	210,165
Cash and cash equivalents at end of the year	13	389,014	219,762

The annexed notes 1 to 38 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, 2013

	Share capital	Reserve for issuance of bonus shares	Unappropriated profit	Total
	------------------------- Rupees '000 -------------------------			
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
Final dividend for the year ended June 30, 2012 @ Rs 6.00 per share	-	-	(519,573)	(519,573)
Transferred to reserve for issuance of bonus shares	-	129,893	(129,893)	-
Bonus shares issued during the year in the ratio of 3 shares for every 20 shares held	129,893	(129,893)	-	-
Interim dividend for the year ended June 30, 2013 @ Rs 3.00 per share	-	-	(298,754)	(298,754)
Profit after taxation for the year ended June 30, 2013	-	-	2,136,085	2,136,085
Balance as at June 30, 2013	995,848	-	6,950,803	7,946,651

The annexed notes 1 to 38 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 registered office of the Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi. The Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.

The Company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

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 Critical 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 16.1 & 26
(ii) Staff retirement benefits - note 17.3

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.

2.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

There are no amended standards and interpretations that are effective for the first time in the current year that would be expected to have a material impact on the Company.

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.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.2 Overall valuation policy

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

2.3 Fixed Assets - property, plant and equipment

These are stated at cost less accumulated depreciation 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.

2.4 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, 2013 using the Projected Unit Credit method. Cumulative net unrecognised actuarial gains and losses at the beginning of 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 Company and the employees, at the rate of 10% of basic salary.

2.5 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.

2.6 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.

2.7 Stock-in-trade

Stocks 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.

2.8 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.

2.9 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.

2.10 Leases

Finance leases

The Company leases certain property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight-line basis over the period of the lease.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 and figures are rounded off to the nearest thousands of Rupees.

2.16 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.

2.17 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.

2.18 Dividend

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

	2013	2012
	----------- Rupees '000	-----------
3. FIXED ASSETS - property, plant and equipment		
Operating assets - note 3.1	5,557,713	4,897,742
Capital work-in-progress	2,692	135,762
Stores held for capital expenditure	438,258	438,151
	5,998,663	5,471,655

3.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Vehicles held under finance lease	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	-	-	-	-	-	-	(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 July 01, 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
Year ended June 30, 2013									
Opening net book value	4,554	857,937	3,943,235	43,992	6,998	10,666	30,360	-	4,897,742
Additions	-	214,120	796,189	-	1,815	8,479	14,748	9,800	1,045,151
Disposals - note 3.2	-	-	-	-	-	(150)	(3,290)	-	(3,440)
Transfers to stores	-	-	(26,244)	-	-	-	-	-	(26,244)
Depreciation charge	-	(60,168)	(266,444)	(9,391)	(3,660)	(5,314)	(9,637)	(882)	(355,496)
Closing net book value	4,554	1,011,889	4,446,736	34,601	5,153	13,681	32,181	8,918	5,557,713
At June 30, 2013									
Cost	4,554	1,435,052	8,081,653	199,586	27,498	90,253	79,275	9,800	9,927,671
Accumulated depreciation	-	(423,163)	(3,634,917)	(164,985)	(22,345)	(76,572)	(47,094)	(882)	(4,369,958)
Net book value	4,554	1,011,889	4,446,736	34,601	5,153	13,681	32,181	8,918	5,557,713
Rate of depreciation %	-	5%	5%	10%	20%	25%	20%	20%	

3.2 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			--------------------		
Office equipment	140	3	137	135	Insurance Claim	EFU General Insurance Limited
Vehicle	3,700	3,330	370	4,500	"	"
"	1,479	488	991	1,300	"	"
"	68	4	64	68	"	"
"	5,107	4,596	511	511	Company policy	Mr. Babar Bashir Nawaz - Chief Executive
"	1,389	1,063	326	431	"	Mr. Syed Muhammad Zafar Iqbal - Employee
"	1,092	983	109	109	"	Mr. Mohammad Yousuf - Employee
"	969	872	97	97	"	Mr. Zaheeruddin Babar - Employee
"	969	872	97	97	"	Mr. Murtaza Ali Suterwala - Employee
"	903	812	91	91	"	Mr. Ghulam Muhammad Sadiq - Employee
"	903	812	91	91	"	Mr. Shahid Khalil Mallick - Employee
"	879	791	88	88	"	Mr. S. Tanveer Hussain - Employee
"	625	497	128	479	"	Mr. Saeed-ur-Rehman - Employee
"	606	536	70	159	"	Mr. Avais Bilal - Employee
"	560	504	56	515	"	Mr. Mohammad Ashraf - Employee
"	555	500	55	55	"	Mr. Farrukh Safdar - Employee
"	555	500	55	55	"	Mr. Zahid Nazir - Employee
"	555	500	55	55	"	Mr. Abdul Wahab Siddiqui - Employee
	21,054	17,663	3,391	8,836		

	2013	2012
	----------- Rupees '000	-----------
4. LONG-TERM INVESTMENT		
Investment in related party (associated company) Attock Information Technology Services (Private) Limited - 450,000 (2012: 450,000) fully paid ordinary shares of Rs 10 each - at cost	4,500	4,500

4.1 The Company holds 10% (2012: 10%) of investee's total equity. The break-up value per share is Rs 24.12 (2012: Rs 20.36). Total assets and total liabilities of the investee as at June 30, 2013 amounted to Rs 116.07 million and Rs 7.52 million (2012: Rs 97.32 million and Rs 5.70 million) respectively.

