MAPLE LEAF CEMENT FACTORY LIMITED

ANNUAL REPORT 2023

THE FACTORY

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MAPLE LEAF CEMENT

ANNUAL REPORT 2023

MAPLE LEAF CEMENT

At Maple Leaf we connect black as a colour of creativity, it's poetic. As a leader we must be creative and encourage the creativity and innovation of our team members too. Nothing is purer than something completely black-a blanket of spirituality comes to mind. Maple Leaf Cement sees the world in situational shades of black rather than as a completely black and white world.

When things are in black, there is a finality and a commitment to us. As a leader our intentions must be pure, our ethics must be in check, and we must be as transparent to others in our thoughts and actions as possible. As leaders we are committed, hold firm to commitments and lead from that foundation. That commitment level makes things clearer for us from darkness.

Therefore easier for us to lead and more consistent for others resulting black consciousness which is an attitude of the mind and a way of life, the most positive call to emanate from the new corporate world because stars can't shine without darkness.

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Consolidated Financial Statements

ABOUT THE REPORT

Maple Leaf Cement Factory Limited (MLCFL) corporate Annual Report 2023 covers the period from 1st July 2022 to 30th June 2023. All the activities and performance related data is related to MLCFL and its wholly owned subsidiaries Maple Leaf Power Limited (MLPL) and Maple Leaf Industries Limited (MLIL) does not include any information or data related to its holding and/or associated companies unless where required by legal and corporate regulations.

The Annual Report has been prepared to first give an introduction and overview about the principal activities of the business. It then underlines the risk management framework of the company and then goes to explain the governance structure, their performance and future strategies of the organization which contains the directors' report to the shareholders and the chairman's review. Performance and future outlook are divided into economic, social and environmental categories. Both the financial and non-financial performance is covered in this report. While the economic, environmental and social data presented in this report is with reference to activities and operations at Maple Leaf Cement Factory Limited. Along with operational impacts, the Annual Report also covers the company's aim of aligning its processes and activities with Sustainability Development Goals (SDGs) and highlight the company's current contributions towards each goal. Company also explains it's responsibility and performance related to corporate social responsibility. The report concludes with the audited financial statements of the company along with the auditor's report, prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

The Annual Report has been prepared in compliance of provisions and directives of Companies Act, 2017 and Code of Corporate Governance Regulations, 2019. Auditor's report of compliance with Code of Corporate Governance also falls part of this report. There has been no change in the reporting period, boundary and scope of the report.

This Annual Report is available in both print and online form at www.kmlg.com

Your feedback is of great value to the Company. Any queries, grievances or general information can be promptly addressed by our 24/7 call centre number: 0800-41111

2023 YEAR AT A GLANCE
(CONSOLIDATED)

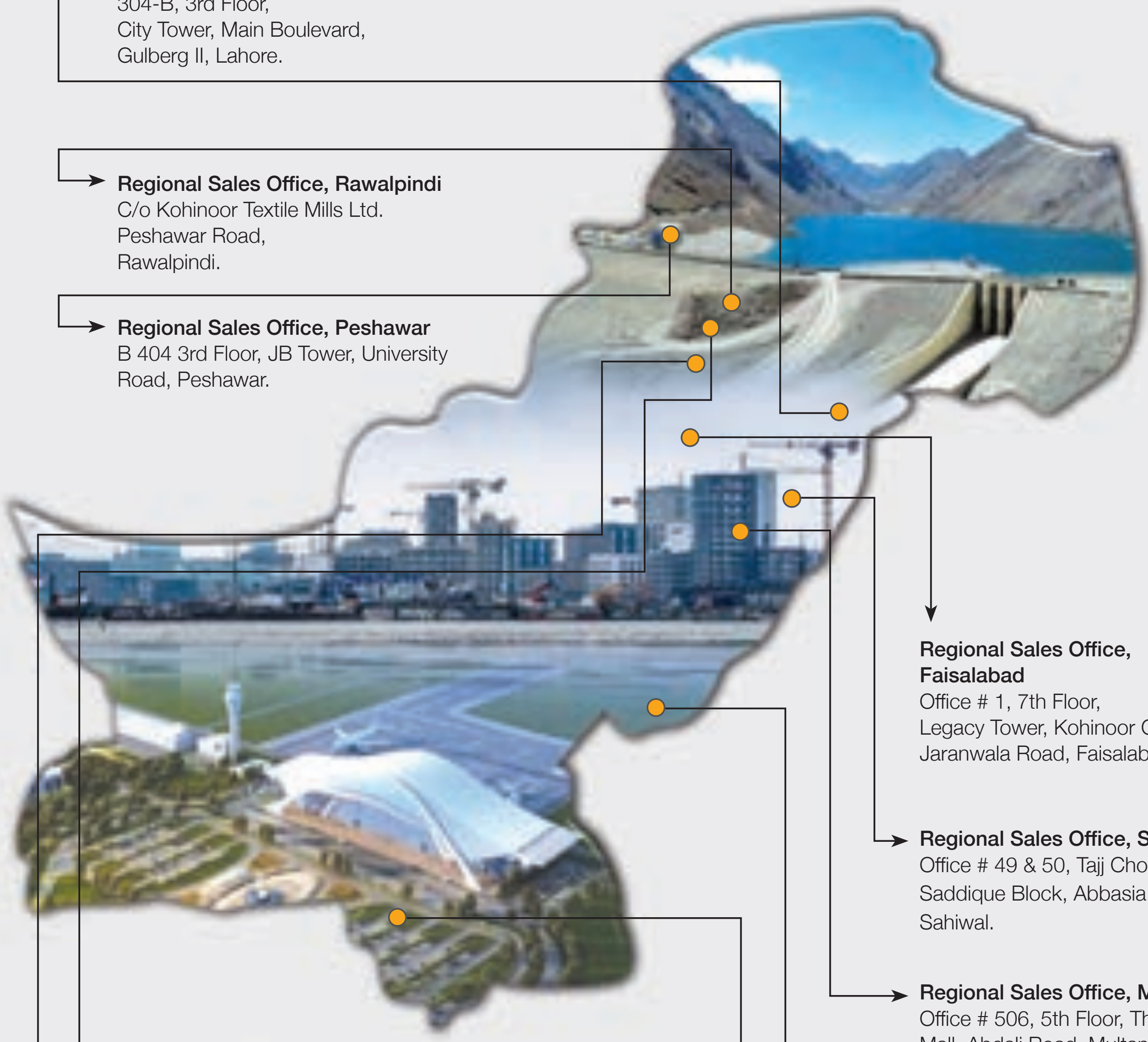
GEOGRAPHICAL PRESENCE

Head Office
42 - Lawrence Road, Lahore

Regional Sales Office, Lahore
304-B, 3rd Floor,
City Tower, Main Boulevard,
Gulberg II, Lahore.

Regional Sales Office, Rawalpindi
C/o Kohinoor Textile Mills Ltd.
Peshawar Road,
Rawalpindi.

Regional Sales Office, Peshawar
B 404 3rd Floor, JB Tower, University
Road, Peshawar.



Regional Sales Office, Faisalabad
Office # 1, 7th Floor,
Legacy Tower, Kohinoor City,
Jaranwala Road, Faisalabad.

Regional Sales Office, Sahiwal
Office # 49 & 50, Tajj Chowk,
Saddique Block, Abbasia Town,
Sahiwal.

Regional Sales Office, Multan
Office # 506, 5th Floor, The United
Mall, Abdali Road, Multan.

Plant
Iskanderabad Distt: Mianwali.

Regional office, Rahim Yar Khan
Office No. 2, 1st Floor, Waryam Plaza,
Canal Avenue,Rahim Yar Khan.

Regional Sales Office, Sargodha
Office No. 3, 1st Floor,
Qureshi Arcade, Khushab Road,
Sargodha.

Regional Sales Office, Karachi
25 West Wharf Road, Karachi.

PRINCIPAL BUSINESS ACTIVITIES

Maple Leaf Cement Factory Limited (MLCFL) is part of the Kohinoor Maple Leaf Group which is a reputable manufacturer of textile and cement in Pakistan. Maple Leaf Cement is the largest single cement production site in Pakistan. It is one of the pioneers of cement industry in Pakistan and in 1956 it was formed by the collaboration between the West Pakistan Industrial Development Corporation and the Government of Canada. Currently, the Company operates via four production lines for the production of grey cement and one line for white cement in which it owns more than 90% market share. All four lines are owned assets of the Company. Total installed capacity for clinker production as at June 30, 2023 is 7,800,000 tons annually.

The Company markets and sells its products all over Pakistan with market presence mainly in North and Central regions. The Company also exports cement to Afghanistan, Middle East and other African countries.

LEADING EDGE INNOVATIVE INITIATIVES

Today with a current clinker production capacity of 23,666 tons, per day we stand as the largest single cement manufacturing unit at single site in Pakistan. Our production plants are powered by cutting edge technology that helps us dominate local & International markets.

Maple Leaf Cement has at present two separate plants for Grey and White Cement; each with dedicated production lines within the same facility that ensure a continuous supply of cement 24/7-330 days a year.