	2013	2012
	----------- Rupees '000	-----------
5. LONG-TERM LOANS AND ADVANCES – Considered good		
Chief Executive	6,022	9,826
Executives	23,430	18,135
Other Employees	28,369	24,535
	57,821	52,496
Recoverable within one year - note 9	(29,168)	(28,148)
Long term portion	28,653	24,348

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

	Chief Executive		Executives	
	2013	2012	2013	2012
	---------------------	Rupees '000		---------------------
Opening balance	9,826	1,281	18,135	13,868
Effect of promotions	-	-	1,596	-
Disbursements	-	11,411	21,801	16,883
Repayments	(3,804)	(2,866)	(18,102)	(12,616)
	6,022	9,826	23,430	18,135

5.2 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.

5.3 The maximum amounts due from Chief Executive and Executives at the end of any month during the year were Rs 9.51 million (2012: Rs 11.09 million) and Rs 25.39 million (2012: Rs 18.14 million) respectively.

6. LONG-TERM DEPOSITS

These are security deposits held with The Karachi Electric Supply Company Limited (KESC) and carry interest at the rate of 5% (2012: 5%) per annum.

		2013	2012
		----------- Rupees '000 -----------	
7.	STORES, SPARES AND LOOSE TOOLS		
	Coal	453,334	1,071,554
	Stores and spares	460,468	320,065
	Bricks	61,159	42,130
	Loose tools	2,536	1,986
		977,497	1,435,735
	Less: Provision for slow moving and obsolete items	(21,221)	(15,996)
		956,276	1,419,739
8.	STOCK-IN-TRADE		
	Raw materials	102,136	91,230
	Packing materials	67,123	66,656
	Work-in-process	315,341	295,418
	Finished goods	80,299	86,039
		564,899	539,343
9.	LOANS AND ADVANCES – Considered good		
	Current portion of long-term loans and advances		
	Chief Executive and Executives	15,476	15,242
	Other Employees	13,692	12,906
		29,168	28,148
	Other advances - employees	262	54
	Advances to suppliers	6,004	7,188
		35,434	35,390
10.	SHORT-TERM DEPOSITS AND PREPAYMENTS		
	Deposits - considered good	4,598	3,288
	Prepayments	14,825	10,614
		19,423	13,902
11.	INVESTMENTS		
	Investments - at fair value through profit or loss - note 11.1 and note 11.2	2,282,729	879,362

11.1 Detail of investments:

2013	2012		2013	2012
------------- Units ------------			-------- Rupees '000 --------	
4,104,656	-	Askari High Yield Scheme	406,535	-
35,736,448	-	ABL Cash Fund	357,640	-
3,039,719	987,533	IGI Money Market Fund	307,784	100,239
1,602,566	-	Askari Soverign Yield Enhancer	161,293	-
1,510,751	1,008,799	PICIC Cash Fund	151,598	101,403
1,234,524	-	UBL Financial Sector Bond Fund	126,245	-
1,003,369	-	MCB Dynamic Cash Fund	103,962	-
1,017,748	-	First Habib Income Fund	102,448	-
999,946	-	Faysal Money Market Fund	102,194	-
5,127,090	-	Pak Oman Government Securities Fund	52,541	-
5,109,176	-	NAFA Financial Sector Income Fund	52,495	-
509,125	-	UBL Government Securities Fund	50,934	-
503,074	1,962,913	HBL Money Market Fund	50,933	201,969
486,069	-	IGI Income Fund	50,311	-
486,381	-	JS Cash Fund	50,248	-
501,096	-	Primus Daily Reserve Fund	50,201	-
99,588	-	Atlas Money Market Fund	50,012	-
602,789	-	AKD Cash Fund	30,355	-
250,000	-	Faysal Financial Sector Opportunity Fund	25,000	-
-	700,420	Askari Soverign Cash Fund	-	70,806
-	2,024,839	MCB Cash Management Optimizer	-	202,715
-	498,107	Meezan Cash Fund	-	24,935
-	1,754,677	First Habib Cash Fund	-	177,295
			2,282,729	879,362

11.2 The fair value of these investments is the Net Asset Value (NAV) as at June 30, 2013 as quoted by the respective Asset Management Company.

	2013	2012
	----------- Rupees '000 -----------	
12. OTHER RECEIVABLES		
Sales tax recoverable	-	21,416
Export rebate receivable	13,753	8,938
Due from Gratuity Funds - note 17.3	6,850	8,860
Due from Provident Fund	-	12,676
Due from related parties	4,783	4,413
Others	4,058	1,606
	29,444	57,909

		2013	2012
		----------- Rupees '000 -----------	
13.	CASH AND BANK BALANCES		
	Cash at bank		
	- On PLS savings accounts - note 13.1	217,047	129,798
	- On current accounts	171,631	89,549
	Cash and cheques in hand	336	415
		389,014	219,762

13.1 At June 30, 2013 the mark-up rates on PLS savings accounts range from 5% to 8.15% (2012: 5% to 10.80%) per annum.

		2013	2012
		----------- Rupees '000 -----------	
14.	SHARE CAPITAL		
	Authorised share capital		
	125,000,000 ordinary shares of Rs. 10 each	1,250,000	1,250,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each 2013	2012		2013	2012
			-------- Rupees '000 --------	
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
65,704,280	52,714,964	Shares allotted as bonus shares	657,043	527,150
99,584,755	86,595,439		995,848	865,955

14.1 Movement in issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each 2013	2012		2013	2012
			-------- Rupees '000 --------	
86,595,439	86,595,439	Opening shares outstanding	865,955	865,955
12,989,316	-	Shares allotted as bonus shares	129,893	-
99,584,755	86,595,439		995,848	865,955

14.2 During the year, the Company issued bonus shares in the ratio of 3 shares for every 20 shares held.

14.3 As at June 30, 2013, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 83,714,750 (2012: 72,795,426) ordinary shares of Rs 10 each.

	2013		
	Minimum lease payment	Financial charges for future periods	Principal outstanding
	--------------------- Rupees '000	---------------------	
15. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE			
Not later than one year	2,587	725	1,862
Later than one year but not later than five years	7,532	1,015	6,517
	10,119	1,740	8,379

	2013	2012
	----------- Rupees '000	-----------
16. DEFERRED TAXATION		
Credit balances arising in respect of:		
- accelerated tax depreciation allowances	1,083,653	942,439
- asset held under finance lease	2,404	-
Debit balances arising in respect of provision for:		
- slow moving and obsolete stores and spares	(5,720)	(4,361)
- liabilities against finance lease	(2,259)	-
	1,078,078	938,078

16.1 Deferred tax liability is restricted to 79.28% (2012: 77.90%) of the total deferred tax liability based on the assumptions that 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.

		2013	2012
		---------- Rupees '000	----------
17.	TRADE AND OTHER PAYABLES		
	Creditors - note 17.1	161,451	194,622
	Accrued liabilities - note 17.1	638,613	449,457
	Electricity charges payable	219,358	189,767
	Royalty payable	68,350	71,009
	Sales tax payable	67,038	21,673
	Excise duty payable	55,234	5,828
	Advances from customers	42,007	31,988
	Retention money	61,002	74,839
	Security deposits	34,852	29,057
	Workers' Profits Participation Fund - note 17.2	145,451	107,749
	Workers' Welfare Fund	84,721	11,424
	Payable to Pension Funds - note 17.3	21,874	27
	Payable to Provident Fund	3,373	-
	Taxes deducted at source and payable to statutory authorities	-	9,356
	Unclaimed dividend	3,305	2,041
	Others - note 17.1	6,916	6,378
		1,613,545	1,205,215

17.1 Creditors, accrued liabilities and other liabilities include Rs 6.7 million, Rs 7.1 million and Rs 5.76 million (2012: Rs 12.1 million, Rs 3.41 million and Rs 5.76 million) respectively in respect of amounts due to related parties.

		2013	2012
		---------- Rupees '000	----------
17.2	Workers' Profits Participation Fund		
	At the beginning of the year	107,749	55,610
	Allocation for the year - note 23	145,451	107,749
		253,200	163,359
	Interest on funds utilised in Company's business - note 25	2,763	768
		255,963	164,127
	Less: Amount paid to the Fund	110,512	56,378
		145,451	107,749

		2013		2012	
		Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
		---------------- Rupees '000	----------------	----------------	----------------
17.3	**Retirement benefits**				
17.3.1	**Movement in liability / (asset)**				
	Balance at July 1	27	(8,860)	1,562	1,133
	Charge for the year	35,920	12,128	12,437	15,630
	Payments to / on behalf of the fund	(14,073)	(10,118)	(13,972)	(25,623)
	Balance at June 30	21,874	(6,850)	27	(8,860)
17.3.2	**Balance sheet reconciliation as at June 30**				
	Present value of obligations	303,975	205,390	202,548	147,995
	Less: Fair value of assets	(205,564)	(154,756)	(187,047)	(150,325)
		98,411	50,634	15,501	(2,330)
	Unrecognised actuarial loss	(71,059)	(57,484)	(7,259)	(6,530)
	Unrecognised past service cost	(5,478)	-	(8,215)	-
		21,874	(6,850)	27	(8,860)
17.3.3	**Movement in the present value of defined benefit obligations during the year**				
	Balance at July 1	202,548	147,995	169,002	139,448
	Current service cost	11,451	11,555	9,498	12,639
	Interest cost	24,629	17,296	23,578	19,524
	Past service cost	20,904	2,106	-	-
	Actuarial loss / (gain)	55,477	45,700	6,086	(8,204)
	Benefits paid	(11,034)	(19,262)	(5,616)	(15,412)
	Balance at June 30	303,975	205,390	202,548	147,995