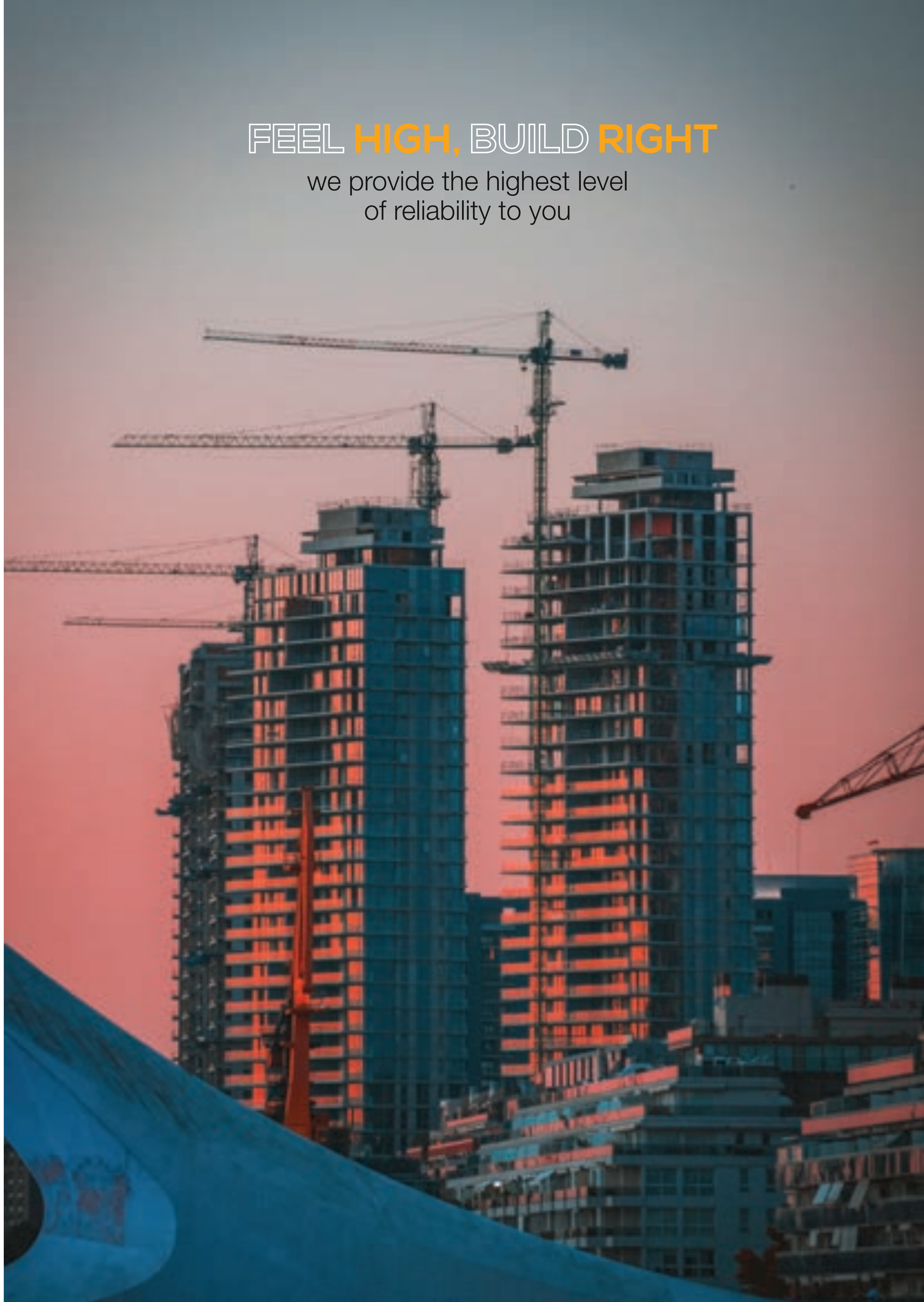
We have kept ourselves abreast of global improvements in the cement manufacturing technologies and processes. Staying true to our mantra of technological excellence, another state-of-the-art fuel-efficient dry process plant based on the Sinoma Plant Technology has been added to the existing production facilities. The Company enhanced the total clinker production capacity to approximately 7.80 million tons annually.

FLSmidth is a global engineering company based in Copenhagen, Denmark which is a leading provider of one-source cement production plants worldwide and has a presence in more than 40 countries.

MLCFL has a team of 1,610 professionals and highly skilled workers that make us what we are today. The Company enriches and nurtures its employees by capitalizing and promoting their independent individuality, personality and competence to reach greater heights of logic, reasoning, professionalism and emotional grooming. Active Management Trainee Officer, trainee and internship programs and employing fresh graduates are all insightful initiatives taken by the Company to fully grasp and appreciate their fresh ideas and perspective towards key business issues for an overall innovative outcome.

NATURALLY ENRICHED

Our factory is situated at Daud Khel, Punjab, near the Salt Range, it is surrounded by the finest quality of raw materials; limestone, clay and sand. These valuable resources are quarried from the mineral rich mountain ranges located at our manufacturing site. To ensure uninterrupted supply, the Company has strategically built separate production plants for Grey and White Cement in this area.



OUR PRODUCTS AND MARKETS

OUR PRODUCTS

To cater to varying needs of the market, the Company produces the following types of cement: -

I. Ordinary Portland Cement
II. Sulphate Resistant Cement
III. Low Alkali Cement
IV. White Cement
V. Wall Coat
VI. HD Putty
VII. White Plast

The varying products allow us to cater different types of customers from household to contractors to Government infrastructure needs as the composition of cement required by each is different.

OUR MARKETS

Our key market consists of all the regions of Pakistan which contributed 96.96% of our total sales volume during current financial year. We operate in local market through direct orders, distributors, dealers and retailers. Our products are considered to be a premium brand and first choice by our customers. Our Export team consists of seasoned and competent personnel who are persistently exploring new markets and avenues to bolster sales margins. Having a global footprint is imperative if a Company seeks to grow to its utmost potential. Despite facing massive competition in the international arena from technologically advanced nations, the Company persevered and contracted favourable export deals in various markets. During the year, export sales quantity constituted 3.04% of total sales. The Company sold its products to the following countries:

- Afghanistan
- Mozambique
- Nigeria
- Ethiopia
- Oman
- Qatar
- Seychelles
- Sri Lanka
- Tanzania

COMPANY INFORMATION

Board of Directors
Mr. Tariq Sayeed Saigol ....Chairman
Mr. Sayeed Tariq Saigol ....Chief Executive
Mr. Taufique Sayeed Saigol
Mr. Waleed Tariq Saigol
Mr. Danial Taufique Saigol
Ms. Jahanara Saigol
Mr. Shafiq Ahmed Khan
Mr. Zulfikar Monnoo
Syed Mohsin Raza Naqvi

Executive Directors
Mr. Sohail Sadiq .... Finance
Mr. Yahya Hamid .... Marketing

Audit Committee
Mr. Shafiq Ahmed Khan.........................Chairman
Mr. Zulfikar Monnoo.................................Member
Mr. Waleed Tariq Saigol............................Member
Mr. Danial Taufique Saigol........................Member

Human Resource & Remuneration Committee
Mr. Shafiq Ahmed Khan.........................Chairman
Mr. Zulfikar Monnoo.................................Member
Mr. Danial Taufique Saigol........................Member

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad Ashraf

Chief Internal Auditor
Mr. Zeeshan Malik Bhutta

Bankers of the Company
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Albaraka Bank (Pakistan) Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Auditors
A. F. Ferguson & Co.
Chartered Accountants,
308-Upper Mall, Shahrah-e-Quaid-e-Azam, Lahore.
Tel: +92 (42) 3519 9343-50
Fax: +92 (42) 3519 9351
www.pwc.com/pk

Legal Adviser
Mr. Abdul Rehman Qureshi - Advocate High Court

Registered Office
42-Lawrence Road, Lahore.
Phone: +92 42 36278904-5
Fax: +92 42 36368721
E-mail: mohsin.naqvi@kmlg.com

Factory
Iskanderabad, District: Mianwali
Phone: +92 459 392237-8

Call Center (24/7)
0800-41111

Share Registrar
Vision Consulting Limited
Head Office: 5-C, LDA Flats,
Lawrence Road, Lahore
Phone: +92 42 36283096-97
Fax: +92 42 36312550
E-mail: shares@vcl.com.pk

Company Website:
www.kmlg.com

Note:
MLCFL's Financial Statements are also available at the above website.

Video presentation of CEO detailing financial performance of the Company is also available on the above website

VISION & MISSION STATEMENT

OUR VISION

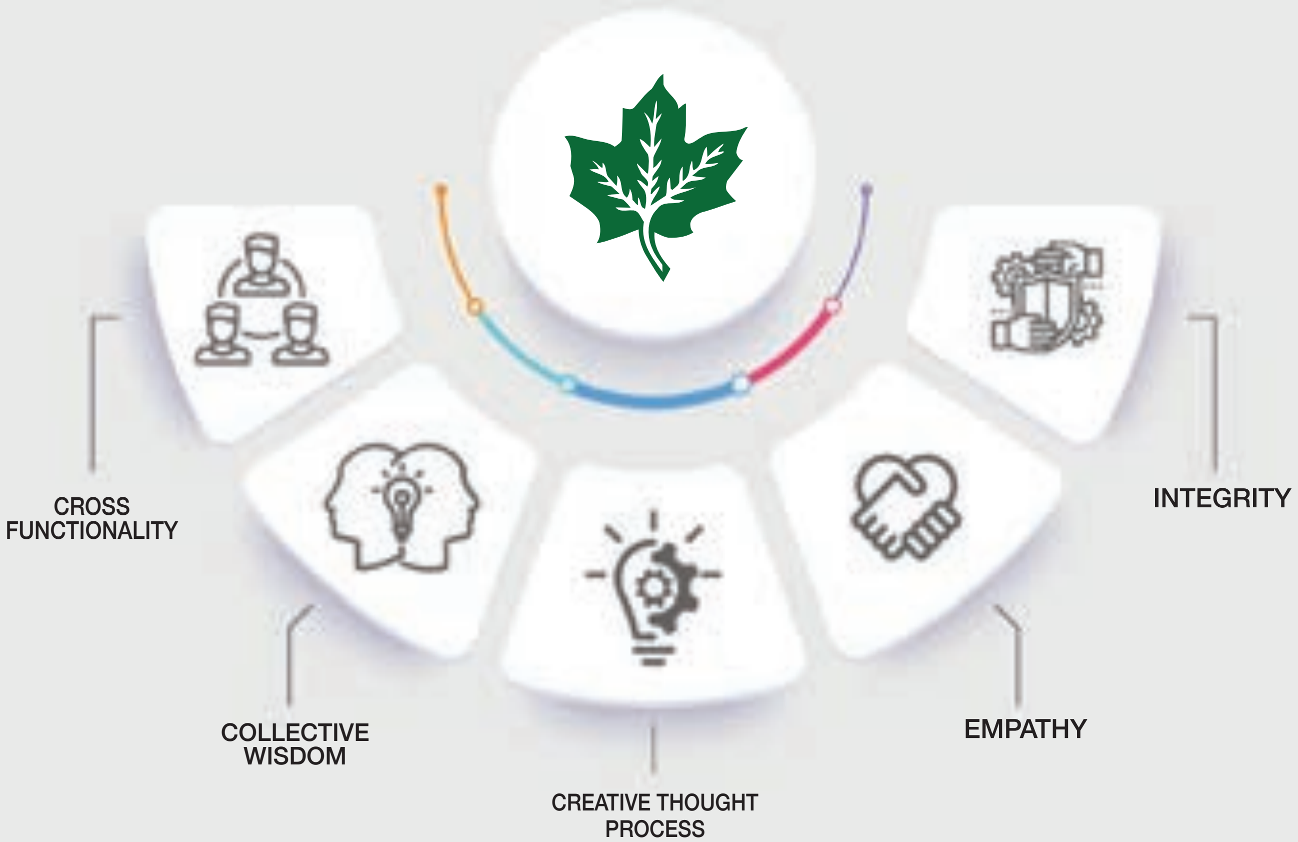
The Maple Leaf Cement Factory stated vision is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders' interest.

OUR MISSION

The Company shall achieve its mission through a continuous process of having sourced and implemented the best leading-edge technology, industry best practice, human resource and by conducting its business professionally and efficiently with the responsibility to all its stakeholders and community.

CORE VALUES

Maple Leaf Cement Factory Limited is committed to be an ethical and a responsible member of the business communities in which it operates. The Company always endeavours to ensure that highest standards of honesty, integrity and ethics are maintained.



CROSS FUNCTIONALITY

Cross functional teams often function as self-directed teams in order to achieve common goals.

COLLECTIVE WISDOM

For sharing knowledge, innovative ideas, experience & individual expertise with others to attain common objectives.

CREATIVE THOUGHT PROCESS

Out of the box ideas.

EMPATHY

Ability to understand & share feelings of others. Put oneself in someone else's shoes.

INTEGRITY

Adherence to moral & ethical principles; soundness of moral character & honesty.

CORPORATE STRATEGY

We, at Maple Leaf Cement Factory Limited, manufacture and market different types of consistently high-quality cement, according to the demanding requirements of the construction industry. Our strategy is to be competitive in the market through quality and efficient operations. As a responsible member of the community, we are committed to serve the interests of our stakeholders and contribute towards the prosperity of the Country.

CULTURE

The Company is committed to build a strong organizational culture that is shaped by empowered employees who through collective wisdom will create a cross-functional work environment in line with Company's vision and values. Maple Leaf Cement Factory Limited is committed to be an ethical and a responsible member of the business communities in which it operates. The Company always endeavours to ensure that highest standards of honesty, integrity and ethics are maintained.

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

The following principles constitute the code of conduct which all Directors and employees of Maple Leaf Cement Factory Limited are required to apply in their daily work and observe in the conduct of Company's business.

While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies. Contravention is viewed as misconduct.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

ETHICAL PRINCIPLES

1. Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/ services to the company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

2. Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company is not in any way compromised.

3. Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

4. Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person. Nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views, they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

5. All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

6. The Company has strong commitment to the health and safety of its employees and preservation of environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

7. Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also, all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.

HISTORY OF MAPLE

1956 The Company was established by the West Pakistan Industrial Development Corporation (WPIDC) and incorporated as "Maple Leaf Cement Factory Limited". The capacity of the plant was 300,000 tons clinker per annum.

1967 A company with the name of "White Cement Industries Limited" (WCIL) was established with the clinker capacity of 15,000 tons per annum.

1974 Under the WPIDC Transfer of Projects and the Companies Act, 1913, the management of two companies namely, MLCFL and WCIL were transferred to the newly established State Cement Corporation of Pakistan (SCCP).

1983 SCCP expanded WCIL's white cement plant by adding another unit of the same capacity parallel to the existing one; it increased total capacity to 30,000 tons clinker per annum.

1986 SCCP set up another production unit of grey cement under the name of Pak Cement Company Limited (PCCL) with a capacity of 180,000 tons per annum.

1992 The Company, WCIL and PCCL were privatized and transferred to the KMLG. All three companies were merged into Maple Leaf Cement Factory Limited on July 01, 1992.

1994 The Company was listed on all Stock Exchanges in Pakistan.

1998 A separate production line for grey portland cement of 990,000 tons per annum clinker capacity based on most modern dry process technology was installed.

2000 Maple Leaf Electric Company Limited, a power generation unit, was merged into the Company.

2004 The coal conversion project at new dry process plant was completed.

2005 Dry process plant capacity was increased from 3,300 tons per day (tpd) to 4,000 tpd through debottlenecking and up-gradation of equipment and necessary adjustments in operational parameters.

2006 A project to convert the existing wet process line to a fuel-efficient dry process white cement line commenced its commercial production. Profit after tax was reported PKR 1,059 million.

2007 The Company undertook another expansion project of 6,700 tpd grey clinker capacity which commenced its commercial production on November 01, 2007.

2008 Two existing lines of white cement 50 tpd each clinker capacity converted into oil well cement plant which started its commercial production.

2011 The Company successfully started Waste Heat Recovery Boiler Plant.

2012 The Company started earning profit and recorded PKR 496 million profit after tax.

2013 The Company earned the highest ever record profit after tax of PKR 3,225 million.

2014 The Company and Pakistan Railway signed an agreement to transport coal and cement from Karachi to Daudkhel and vice – versa.

2015 The Company recorded the highest ever turnover of PKR 20,720 million as well as profit after tax of PKR 3,454 million. The Company reduced its debt burden by 46% as compared with last year.

2016 The Company yet again recorded the highest ever turnover quantitatively (3.34 million tons) and value wise (PKR 23.432 billion), as well as highest profit after tax of Rs. 4.88 billion. The Company paid off its Rs. 8 billion debt in third quarter of the financial year much earlier than the deadline of December 2018. The Company also established a wholly owned subsidiary, Maple Leaf Power Limited, for the establishment and commissioning of a 40 MW coal fired power plant.

2017 Record cement sales amounting to Rs.23.9 billion were made during the year with total dispatches crossing 3.36 million tons. The Company announced another expansion project of 7,300 tpd grey clinker.

2018 The Company crossed Rs. 25 billion Net Sales Revenue benchmark stemming from a record 18.96% growth in local dispatches. 40 MW coal-fired power project, installed and operated by wholly-owned subsidiary Maple Leaf Power Limited, also started commercial production. Moreover, 12.5% Right issue amounting Rs. 4.3 billion to partially finance new line of grey cement was successfully subscribed.

2019 The Company has reached a new milestone of Rs.26 billion Sales Revenue. Also, a new production line having capacity of 7,300 tpd of grey clinker production, a brown field expansion at the Company's existing site at Iskandarabad has started its commercial operations. As a result of this expansion, total grey clinker capacity has increased to 18,000 tpd.

2020 The Company has achieved another milestone with the highest ever sales revenue of Rs.29 billion and the highest ever sales quantity of 5.2 million tons of cement. The Company raised Rs. 6.06 billion by Right issue to make early repayments of its loan obligations.

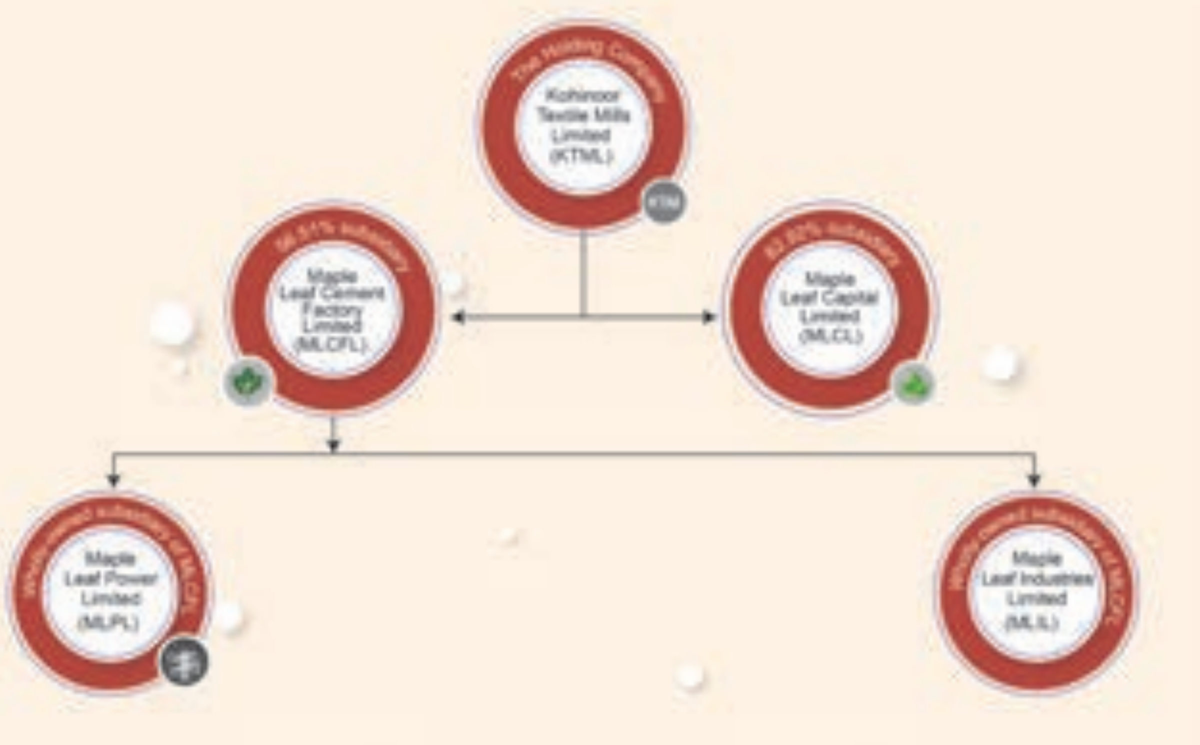
2021 Commenced construction on new cement line 4 and capacity enhancement of WHRP.

2022 The Company has achieved highest ever net sales revenue of Rs. 48 billion and highest ever operating profit of Rs. 9 billion. WHRP on line III and Solar projects 12.5 MW completed during the year.

2023 The Company has achieved highest sales of Rs. 62 billion and highest ever operating profit of Rs. 12 billion. Further, the company has installed new Line-4 having capacity of 7,000 metric tons per day.

COMPANY PROFILE
AND GROUP STRUCTURE

Maple Leaf Cement Factory Limited is a part of Kohinoor Maple Leaf Group (KMLG). KMLG comprises of two listed public limited companies i.e., Kohinoor Textile Mills Limited (KTML) and Maple Leaf Cement Factory Limited (MLCFL) and two unlisted public limited companies i.e., Maple Leaf Capital Limited (MLCL), Maple Leaf Power Limited (MLPL) and Maple Leaf Industries (MLIL). The Group companies are ranked amongst the top companies in the cement, textile, power and investment sectors. All the group companies operate in Pakistan only.



Maple Leaf Cement Factory Limited (MLCFL) was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

Maple Leaf Power Limited (MLPL) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance 1984 (now the Companies Act, 2017) as a public company limited by shares. The principal objective of MLPL is to develop, operate and maintain electric power generation plant in connection therewith to engage in the business of generation, sale and supply of electricity. MLPL is wholly-owned subsidiary of MLCFL.

Kohinoor Textile Mills Limited (KTML) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of KTML is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

Maple Leaf Capital Limited (MLCL) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance 1984 (now the Companies Act, 2017) as a public company limited by shares. The principal object of MLCL is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments. MLCL is a subsidiary of KTML.

Maple Leaf Industries Limited (MLIL) is a Limited Company incorporated in Pakistan on 21 September 2022 as a public limited under Companies Act 2017. The company is wholly owned subsidiary of Maple Leaf Cement Factory. The Company's objective is to produce, manufacture, prepare, treat, process, refine and deal in all kinds of cement and allied products. The company has not yet commenced production.