		2013 Pension Funds	2013 Gratuity Funds	2012 Pension Funds	2012 Gratuity Funds
		---- Rupees '000 ----			
17.3.4	**Movement in the fair value of plan assets during the year**				
	Balance at July 1	187,047	150,325	167,023	123,914
	Expected return on plan assets	23,571	19,423	22,256	16,771
	Actuarial loss	(8,093)	(5,848)	(10,588)	(571)
	Employer contributions	14,073	10,118	13,972	25,623
	Benefits paid	(11,034)	(19,262)	(5,616)	(15,412)
	Balance at June 30	205,564	154,756	187,047	150,325
17.3.5	**Charge for the year**				
	Current service cost	11,451	11,555	9,498	12,639
	Interest cost	24,629	17,296	23,578	19,524
	Expected return on assets	(23,571)	(19,423)	(22,256)	(16,771)
	Net actuarial (gain) / loss recognised	(231)	594	(1,122)	238
	Past service cost recognised	23,642	2,106	2,739	-
		35,920	12,128	12,437	15,630
17.3.6	**Actual return on plan assets**	15,478	13,575	11,668	16,200
17.3.7	**Principal actuarial assumptions**				
	Expected return on plan assets % per annum	12.0	12.0	12.5	12.5
	Expected rate of increase in salaries % per annum	11.0	11.0	10.5	10.5
	Discount factor used (% per annum)	12.0	12.0	12.5	12.5
	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.

		2013 Pension Funds	2013 Gratuity Funds	2012 Pension Funds	2012 Gratuity Funds
		---- % ----			
17.3.8	**Plan assets**				
	Plan assets are comprised of the following:				
	Equity	46.02	56.14	29.39	13.83
	Bonds	43.44	25.20	64.48	72.43
	Others	10.54	18.66	6.13	13.74
		100.00	100.00	100.00	100.00

17.3.9 Based on actuarial advice for the year ending June 30, 2014 expected charge to pension funds would be Rs 38.58 million and expected charge to gratuity funds would be Rs 20.33 million.

	2013	2012	2011	2010	2009
	Rupees '000				
17.3.10 Comparison for five years					
Pension funds					
Fair value of plan assets	205,564	187,047	167,023	145,943	143,619
Present value of defined benefit obligations	(303,975)	(202,548)	(169,002)	(151,528)	(121,278)
(Deficit) / Surplus	(98,411)	(15,501)	(1,979)	(5,585)	22,341
Experience (loss) / gain on plan obligations	(55,477)	(6,086)	5,793	(2,224)	9,889
Experience (loss) / gain on plan assets	(8,093)	(10,588)	648	(12,658)	5,601
Gratuity funds					
Fair value of plan assets	154,756	150,325	123,914	101,084	80,393
Present value of defined benefit obligations	(205,390)	(147,995)	(139,448)	(130,580)	(108,733)
(Deficit) / Surplus	(50,634)	2,330	(15,534)	(29,496)	(28,340)
Experience (loss) / gain on plan obligations	(45,700)	8,204	10,249	(3,704)	(18,003)
Experience (loss) / gain on plan assets	(5,848)	(571)	1,545	665	(2,727)

The above informations is based on actuarial advice

18. CONTINGENCY AND COMMITMENTS

18.1 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. 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.

18.2 Commitments for capital expenditure outstanding as at June 30, 2013 amounted to Rs 61.52 million (2012: 416.60 million).

	2013	2012
	Rupees '000	
19. NET SALES		
Gross local sales	11.261,612	10,038,613
Less: Commission	(212,714)	(134,123)
Net local sales	11,048,898	9,904,490
Export sales	2,566,000	2,647,024
	13,614,898	12,551,514
Sales tax	(1,565,262)	(1,383,273)
Federal excise duty	(541,930)	(664,343)
	(2,107,192)	(2,047,616)
	11,507,706	10,503,898

19.1 The revenue from customers which individually exceeded 10% of the net revenue, either in current year or prior year, amounted to Rs 1.5 billion, Rs 1.4 billion and Rs 1.3 billion (2012: Rs 0.7 billion, Rs 2 billion and Rs 1.3 billion) respectively.