VALUE CHAIN ANALYSIS

MLCFL principal business activity is to produce and sell cement products. Manufacturing cement involves blending a mixture of limestone and other minerals at a high temperature in kilns. Diesel is used to initially fire the kiln whereas coal is used to heat the kiln at desired temperature.

On the upstream part of value chain, raw material for cement manufacturing includes limestone, gypsum, clay, iron ore etc., which mainly are excavated from mines either directly by the Company or through contractors. These materials are first excavated from mountains obtained on lease from the Minerals department, against which royalty is paid on a monthly basis. Coal used as fuel in the process is one of the major cost ingredients. MLCFL directly imports high quality coal from South Africa, also procures Afghanistan coal and local coal for use in the manufacturing process.

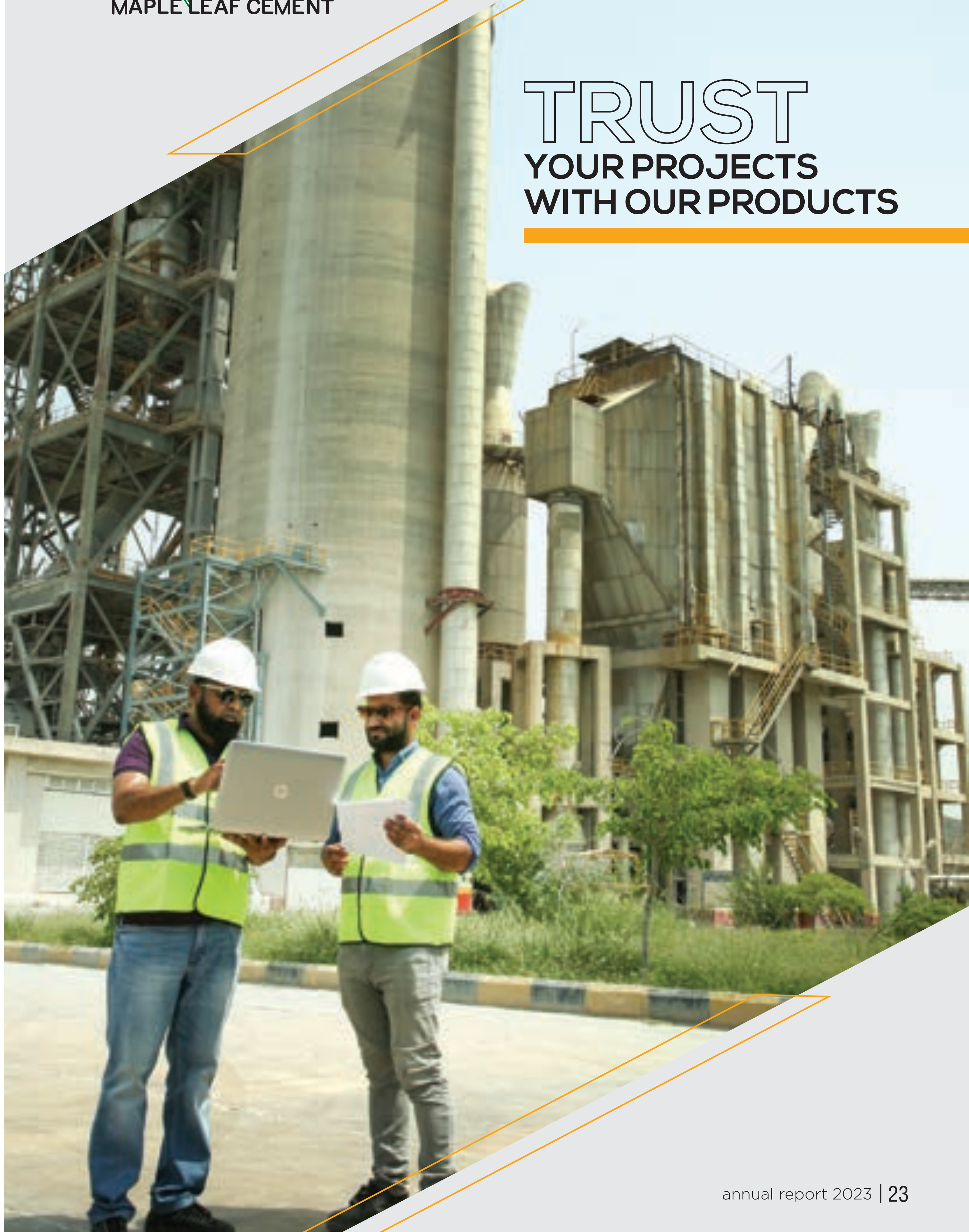
MLCFL has invested in maintaining a smooth flow of operations. The company has implemented a proactive approach to mitigate its risk of disruptions in the production process. The Reliability Centered Maintenance (RCM) team is specialized in using various maintenance techniques such as predictive, preventive and proactive maintenance to keep in pace all the machinery and equipment for their adequate functionality and to increase cost effectiveness, machine uptime, and a greater understanding of the level of risk that the organization is presently managing. At MLCFL, the mining, grinding, crushing and blending processes are strictly monitored by highly qualified specialists, to ensure that the best possible product is manufactured for our valued customer.

Facilitating downstream along the value chain, MLCFL has its own 24/7 Customer Service Centre, first ever in the history of the Pakistani cement industry. The objective of this service is to bring MLCFL a step closer towards our valued customers. Customers can obtain any information pertaining to our Company, our products, order dispatch details, payment history and for complaints/suggestions, direct access to the top management.

Through efficient use of its marketing strategy, MLCFL is creating a pull effect by locking-in its customers and is consequently able to tap the potential markets proactively. Various activities focusing on engaging the dealers and even the masonry staff have been initiated by the Company. Such activities encourage the dealers and masons to recommend the product portfolio of MLCFL. We in collaboration with TEVTA have created a pool of highly skilled masons through the Master Mistri Program.

Value chain analysis has enabled MLCFL to identify its core competencies and to identify key stakeholders in the process of the value creation as well as those along the upstream and downstream value chain. Moreover, this analysis has helped MLCFL in identifying the activities which add value for its customer and also to evaluate its competitive positioning in industry.

MAPLE LEAF CEMENT



BUSINESS MODEL

KEY ELEMENTS OF THE BUSINESS MODEL

Capitals	Key Elements
Input	Raw material (Limestone, Gypsum, Clay)
Business Process	Manufacture of Cement Products
Output	Clinker and Cement Produced
Outcome	Economic and Social Benefits

Explanation of any material changes in the Company's business model during the year.
There has been no material change in the business model during the year.

SIGNIFICANT FACTORS AFFECTING EXTERNAL ENVIRONMENT AND MLCFL'S RESPONSE

External Component	Factors	Organizational Response
Political	• The decline in GDP growth, significant cut in PSDP and bleak economic situation. • Prolonged political unrest badly impacting the performance of Pakistan Stock Exchange (PSX).	• Management proactively plans for different demand scenarios with the help of budgeting, forecasts and projections. • Exploring new export markets to efficiently utilize production capacities in response to reduction in sales volumetric growth in local market. • Regular market analysis by senior management and the Board. • Conducting corporate briefings and roadshows, both at national and international level, to mitigate the impact of government policies and actions on the market capitalization of the company. It further helped increase and sustain foreign shareholding in the total capital structure of the company.
Economical	• Price hike in major input costs especially fuel, power and packing materials. • Devaluation of local currency. • Inflation. • Inconsistent economic policies	• Usage of coal fired power project has resulted in a handsome decline in the overall power cost pool, which led to a reduction in per ton power cost. • Installation of renewable energy i.e. solar power projects of 12.5 MW. • Installation and commercial production of waste heat recovery Coal fire project at Line-4. • The Company met price hikes in input costs by; a) Efficient procurement of coal and pet coke on account of better negotiation. b) Transportation cost, being a major component of overall overhead cost, is curtailed by transportation agreement with Pakistan Railways. c) Effective inventory management by meticulously reviewing inventory-holding periods. d) Cost reduction initiatives to control production and non -production related fixed costs.
Social	• Stakeholders' inclination towards CSR compliant organizations. • Better retention in organizations offering affordable health and educational facilities. • Attitude change towards welfare of public at large.	• Ensuring compliance with all requirements of Corporate Social Responsibility (CSR). • The Company's focus to report performance based on Triple Bottom Line Reporting Framework. • The Company built a state of the art hospital at its plant site in collaboration with Al-Shifa Islamabad to provide health facilities to employees and general public. Further, the Company contributed to educational facilities for public at large "Al Aleem medical college in Ghulab Devi Educational Complex. • Company regularly contributes a handsome amount of donation towards hospitals, schools, mosques and sports centres.
Technological	• Technical obsolescence of production facilities. • Continuous development of information technology infrastructures and Management Information Systems (MIS) software. • Communication infrastructure.	• Company has the most novel European plant from FLSmidth to avoid any risk of technical obsolescence. Additionally, company is in the process of adding a state-of-the art new grey cement line. • Company continuously invests in the robust hardware and software for system up-gradation and MIS. Recently company has managed ERP and EAM modules for meeting latest reporting needs. • Company has developed a highly interactive Supply Chain Management Software that has been designed to track shipments and create online orders. • The Company has ensured the provision of latest Microsoft outlook software to meet communication needs of all company personnel internally and with all external stakeholder groups.

External Component	Factors	Organizational Response
Environmental	• Attitude towards and support for renewable energy. • Air pollution & deforestation • Lowering of underground water belt. • Growing attention towards "green" attitudes	• Company is successfully operating waste heat recovery project (WHRP) for electricity generation from emitted heat of the kilns. The Company has installed 12.5 MW solar power projects. • Planting trees to limit the emission of harmful gases in the atmosphere and to ensure maintenance and lifting up the underground water level by reducing the evaporation process. • The Company has been approved the standards of ISO 14001 and ISO 18001 for complying with an effective Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) requirements.
Legal	• Enforcement of new Companies Act 2017. • Continuous amendment in the provisions of Income Tax Ordinance 2001 and Sales Tax Act 1990 resulting from finance bill on annual basis. • Amendments in the requirements of code of corporate governance, Pakistan Stock Exchange rules and the requirements of SECP Act. • Severe FBR actions to deter non- compliance and late payments. • Amendments inemployment laws and industrial relations regulations.	• Company has engaged an efficient team of professionals to ensure compliance with all enacted and or substantially enacted statutes, acts and ordinances. It further equips the company with an up-to-date knowledge of all prevailing legal requirements. • Company ensures that all taxes and duties payments, whether income tax or sales tax, are made timely by having an effective cash management system in place. • The Company has equipped itself with a competent legal team to make itself updated on employment and industrial laws. It further helps the management in complying with requisite updates on timely basis.

EFFECT OF SEASONALITY ON BUSINESS

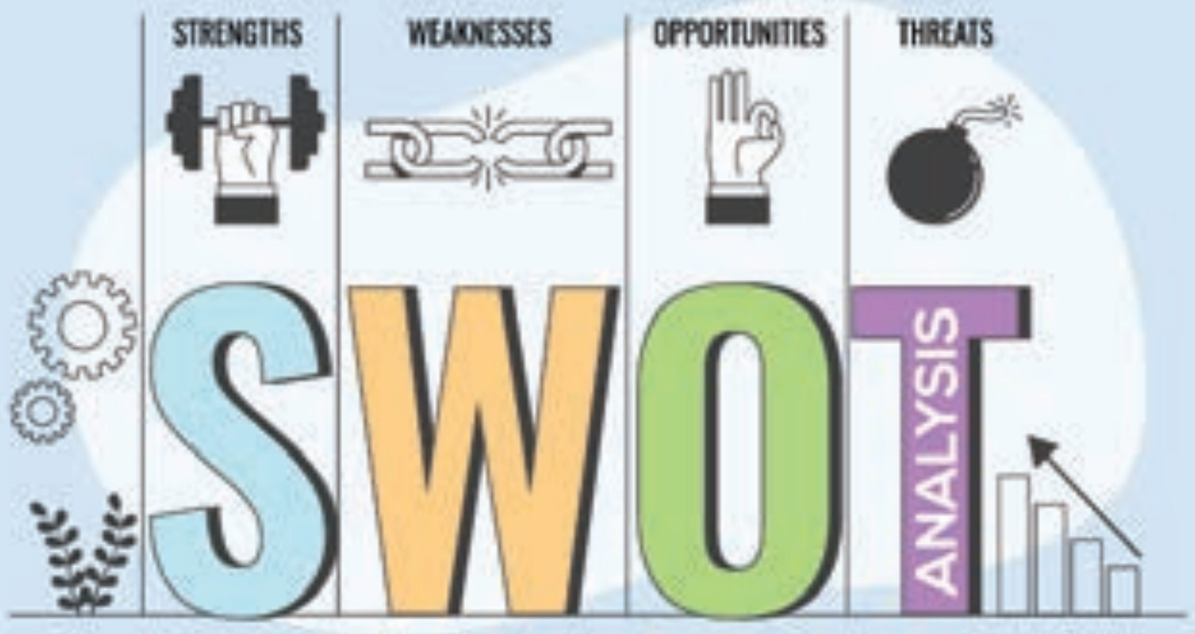
Seasonality has an impact on cement production. Cement sales are higher in spring/summer months due to longer duration of the day, the sales fall during monsoon and winter due to less construction activities.

LEGITIMATE NEEDS, INTEREST OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

Lawful need and interests of key stakeholders of the Company are positive growth in profits, net worth, higher & sustainable returns on their investments, compliances with laws and regulations, contributions and improvement towards local community, to add positive impact on all parts of supply chain and adding a positive impact in health, education and environment through CSR activities.

Cement industry is pursuing the following for gaining competitive advantage and sustainable growth of the business.

1. Capacity expansions to meet higher demands;
2. Adoption of latest technologies to be cost efficient;
3. To avail renewable energy resources like WHRP and solar projects; and
4. To explore cheaper fuels to be used in production process.



SWOT analysis is being used at Maple Leaf Cement as a strategy formulation tool, in order to match our strengths with perceived opportunities and minimize our weaknesses to avoid market and other threats. Management at Maple Leaf considers the following factors of SWOT analysis relevant to us:

STRENGTHS

- Largest single cement producing site in Pakistan.
- State of the Art FLSmidth plants.
- High EBITDA Percentage.
- Excellent logistic management including Pakistan Railways arrangement.
- Fully diversified cement producer.
- Strong local and international branding.
- Offering over 330 days/year production.
- Well diversified fuel mix and efficient operation.
- Well-developed and refined human resource.
- Low energy cost per ton for clinker.
- Own self-power generation coal-based power plant.

WEAKNESSES

- Cyclical industry.
- High transportation cost.
- Highly regionalized and localized market.
- High electricity cost.
- High taxation.

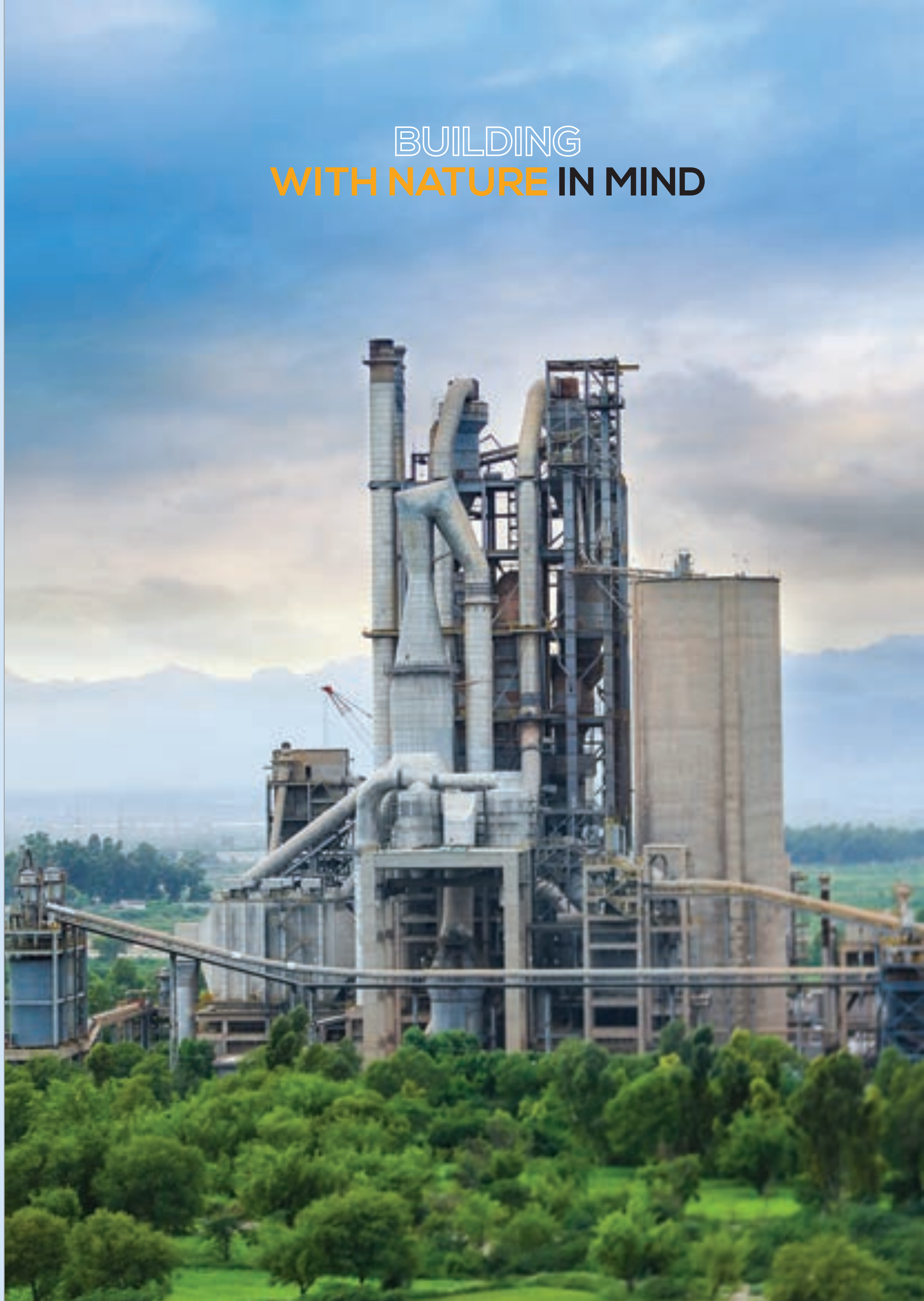
OPPORTUNITIES

- Focus on cost optimization.
- Availability of housing loan from financial institutions.
- Rising population works as a catalyst for housing boom.
- Low per capita consumption.
- Research to develop new products.

THREATS

- Rising cost of logistics.
- Rising cost of power.
- Rising fuel rates in international markets.
- Currency devaluation risk.
- New entrant threats in the view of rapid capacity enhancements due to high potential market.
- High incidence of taxes.
- High cost of financing
- Low GDP growth rate

BUILDING WITH NATURE IN MIND



CUSTOMER LANDSCAPE AND MARKET POSITIONING

The Company's competitive landscape and market positioning is described below:

THREAT OF NEW COMPETITION

The cement sector in Pakistan is heavily dependent upon the nature and state of the economy of the nation where production capacity and ultimate dispatch is pegged towards demand and current PSDP's allocation by the government. Given the external circumstances, the industry has shifted towards the mature phase of its product life cycle in which competition is high, demand is stagnant and key players are firmly established.

Furthermore, the cement sector by its natural design has high barriers to entry where having economies of scale is paramount. Capital investment requirements and business set up costs remain exorbitant and access to key distribution channels and raw material is essential to success.

Cumulating all above factors, it is highly unlikely for new players to enter the market.

THREAT FROM SUBSTITUTE PRODUCTS

To say that cement has shaped the world of today won't be an overstatement. Infrastructure, may it be housing, roads, towering skyscrapers, bridges, dams, or even the Wonders of the World, wouldn't have been possible without cement.

From a commercial perspective there is no direct substitute of cement.

BARGAINING POWER OF CUSTOMERS

Generally, cement in Pakistan is not directly sold to end consumers. The manufacturing company sells the product to registered distributors, dealers and retailers who further the supply to the end consumers.

MLCFL endeavours to add more dealers to its customer base with whom the Company enjoys a healthy, mutually beneficial relationship based on trust and honouring of business terms.

The Company has established a 24/7 call center to stay in touch with all its stakeholders. All the queries, order inquiries and grievances (if any) are addressed on real-time basis. Furthermore, the Company has employed a marketing and branding team which organizes events and makes real time visits to its dealers to further strengthen the bond of loyalty and inspire unity.

BARGAINING POWER OF SUPPLIERS

It is common practice for large manufacturing concerns to enjoy a wide supplier base who are keen to do business with it, MLCFL being no exception. The Company has been doing business with a large list of approved vendors on its panel, having a history of professional business ethics, to maintain a healthy competition. Thus, the Company enjoys a privileged bargaining power while keeping the business norms intact. The Company has an extensive vendor selection process in place which is supervised by the Audit Department to ensure transparency and fairness.

Raw material is obtained through long term lease contracts with Mines and Mineral Department, Government of the Punjab. Sufficient letter of credit lines are available to facilitate ease of business with foreign suppliers. Whereas, fuel and other input materials are purchased after extensive market research and negotiation to protect the Company's interests.