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

	2013	2012
	---------- Rupees '000 ----------	
Middle East Asia	1,391,038	1,961,303
Africa	832,537	538,191
Others	342,425	147,530
	2,566,000	2,647,024

20. COST OF SALES

	2013	2012
Raw materials consumed	743,133	705,275
Packing materials consumed	737,846	699,998
Cement packaging and loading charges	19,412	17,857
Salaries, wages and benefits - note 20.1	864,865	751,486
Fuel	3,016,008	3,076,756
Electricity and water	1,538,075	1,520,706
Stores and spares consumed	408,478	318,950
Repairs and maintenance	100,793	73,857
Insurance	51,769	45,909
Vehicle running and maintenance	86,450	77,712
Security expenses	58,825	48,961
Depreciation	344,582	300,241
Other expenses - note 20.2	16,679	8,661
	7,986,915	7,646,369
Add: Opening work-in-process	295,418	328,384
Less: Closing work-in-process	(315,341)	(295,418)
	7,966,992	7,679,335
Add: Opening stock of finished goods	86,039	98,125
Less: Closing stock of finished goods	(80,299)	(86,039)
	7,972,732	7,691,421

20.1 Salaries, wages and benefits include Rs 35.52 million and Rs 18.02 million (2012: Rs 21.27 million and Rs 16.56 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

20.2 This includes provision for slow moving and obsolete items amounting Rs 5.2 million. (2012: reversal of provision Rs 1.2 million)

		2013	2012
		----------- Rupees '000 -----------	
21.	**DISTRIBUTION COSTS**		
	Salaries, wages and benefits - note 21.1	55,641	50,174
	Handling and other export related expenses	221,585	216,475
	Carriage outward on export sales	213,091	235,270
	Commission on export sales	52,238	42,391
	Carriage outward on local sales	14,573	9,743
	PSI marking fee	11,720	10,639
	Advertisement and sales promotion	1,157	364
	Travelling and entertainment	4,946	4,772
	Other expenses	2,685	1,174
		577,636	571,002

21.1 Salaries, wages and benefits include Rs 2.72 million and Rs 1.18 million (2012: Rs 1.44 million and Rs 1.08 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2013	2012
		----------- Rupees '000 -----------	
22.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and benefits - note 22.1	177,465	149,562
	Depreciation	10,914	8,158
	Rent, rates and taxes	8,805	8,255
	Utilities	3,964	3,720
	Insurance	3,642	3,237
	Repairs and maintenance	11,071	9,599
	Communication and printing	12,641	11,658
	Travelling and entertainment	8,154	6,669
	Legal and professional charges	9,018	7,501
	Auditors' remuneration - note 22.2	3,176	2,372
	Donations - note 22.3	5,120	3,997
	Other expenses	9,246	6,849
		263,216	221,577

22.1 Salaries, wages and benefits include Rs 9.80 million and Rs 4.25 million (2012: Rs 5.36 million and Rs 3.82 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

		2013	2012
		----------- Rupees '000 -----------	
22.2	Auditors' remuneration		
	Audit fee	1,500	1,200
	Fee for review of interim financial information and Statement of Code of Corporate Governance	1,000	750
	Taxation services	260	80
	Other certifications, attestations and other services	185	100
	Out-of-pocket expenses	231	242
		3,176	2,372

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

		2013	2012
		----------- Rupees '000 -----------	
23.	OTHER EXPENSES		
	Workers' Profits Participation Fund - note 17.2	145,451	107,749
	Workers' Welfare Fund	84,721	11,424
		230,172	119,173
24.	OTHER INCOME		
	Income from financial assets		
	Interest income on:		
	- PLS savings accounts	20,518	20,259
	- security deposit with KESC	2,149	2,149
		22,667	22,408
	Gain on sale of open ended mutual fund units	60,907	33,394
	Gain on re-measurement of fair value of open ended mutual fund units	47,685	9,362
		108,592	42,756
	Exchange gain	11,750	25,139
	Income from non-financial assets		
	Gain on disposal of operating assets	5,642	908
	Others		
	Gain on sale of furnace oil	45,177	-
	Export rebate	15,168	16,239
	Scrap sales	17,425	7,036
	Sales tax refund	-	21,416
	Reversal of provision for Workers' Welfare Fund	-	9,563
	Others	608	434
		227,029	145,899

		2013	2012
		----------- Rupees '000 -----------	
25.	FINANCE COST		
	Bank charges and commission	11,696	10,825
	Interest on Workers' Profits Participation Fund	2,763	768
	Finance charges on finance lease	435	-
		14,894	11,593
26.	TAXATION		
	Current	530,000	226,662
	- for the year	(130,000)	-
	- prior years	140,000	371,720
	Deferred	540,000	598,382
26.1	Relationship between tax expense and accounting profit		
	Profit before taxation	2,676,085	2,035,031
	Tax at the applicable rate of 35%	936,630	712,261
	Effect of final tax regime	(176,259)	(164,032)
	Tax credit for plant expansion	(75,638)	-
	Others	(14,733)	50,153
	Reversal of prior years' tax provision	(130,000)	-
		540,000	598,382
27.	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	2,136,085	1,436,649
	Weighted average number of outstanding shares at the end of year (in thousands) - note 27.1	99,585	99,585
	Basic earnings per share	Rs 21.45	Rs 14.43

27.1 The weighted average shares at 30 June 2012 have been increased to reflect the bonus shares issued during the year.

27.2 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2013 and 2012 which would have any effect on the earnings per share if the option to convert is exercised.

28. CREDIT FACILITIES

The facilities for short term running finance available amounted to Rs 1.3 billion (2012: 1.3 billion). The rates of mark-up ranging between one month KIBOR minus 0.5% and 3 months KIBOR plus 0.25% (2012: 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, 2013 amounted to Rs 3.23 billion (2012: Rs 3.23 billion) of which unutilised balance at year end amounted to Rs 2.74 billion (2012: Rs 2.67 billion).

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

	2013	2012
	----------- Rupees '000 -----------	
29. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,676,085	2,035,031
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	355,496	308,399
Gain on disposal of fixed assets	(5,642)	(908)
Gain on sale of open ended mutual fund units	(60,907)	(33,394)
Gain on re-measurement of fair value of open ended mutual fund units	(47,685)	(9,362)
Interest income	(22,667)	(22,408)
Finance cost	14,894	11,593
Profit before working capital changes	2,909,574	2,288,951
Effect on cash flow due to working capital changes		
Decrease / (Increase) in current assets		
Stores, spares and loose tools	463,463	(77,398)
Stock-in-trade	(25,556)	1,685
Trade debts	(158,839)	(139,672)
Loans and advances	(44)	(9,636)
Short term deposits and prepayments	(5,521)	(2,113)
Other receivables	28,465	(10,490)
	301,968	(237,624)
Increase / (Decrease) in current liabilities		
Trade and other payables	407,066	(106,491)
	709,034	(344,115)
Cash generated from operations	3,618,608	1,944,836

30. 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	
	2013	2012	2013	2012	2013	2012
	Rupees '000					
Managerial remuneration	13,947	12,679	9,640	10,169	109,836	98,804
Housing allowance	4,881	4,438	3,724	2,300	41,938	33,161
Utility allowance	1,860	1,691	747	438	8,800	6,803
Bonus	7,000	6,339	6,150	4,247	50,661	60,703
Retirement benefits	1,953	2,122	1,304	1,676	17,535	18,549
Others	3,216	2,741	3,572	3,243	21,293	17,757
	32,857	30,010	25,137	22,073	250,063	235,777
Number of person(s)	1	1	2	2	90	76

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.

In 2012, a sum of 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 1.26 million (2012: Rs 1.17 million).

31. TRANSACTIONS WITH RELATED PARTIES

	2013	2012
	Rupees '000	
Transactions with related parties during the year are as follows:		
Holding company		
Dividend paid	436,773	509,568
Recovery of expenses	977	825
Bonus shares issued	109,193	-
Associated companies		
Purchases of goods	282,811	253,639
Reimbursement of expenses	5,022	3,492
Reimbursement of staff cost on secondment	-	513
Recovery of expenses from related parties	8,517	8,832
Recovery of staff cost on secondment	-	1,055
Other related parties		
Payments made to retirement benefit funds	56,166	96,294
Key management compensation		
Salaries and other short-term employee benefits	76,459	59,340
Post-employment benefits	4,226	4,275

The related party status of outstanding balances as at June 30, 2013 is included in other receivables, loans and advances and trade and other payables.

32. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the Fund:

	2013	2012
	----------- Rupees '000 -----------	
Size of the fund - Total assets	368,743	362,056
Percentage of investments made	89%	92%
Fair value of investments	329,438	332,765

32.1 The cost of above investments amounted to Rs. 322.53 million (2012: Rs 322.47 million).

	2013	2012	2013	2012
	------ Percentage ------		----- Rupees '000 -----	
32.2 The break-up of fair value of investments is:				
Bank deposits	13%	4%	43,484	13,096
Government securities	29%	64%	97,027	212,778
Term finance certificates	27%	29%	88,271	96,051
Unit trust schemes	31%	3%	100,656	10,840
	100%	100%	329,438	332,765

32.3 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2013	2012
33. NUMBER OF EMPLOYEES		
Number of employees at June 30		
- Regular	761	754
- Contractual	22	25
Average number of employees during the year		
- Regular	761	749
- Contractual	20	25

34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

34.1 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.