INTENSITY OF COMPETITIVE RIVALRY

Competitive forces are fairly strong in the cement sector which consists of rival companies aggressively competing with one another on price and market share. The cement companies are geographically situated all over in Pakistan that results in intensified competition as far as market share and price are concerned. MLCFL has continuously been working hard to maintain its brand loyalty, market share expansion, efficient supply chain and superior quality products.

MLCFL has always been the first priority of cement consumers due to its superior quality products giving an edge to the Company in the intensive competitive environment.

LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

Maple Leaf Cement Factory Limited was incorporated in Pakistan under the Companies Act, 1913 and is listed on Pakistan Stock Exchange. The Company is subject to all the relevant laws and regulations which are prevailing and are applicable to all the listed companies operating in Pakistan. Further financial statement of the Company has been prepared in accordance with the Accounting and Reporting Standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

POLITICAL ENVIRONMENT AND IMPACT OF OTHER COUNTRIES ON THE COMPANY

The political environment of the country has not been stable, there has been uncertainty as regards to political stability and economic conditions. Global matters also affect the economy of our country in many ways because they effect the supply of inputs which in turn increase the prices of the commodities. Global coal and oil prices escalated sharply due to cut in coal production by Indonesia and the war between Russia and Ukraine. Further, increase in inflation and interest rates across the globe has strengthened US Dollar resulting in Pak Rupee devaluation and high local inflation.

SIGNIFICANT CHANGES FROM PRIOR YEARS

The external environment is constantly changing such as low spending of government on PSDP during the year, constant rise in inflation, halted construction activities, strict monitoring and regulation by the Government on certain industrial sectors. Global coal started decreasing during the 3rd and 4th quarters of the financial year but on the other hand, oil prices were on an increasing trajectory due to ongoing war between Russia and Ukraine. Interest rates have significantly increased during the year which has greatly increased the borrowing cost. Further, Pak Rupee devaluation resulted in higher inflation and input costs.

CALENDAR OF CORPORATE EVENTS

JULY 2022 - JUNE 2023

01 — **01-SEP-22**
Annual June-2022 Result Declared

02 — **17-OCT-22**
1st Qtr Sep-2022 Results Declared

03 — **27-OCT-22**
Annual General Meeting Held

04 — **18-NOV-22**
Human Resource & Remuneration Committee Meeting Held

05 — **30-DEC-22**
Extraordinary General Meeting Held

06 — **30-DEC-22**
Election of Directors

07 — **21-FEB-23**
Half Yearly Dec-2022 Results Declared

08 — **17-APR-23**
9 Months Mar-2023 Results Declared

09 — **27-MAY-23**
Recommendation for Authorized Capital and QR Enabled dissemination

10 — **20-JUN-23**
EOGM approved Authorized Share Capital and QR Enabled Dissemination

No significant events occurred after the reporting date which needs to be disclosed.

CALENDAR OF OTHER NOTABLE EVENTS

JULY 2022 - JUNE 2023

14 AUG 2022
Azadi Celebration

09 OCT 2022
Eid Milad un Nabi

04 NOV 2022
Annual Mega Event

25 DEC 2022
Christmas Celebrations

10 FEB 2023
HODs Family Day Out

11 MAR 2023
Maple Sports Week

31 MAR 2023
Line IV and WHRP Line IV

05 JUN 2023
World Environment Day

25 JUN 2023
Mango Feast

ORGANIZATION CHART

STATEMENT OF OVERALL STRATEGIC OBJECTIVES 2023-2024

Following are the main principles that constitute the strategic objectives of MLCFL: -

SHORT TERM OBJECTIVES

- Improved capacity utilization of the Company's production facilities.
- Effective use of available resources.

MEDIUM TERM OBJECTIVES

- Modernization of production facilities and adoption of latest technologies in order to ensure the most effective production.
- Compliance with further improvements in implementation of Code of Corporate Governance (CCG) through optimization of management processes.
- Effective marketing and innovative concepts.

LONG TERM OBJECTIVES

- Implementation of effective human resource solutions through personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.
- Explore alternative energy resources.
- Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.
- Implementation of projects in social and economic development of communities.

WE BELIEVE IN DELIVERING THE BEST

BUILD STRONG, BUILD WITH QUALITY

MANAGEMENT'S OBJECTIVES AND STRATEGIES

Prime objective of management is to change the culture from a State Cement traditional hierarchy and status quo enterprise to a customer driven, empowered and cross functionality focused company. Our objectives are determined to increase our retention value along with reduction in cost. We strive to achieve our objectives with collective wisdom and empathy. We are committed to enhance stakeholder's value. To achieve our corporate objectives, we have given priorities to refine and implement our human resource policies and Standard Operating Procedures (SOPs). Quality Management System (QMS) function has been implemented that seeks to lower non-conformance costs through an active focus on health, safety, environment, housekeeping and operations.

Apart from the above, we have implemented scientific performance evaluation techniques that are linked to KPIs (Key Performance Indicators). We have also developed Reliability Centered Maintenance System for achieving run factor of 330 days considering it as an opportunity to improve our bottom line. We believe that training is the source of all process driven thinking. Local and international trainings for key management personnel are arranged on regular intervals including 6 sigma trainings. We have framed well defined different teams to address the key areas like Team Energy, Team Reliability Centered Maintenance, Team Improvement and Team Culture Development. Priority is being assigned to control production cost.

We have reduced variable cost due to efficient energy management and other cost reduction measures. The to date results, financial and nonfinancial, are the reflection of achievement of management's objectives which are strategically placed to increase the wealth of stakeholders. The said results are properly evaluated against the respective strategic objectives to confirm the achievement.

We have a dedicated team to work on our brand development. This team has the capacity and objective to develop brand loyalty, increase in customer base and customer retention by using effective marketing and innovative concepts. This team has been contributing to achieve the company's strategic objectives. Some of the achievements include successful running of 24/7 call center to ease our customers' queries, new product introduction in the market and to manage brand loyalty.

The Company has been very keenly observing all the compliance with CCG and auditors report on compliance with all requirements of code of corporate governance in the acknowledgment of company's efforts towards achieving its strategic objective towards compliance.

All of the above-mentioned strategies are in place to achieve the company's short term, medium term and long-term objectives.

ALLOCATION PLAN OF ENTITY'S SIGNIFICANT RESOURCES

The Company's resources mainly consist of human resource, financial resource, and technological resource.

HUMAN RESOURCES

The Company assorted and hired team of professionals with enormous expertise in latest technologies who proficiently design the ways for improving and upgrading our production process, networking and control systems. We have developed a dedicated team to analyse the human resource right from selection till retirement. We believe in adding value to our human resource by extensive trainings and development program.

FINANCIAL CAPITAL MANAGEMENT

The Management of the Company has breadth of experience and knowledge of best practices in liquidity management pertaining to policies, processes, regulatory constraints, tax considerations and liquidity management system. The Company steadfastly navigates through challenging obstacles by putting in the utmost effort to manage its working capital requirements through fruitful fixed cost reducing techniques. Capital structure mainly consists of ordinary share capital and long term/ short term debts. Management believes that there is no inadequacy in capital structure in the status quo. MLCF maintained its credit rating with long term rating of A and short-term rating of A-1, indicating high credit worthiness and the Company's ability to settle its financial obligations in a timely manner.

STRATEGY TO OVERCOME LIQUIDITY RISK

The Company is highly proficient to manage liquidity risk and in order to cope with it, MLCFL invests only in highly liquid resources to mitigate the risk. Efficient utilization of available resources, better control over production overheads and better retention resulted in increased cash generation from operations and recovery of losses of previous year. The company continues with its plan to utilize the cash generated from operations for repayment of its debt and borrowings on a timely basis, which will result in the reduction of financial cost and resultantly, net profit of the Company will be increased. The Company's liquidity situation has drastically improved as compared to prior year with a reduced operating cycle.

KEY RESOURCES AND CAPABILITIES PROVIDING SUSTAINABLE ADVANTAGE

1.	Naturally Enriched Leased Mines	Company has availed naturally enriched mines on lease extracting key raw materials limestone, gypsum etc. which are in the close vicinity of the plant, is not only a competitive advantage itself but also enables the Company to avoid high transportation costs.
2.	Human Capital	The management of the Company believes in recognizing the employees as their assets and ensure diversity, competencies, requisite Knowledge and skill and experience in the perfect mix. The Company has the procedures in place to hire, compensate, motivate and retain the human capital.
3.	State of the Art Plant	The Company has installed state of the art plant technology of the world. Quality is assured through systematic and effective adoption, implementation, monitoring and continuous enhancement of quality control systems using latest methods of analysis. The plant is based on latest technology which produces best quality cement on competitive cost which gives the competitive advantage.
4.	Transportation Arrangements	The Company has in place the arrangement with railway network which gives Company not only cost savings but also provides competitive advantage because of accessibility of railway line from within the plant.
5.	Brand	Maple Leaf Cement has developed itself as a superior brand which gives a competitive advantage and secures customer acceptance.

Value created by the business for stakeholders using resources and capabilities

By using the resources and capabilities of the Company, the business creates value for all the stakeholders including shareholders, suppliers, customers, employees, and the society. Business generates profits and increases the net worth of the Company for the shareholders, benefits suppliers by giving them the business, engages employees and in return provides market competitive compensation to them and also contributes towards the betterment of the society by pursuing corporate social responsibilities.

EFFECT OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND ENVIRONMENTAL CHALLENGES

Technology: It has a direct link to productivity, cost efficiency and generates overall competitive advantage. Management has always recognized adopting latest technologies as a key strategic objective and hence always invested significant resources for up-gradation and modernization of equipment resulted in availing the most modern and state of the art technology to be installed in every successive cement line and effectively automate its business processes with each consecutive year. The Company formulates its budget every year for coherent resource allocation and advancements through its CAPEX projects.

ESG Report and Challenges: The ESG reporting influences the strategy at Maple Leaf Cement by increasing the focus on Environment, Society, and Governance. This allows the company to take more initiatives related to the ESG and allocating more resources such as financial resources, human resources and time for the achievement of excellence in ESG.

Enabling Innovation and Managing Resource Shortages: Maple Leaf's strategy focus on enabling the innovation and finding the innovative solutions to the current problems which helps in saving the resource. The price examples are technologies, supply chain management apps, waste heat recovery plant, and the solar power at Maple Leaf Production plant. The company allocates more funds for these innovative ideas and implementations in order to sustain and manage shortage of resources.

Societal issues and environmental challenges: The Company is fully aware and legally compliant with its corporate social responsibility. Social and environmental issues are dealt with in accordance with sustainability goals and CSR policy. Company's overall approach to comply with these matters are reported in detail in the sustainability section of the report.