34.2 Financial assets and liabilities by category and their respective maturities

	2013			2012		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	Rupees '000					
Financial assets						
Loans and receivables						
Loans, advances and deposits	34,028	71,633	105,661	31,490	67,328	98,818
Trade debts	349,283	-	349,283	190,444	-	190,444
Interest accrued	4,298	-	4,298	2,149	-	2,149
Other receivables	29,444	-	29,444	36,493	-	36,493
Bank balances	388,678	-	388,678	219,347	-	219,347
Cash and cheques in hand	336	-	336	415	-	415
Long term investment	-	4,500	4,500	-	4,500	4,500
Fair value through profit or loss						
Investments	2,282,729	-	2,282,729	879,362	-	879,362
	3,088,796	76,133	3,164,929	1,359,700	71,828	1,431,528
Financial liabilities at amortised cost	1,219,094	-	1,219,094	1,205,215	-	1,205,215
On balance sheet date gap	1,869,702	76,133	1,945,835	154,485	71,828	226,313
Net financial assets						
Interest bearing	217,047	42,980	260,027	129,798	42,980	172,778
Non-interest bearing	1,652,655	33,153	1,685,808	24,687	28,848	53,535
	1,869,702	76,133	1,945,835	154,485	71,828	226,313

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, 2013, the Company is indirectly exposed to interest rate risk as Company's significant investments are in mutual funds whose prices are primarily dependent on prevailing rates.

(ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. At June 30, 2013, trade and other payables of Rs 53.28 million (2012: Rs 79.04 million) and trade debts of Rs 148.07 million (2012: Rs 74.54 million) are exposed to foreign currency risk.

As at June 30, 2013, 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 12.07 million (2012: Rs 0.42 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2013, if the Pakistan Rupee had weakened / strengthened by 9% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs 3.54 million (2012: Nil), mainly as a result of foreign exchange losses / gains on translation of Euro denominated trade and other payables.

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, 2013 amounts to Rs 2,283 million (2012: Rs 879 million).

As at June 30, 2013, 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 22.83 million (2012: Rs 8.79 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 3,165 million (2012: Rs 1,432 million) the financial assets exposed to the credit risk amounts to Rs 3,160 million (2012: Rs 1,427 million). The carrying values of financial assets which are neither past due nor impaired are as under:

	2013	2012
	----------- Rupees '000 -----------	
Trade debts	349,283	190,444
Deposits, loans, advances and other receivables	139,739	137,875
Investments at fair value through profit or loss	2,282,729	879,362
Bank balances	388,678	219,347
	3,160,429	1,427,028

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, 2013, secured and unsecured trade debts amounted to Rs 331.5 million and Rs 17.8 million (2012: Rs 167 million and Rs 23 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 58 million (2012: Rs 53 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, 2013 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.

34.3 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 generally finances its operations and manages its working capital through equity.

	2013	2012
	----------- (Metric tons)	-----------
35. CAPACITY AND PRODUCTION		
Production capacity		
- Clinker	1,710,000	1,710,000
- Cement	1,795,500	1,795,500
Actual production		
- Clinker	1,781,569	1,756,843
- Cement	1,843,591	1,849,176

36. CORRESPONDING FIGURES

The following prior year figure has been reclassified for the purpose of appropriate presentation:

Reclassification from	Reclassification to	Rupees '000
Commission on local sales - distribution cost	Commission on local sales - net sales	134,123

37. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 15, 2013 proposed a final cash dividend of Rs 10.00 per share (2012: Rs 6.00 per share) amounting to Rs 995.85 million (2012: Rs 519.6 million) and proposed a transfer of Rs 149.38 million from "unappropriated profit" to "reserve for issuance of bonus shares" (2012: Rs 129.9 million) for issuance of three bonus shares for every twenty shares held (2012: three bonus shares for every twenty shares held) subject to the approval of the Company in the forthcoming annual general meeting.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on August 15, 2013