PROCESS FOR MONITORING CULTURE, INTEGRITY AND ETHICAL ISSUES

In MLCF, problem solving & decision making usually takes place through cross functional forums where various departmental heads along with the management representatives take major decisions mutually keeping in view the requirements of various functions.

Moreover, in order to enhance the culture and impart positive attitude among the staff members, various soft skills training & development programs are organized along with the mentoring sessions of staff to address various grievances and other professional / ethical issues.

CEMENTING THE FOUNDATION OF PROGRESS

KEY PERFORMANCE INDICATORS (KPIs)

Following are some of the key performance measures and indicators against stated objectives of the Company: -

Sr. No.	Objectives	Measures
1	Improved capacity utilization of the Company's production facilities.	Number of days run factor, mean time between failure (MTBF).
2	Modernization of production facilities in order to ensure the most effective production.	Reduction in unplanned stoppages.
3	Effective marketing and innovative concepts.	Increase in retention and sales volume.
4	Implementation of effective human resource solutions through personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.	Higher return on human capital.
5	Effective use of available resources.	Decrease in variable cost.
6	Explore alternative energy resources.	Reduced dependence on national grid.
7	Further improvements in Code of Corporate Governance through restructuring of assets and optimization of management processes.	Higher legal compliance level and reduction in contingencies.
8	Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.	Compliance with SOPs.
9	Implementation of projects in social and economic development of communities.	Allocation of funds for CSR and their monitoring.

Management believes that current key performance measures continue to be relevant in future as well.

SIGNIFICANT PLANS AND DECISIONS DURING THE YEAR

The Company has completed the project of Line-4 in Q'3 of FY'2023 which has the capacity of 7,000 metric tons per day. The Company has adopted the strategy to utilize maximum cash profits with minimal reliance on debt. Moreover, in order to reduce the higher financial costs, the Company has availed Long Term Finance Facilities (LTFF) and Temporary Economic Refinance Facilities (TERF) for its capex projects.

The Company has no plans for corporate restructuring and discontinuance of operations.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There is no material change in Company's objectives and strategies from the previous year.

RISKS AND OPPORTUNITIES

RISK MANAGEMENT FRAMEWORK

The goal of Board of Directors is to minimize all risks and take advantage of potential opportunities in order to systematically and sustainably improve the value of the Company for all stakeholders by ensuring affordable availability of necessary capital. Management has adopted a risk management approach and internal control framework, based on its business philosophy and corporate objectives, which is explained step by step below:

A. STRATEGY FORMULATION

Management reviews the Statement of Strategic Objectives annually that represent the Stakeholders' expectations and are the lead indicators for determining the success level of the Company. In order to materialize the objectives, Management adopts certain strategies. These strategies are approved by the Board of Directors and are subject to adjustment, depending upon any changes in the external business environment or internal organizational factors.

B. KEY RISKS AND OPPORTUNITIES OF CAPITALS

FORM OF CAPITAL	KEY RISK	KEY OPPORTUNITIES
Financial Capital	Increased packing and power generation cost	Resumption of CPEC projects.
Human Capital	Loss of qualified and competent staff	Bagging unparalleled and ideal workforce from the market.
Manufacturing Capital	Obsolesce of technology	Investing in the latest technologies and state of the art equipment.
Social and Relationship Capital	Bad reputation and publicity	Building relationships along the value chain and developing the company portfolio.
Natural Capital	Water shortages	Easy access to limestone, gypsum and clay deposits for cement manufacture.

C. RISK ASSESSMENT

Risk assessment is an on-going process that highlights numerous uncertainties that poses potential threats which may hinder the accomplishment of objectives of the Company. If these risks are not being addressed in timely manner, may culminate in loss. Such risks and uncertainties can arise both from external as well as internal factors within the Company. Broad categories of risks which may hinder operations of the Company are as follows:

The Board has implemented an effective ongoing process to identify business risk and to measure the potential impact of deviation from strategic objectives including those which may threaten the Company's business performance and result in solvency / liquidity issues.

D. RISK MANAGEMENT METHODOLOGY

RISKS TYPE	IMPLICATION
Strategic Risks	Strategic risks can be defined as the uncertainties and untapped opportunities embedded in strategic intent. These risks are key matters for the Board of Directors, and impinge on the whole business, rather than just an isolated unit.
Commercial Risks	Commercial risks refer to potential losses arising from the trading partners or the market in which the Company operates.
Operational Risks	Operational risks refer to risks resulting from breakdowns in internal procedures, people and system.
Financial Risks	Financial risk is an umbrella term for multiple types of risk associated with financing, profitability, liquidity and credit.

The materiality approach is the fundamental principle behind the company's risk management methodology. Management believes materiality as a key component of an effective communication with stakeholders. The management has adopted materiality approach which is based on a combination of stakeholder engagement, understanding of environmental limits and strategic alignment. It has made the process, assumptions and evidence base for identifying material issues for more transparent, credible and amenable disclosures to have more transparency on risk and opportunities.

Materiality is a key component for an effective communication with stakeholders. The materiality approach adopted by the company is a combination of all important areas that are essential for the business's growth and success as well as the areas that have an impact on the environment or social aspects.

Not being conclusive, management considers that following are the major risks which may affect the operations of the Company and mitigating strategies for these risks.

E. RISK AND COUNTER MEASURES STRATEGY MATRIX

Corporate Objective	Risk	Assessment	Mitigation Strategies
Industry Competition: To maintain Company's prominent position as one of the leading brands of cement industry of Pakistan.	**Strategic Risk:** Increase in production capacities and limited growth in demand may lead to increased competition among rivals **Source: External**	**Likelihood:** Medium **Magnitude:** High	Through efficient use of marketing strategy, MLCFL is creating a pull effect by locking-in its customers and also to tap potential markets.
	Financial Risk: Increased packing cost, fuel and power generation cost may result in increase in cost of production and squeeze margins for the Company. **Source: External**	**Likelihood:** Medium **Magnitude:** High	The Company is actively looking into alternate sources of power generation to reduce cost.

E. RISK AND COUNTER MEASURES STRATEGY MATRIX

Corporate Objective	Risk	Assessment	Mitigation Strategies
Legislative and Legal Environment: To operate in a stable market being compliant with all relevant laws of the country and international regulations	**Strategic Risk:** Continuous changes in the regulatory framework and statutory obligations may result in non-compliance. **Source: External**	**Likelihood:** High **Magnitude:** Medium	Management is proactively following any changes occurring in the regulatory framework relating to the cement sector.
Technology: To automate and upgrade supporting processes and related MIS in relation to production of cement to speed up such activities.	**Strategic Risk:** Lag in production reporting due to different MIS platforms may result in delayed decision making for corrective actions. **Source: Internal**	**Likelihood:** Low **Magnitude:** High	Management is continuously investing considerable amounts for up gradation of technological infrastructure in order to harmonize the MIS platform throughout the Company.
Operations: To ensure continuity of operations without any disruptions in production and minimize idle time.	**Operational Risk:** Machinery breakdown/ stoppages adversely affect the profitability of the entity as it hinders production and delays operation. **Source: Internal**	**Likelihood:** Low **Magnitude:** High	To avoid such stoppages, a reliability centre has been established which runs a number of operational checks to ensure smooth operations and avoid breakdown and Enterprise Asset Management module is in place as the system to monitor this. The Company has developed the culture wherein it promotes and enables innovations in processes.

ONE OF THE BEST WORKFORCE AND GROWING....!

Corporate Objective	Risk	Assessment	Mitigation Strategies
Human Capital: To have an adequate reserve of trained professionals excelling in their respective domains.	**Operational Risk:** Loss of the qualified and competent staff. **Source: Internal**	**Likelihood:** Low **Magnitude:** Low	Succession planning and capacity building of existing resources are one of the primary focus of the Company.
Health and Safety: To ensure health and safety of employees in workplaces.	**Operational Risk:** Accidents can take place which can cause serious injuries to employees, and also cause disruptions in operations. **Source: Internal**	**Likelihood:** Low **Magnitude:** Medium	A sound system of HSE is in place for timely identification of potential hazards and to remove such threats
Logistics: To ensure availability of coal for uninterrupted operations.	**Commercial Risk:** Due to dependency on Pakistan Railways for coal transportation, delays can occur owing to strikes or railway breakdown. **Source: External**	**Likelihood:** Low **Magnitude:** Medium	Adequate stock levels have been maintained with provision of such incidents in mind.
Finance: To maintain strong financial position and produce financial performance which is reflective of the Company's scale of business and Shareholders' expectations.	**Financial Risk:** Increase in cost of borrowing may adversely affect the profitability of the Company. Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. **Source: External**	**Likelihood:** Low **Magnitude:** Medium	Management has addressed the risk of shortage of working capital by availing sufficient lines from the diversified financial institutions in order to meet the short-term finance requirements of the company. Moreover, all efforts are being made to improve the average credit period of the Company along with improved operation cycle. Strong follow up and adherence to procedures and credit terms ensures that the risk of default from counter parties is kept to a minimum. Adequate steps are taken for any dispute that may arise.

F. OPPORTUNITY ANALYSIS

Unlocking and exploiting operational opportunities is an important aspect of MLCFL entrepreneurial activities. We are committed to use existing products and new solutions in order to systematically enhance our growth and strengthen our position in global markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, we strengthened the basis for further growth in the coming years by making selective investments in our existing businesses and developing innovations that support in achievement of company's stated vision.