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

Six years at a Glance

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
	--------------- Rupees in million unless otherwise stated ---------------					
Production and Sales						
Clinker production (in tonnes)	1,781,569	1,756,843	1,819,458	1,706,299	1,678,619	1,359,766
Capacity utilization %	104	103	106	100	98	80
Cement production (in tonnes)	1,843,591	1,849,176	1,862,201	1,792,619	1,721,665	1,364,511
Cement sales (in tonnes)	1,845,881	1,855,472	1,849,851	1,807,077	1,719,162	1,359,487
Profit & Loss						
Net sales	11,508	10,638	8,554	7,668	8,510	5,001
Cost of sales	7,973	7,691	6,823	5,710	5,801	3,887
Gross profit	3,535	2,947	1,731	1,958	2,709	1,114
Other income	227	146	104	262	167	28
Operating profit	2,691	2,047	1,059	1,466	2,108	829
Profit before tax	2,676	2,035	1,034	1,388	1,989	675
Profit after tax	2,136	1,437	684	1,017	1,493	435
Balance Sheet						
Paid-up capital	996	866	866	866	722	722
Unappropriated profit	6,951	5,763	4,932	4,529	4,043	2,785
Long term & deferred liabilities	1,085	938	566	598	1,059	1,359
Current liabilities	1,674	1,335	1,378	1,065	1,136	980
Fixed assets less depreciation	5,999	5,472	5,332	4,202	4,144	4,333
Other long term assets	76	72	64	64	67	58
Current assets	4,631	3,358	2,347	2,793	2,762	1,480
Key Financial Ratios						
Gross profit %	30.72	27.70	20.23	25.53	31.83	22.28
Operating profit %	23.38	19.24	12.38	19.12	24.77	16.58
Net profit after tax %	18.56	13.51	8.00	13.26	17.54	8.70
Return on equity %	26.88	21.68	11.80	18.85	31.24	12.32
Return on capital employed %	33.86	30.88	18.26	24.46	36.12	16.95
No. of days in inventory	25.87	25.59	28.94	23.40	38.63	38.40
No. of days in receivables	11.08	6.53	2.17	2.64	1.99	3.58
Fixed assets turnover ratio (times)	1.92	1.94	1.60	1.82	2.05	1.15
Current ratio (times)	2.77	2.52	1.70	2.62	2.43	1.51
Price earning ratio (times)	6.15	4.91	6.20	5.62	4.06	12.79
Dividend yield ratio %	9.85	9.58	9.18	7.57	7.14	1.95
Dividend payout ratio %	60.61	51.23	56.96	42.59	29.00	24.88
Dividend cover ratio (times)	1.65	1.95	1.76	2.35	3.45	4.02
Debt: equity ratio	-	-	-	-	0.13	0.23
Interest cover ratio (times)	180.68	176.54	43.59	18.88	17.60	5.38
Shares and Earnings						
Market price / share as at June 30 (Rs.)	132	81	49	66	70	77
Earnings per share (Rs.)	21.45	16.59	7.90	11.74	17.24	6.03
Cash dividend per share	13	8.5	4.5	5.0	5.0	1.5
Bonus shares issued %	15	15	-	-	20	-
Break-up value per share	79.8	76.55	66.96	62.31	66.21	48.99

Pattern of Shareholding

As on June 30, 2013

No. of Shareholders	Shareholdings From	To	Total Shares Held
244	1	100	5,305
180	101	500	53,781
213	501	1000	156,492
194	1001	5000	447,734
57	5001	10000	396,711
27	10001	15000	335,991
15	15001	20000	272,185
12	20001	25000	274,538
6	25001	30000	166,250
2	30001	35000	69,000
2	35001	40000	71,300
4	40001	45000	166,824
6	45001	50000	292,000
2	50001	55000	105,380
1	55001	60000	57,500
2	65001	70000	136,800
1	70001	75000	71,223
2	80001	85000	161,000
2	85001	90000	172,500
1	90001	95000	90,567
1	95001	100000	95,600
1	105001	110000	108,100
3	110001	115000	340,132
1	125001	130000	129,375
1	135001	140000	137,033
1	155001	160000	158,500
1	170001	175000	172,500
2	195001	200000	398,375
1	205001	210000	210,000
1	295001	300000	300,000
2	375001	380000	755,588
1	450001	455000	450,266
1	455001	460000	455,975
1	465001	470000	467,930
1	685001	690000	690,000
1	775001	780000	776,785
1	1365001	1370000	1,369,926
1	5350001	5355000	5,350,850
1	83710001	83715000	83,714,739
996			99,584,755

	Categories of shareholder	Shares held	Percentage
1	DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	115,011	0.12
2	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-	0.00
3	EXECUTIVES	-	0.00
4	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES AND TAKAFUL	1,553,613	1.56
5	MODARABA AND MUTUAL FUNDS	603,754	0.61
6	SHAREHOLDERS HOLDING 5% OR MORE	83,714,739	84.06
7	OTHERS		
	- Institutions	7,665,151	7.70
	- Foreign	1,329,510	1.34
	- Individuals	4,602,977	4.63
		99,584,755	100

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

Total Paid-up Capital of the Company	99,584,755	Shares
5% of the paid-up capital of the Company	4,979,238	Shares

Name of Shareholders	Description	No. of Shares held	Percentage
Pharaon Investment Group Limited, Holding S.A.L. Beirut, Lebanon	Falls in Category # 6	83,714,739	84.06

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.

No further transaction, except as mentioned above, has been reported by any of the Company's Directors, Executives and their spouses and minor Children from July 01, 2012 to June 30, 2013 in the shares of the Company.

Achievements

29th Corporate Excellence Award by Management Association of Pakistan

Award Ceremony Waste Heat Recovery System
Registration with UNFCCC for Carbon Reductions

Events

of the year

33rd Annual General Meeting

Cement Grinding Unit in BASRA, IRAQ

Training Program for Employees

Long Service Award Ceremony

Form of Proxy

34th 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 34th Annual General Meeting of the Company to be held on September 30, 2013 and at any adjournment thereof.

Signed this _________________________ day of ________________ 2013.

____

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 CNIC / 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

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