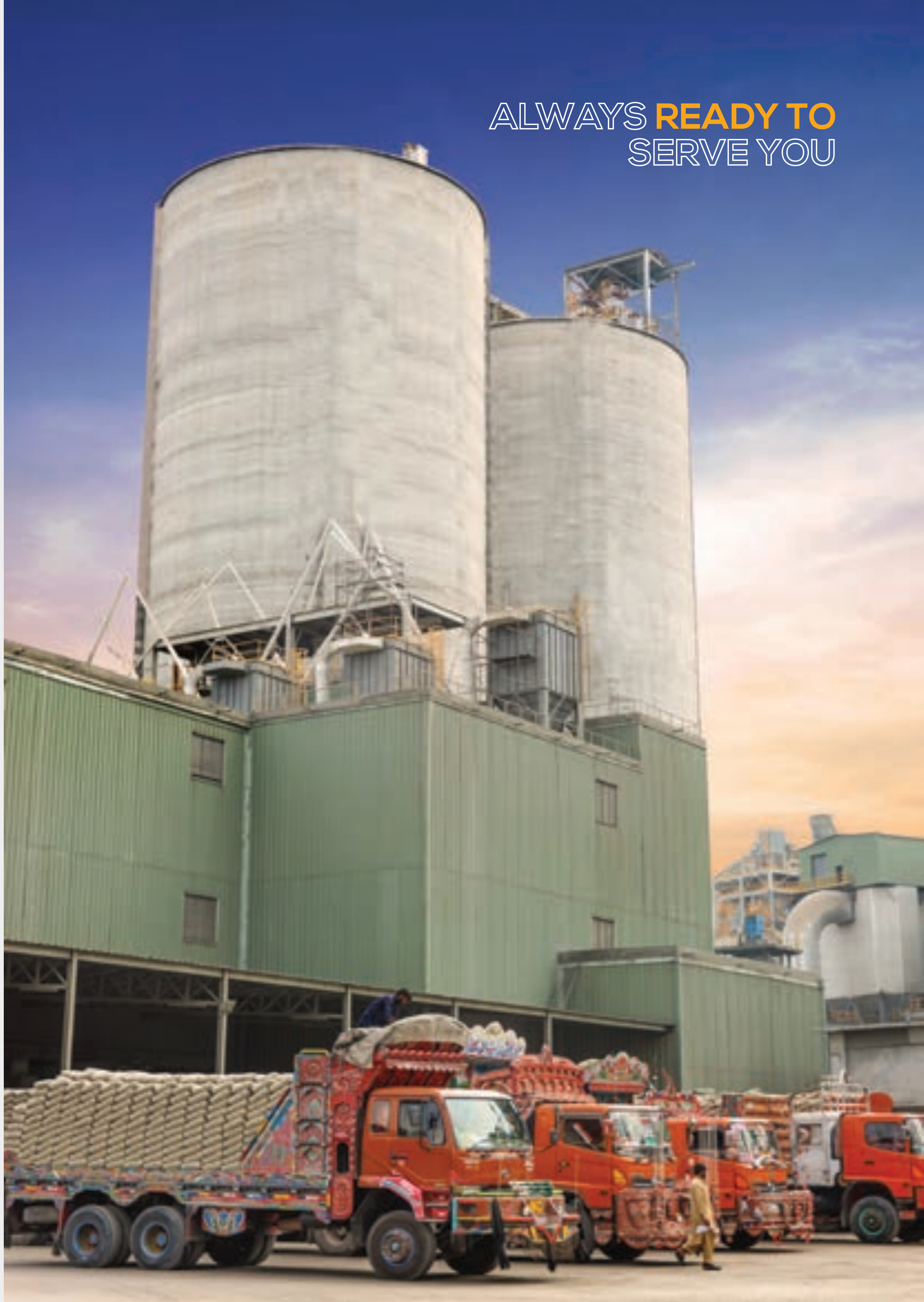
Key opportunity	Impact area	Strategy to materialize
Resumption of CPEC projects and construction of new dams. **Source: External**	Social, Relationship Capital and Financial Capital.	The Company has enhanced its production capacity. Additionally, the company has one of the largest, most active marketing campaigns in the local cement industry. By directly engaging with dealers, distributers, suppliers, masons, drivers, the company builds long lasting relationships throughout the value chain and forms a loyal customer base who recommend MLCFL portfolio.
Cost reduction by using innovative production technology. **Source: Internal**	Manufactured Capital	The Company, realising the importance of reducing electric costs, has an active waste heat recovery plant (WHRP) at site which converts heat from the kiln into energy, which was previously lost. Enhancements to WHRP is being made to reap further benefit in electric cost reduction. Furthermore, its coal fired power plant provides electricity to run its operations at a more economic rate as compared to WAPDA.
Development of human relations/resource. **Source: Internal**	Human Capital	Developing the human resource is engraved in the company's mission statement and long-term objectives. By conducting extensive trainings and through its development program, the human resource add value to the company with their professional ability, calibre and integrity.
Improvements in the business process. **Source: Internal**	Financial Capital	The Company is able to capture healthy profits through its ability to: 1. Operate at maximum capacity 2. Efficient cash management system 3. Making sound liquid investments 4. Effective control over inventory

G. **Strategy for Supply Chain Risk Management.**

The supply chain risk due to environmental, social and governance incidents are monitored carefully at Maple Leaf Cement and then mitigated through effective strategies. The company analyze the external environment at Macro level to identify the changes occurring in the environment. After the identification of external factors that are changing in the environment, the company short list the factors and forces that can affect the Supply chain at any level from Raw material extraction to reaching end consumer. This helps the company to operate in a stable condition with minimum supply chain disruption.

The Supply chain Risks faced during the Financial Year 2022-23

Supply Chain Risk	Risk Involved	Mitigating Strategy
Environmental Risk	• Flood in the year 2022 caused massive supply chain disruption at two levels • End Consumer: Due to the flood, the construction stopped at many areas of South Punjab, Sindh and KPK • Distribution: The transportation stopped throughout the region causing issue in in bound logistics and distribution network.	• Maple Leaf Cement has raised voice on Relevant platforms • Maple Leaf has diversified the sales to the central Punjab region, which is unaffected by the flood.
Social and Governance Risk	• Political Instability increased in the year after the change in government. Pakistan is vulnerable to social and governance risk more than ever. • Transportation: The out bound logistics are facing challenges due to constant road blocks and protests.	• Maple leaf has made its distribution network stronger.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 63rd Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Thursday, October 19, 2023 at 10:00 AM at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business: -

ORDINARY BUSINESS:

19 OCTOBER 10:00 am

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2023 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2) To appoint Auditors for the year ending on June 30, 2024 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS:

3) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:

   "Resolved by way of special resolution that consent and approval of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans/advances from time to time to Kohinoor Textile Mills Limited, the holding company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2023 to October 31, 2024 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 27, 2022, by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 500 million which is valid till October 31, 2023.

   Resolved further that Chief Executive Officer and Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the holding company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions."

4) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

   "Resolved by way of special resolution that consent and approval of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Capital Limited, an associated company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2023 to October 31, 2024 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.

   Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the associated company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

5) To consider and, if thought fit, pass with or without modification, addition(s) or deletion(s), the following resolution as special resolution as recommended by the Board of Directors of the Company: -

"Resolved that, subject to compliance with the provisions of all applicable laws, regulations and permission required, if any, the approval of the members of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, to purchase/buy-back upto a maximum of 100 million constituting 9.32% of the issued ordinary shares of the face value of Rs. 10/- (Rupees Ten) each of the Company at the spot / current share price prevailing during the purchase period.

Resolved further that the ordinary shares purchased pursuant to this special resolution be and are hereby cancelled and issued and paid-up share capital shall accordingly be reduced by the aggregate face value of the cancelled shares.

Resolved further that the purchase / buy-back by the Company of its issued ordinary shares shall be made through Securities Exchange (Pakistan Stock Exchange Limited) by utilizing the distributable profits of the Company and the purchase period shall be for 180 days commencing from October 27, 2023 and ending on April 15, 2024 (both days inclusive) or if the purchase / buy-back by the Company of its issued ordinary shares is completed before April 15, 2024, the purchase period shall end on that date.

Resolved further that the Company Secretary (hereinafter the 'Authorized Person') be and is hereby authorized and empowered to take all such necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of giving effect to this special resolution and for the purpose of implementing, procuring, cancellation of shares and completing the purchase/buy-back by the Company of its issued ordinary shares.

Resolved further that the Authorized Person be and is hereby further authorized and empowered to take or cause to be taken all actions including but not limited to obtaining any requisite regulatory permissions, if required, preparation of requisite documents, engaging legal counsel, consultants and auditors for the purposes of the purchase/buy-back of shares, filing of all the requisite statutory forms, returns and all other documents as may be required to be filed with the regulator(s), submitting all such documents as may be required, executing all such documents or instruments including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of implementing, procuring, cancellation of shares and completing the purchase/buy-back by the Company of its issued ordinary shares and all other matters incidental or ancillary thereto.

Resolved further that all acts, deeds and actions taken by the Authorized Person pursuant to this special resolution of the shareholders for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company.

Resolved further that the aforesaid special resolution shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited which suggestion, direction and advise shall be deemed to be part of this special resolution."

6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification: -

"Resolved that the transactions conducted with the Related Parties as disclosed in the note 45 of the unconsolidated financial statements for the year ended June 30, 2023 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."

7) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2024 by passing the following special resolution with or without modification: -

"Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2024.

Resolved further that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

BY ORDER OF THE BOARD

Lahore:
September 27, 2023

(Muhammad Ashraf)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 13, 2023 to October 19, 2023 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 12, 2023 will be considered in time to determine voting rights of the shareholders for attending the meeting.

2. A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy Form duly completed must be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting.

3. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her original CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of Corporate entities should bring Board's resolution/Power of Attorney with specimen signatures required for the purpose.

4. Pursuant to provisions of Section 134 of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. The members can attend the Annual General Meeting via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of Board Resolution/power of attorney (in case of corporate shareholders) through email at muhammad.ashraf@kmlg.com by October 17, 2023:-

Name of Member/ Proxyholder	Folio No. / CDC Account No.	Cell No. / WhatsApp No.	CNIC No.	Email ID

6. The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

7. The notice of AGM has also been posted on the Company's website. Further, the notice of meeting is being dispatched to the members as per requirements of the Companies Act, 2017, on their registered address, containing the QR enabled code and the weblink address to view and download the annual audited financial statements together with the reports and documents at all times.

8. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their updated e-mail addresses to Share Registrar of the Company. The audited financial statements for the year ended June 30, 2023 are available on website of the Company. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder on Standard Request Form available on website www.kmlg.com.

9. Pursuant to requirement of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, provide their bank details including International Bank Account Number (IBAN) of 24 digits in order to receive unclaimed e-dividends. Further, shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;

10. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore. Corporate

Members are requested to provide their National Tax Number (NTN) and mention the folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder;

11. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e. May 30, 2017.

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

12. Members are requested to notify immediately any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

13. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 19, 2023.

AGENDA ITEM NO. 3 OF THE NOTICE - INVESTMENT IN KOHINOOR TEXTILE MILLS LIMITED:

Kohinoor Textile Mills Limited ("KTML"), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products. The spinning production facilities comprise 180,144 Ring Spindles; 2,712 Open-end Rotors and 384 MVS Spindles capable of producing a wide range of yarn counts using cotton and man-made fibers. The weaving facilities at Raiwind comprise 384 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access.

The Board of Directors of the Company in their meeting held on September 06, 2023 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility, to KTML on the basis of satisfactory profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out necessary due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking have been kept at the Registered Office of the Company for inspection and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3 (1) (a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking;	Kohinoor Textile Mills Limited (the "KTML")
(ii)	Basis of relationship;	KTML is a holding company of Maple Leaf Cement Factory Limited (the "Company").
(iii)	Earnings per share for the last three years;	(Rupees) Year / Basic / Diluted 30.06.2021 / 9.21 / 9.21 30.06.2022 / 15.84 / 15.84 30.06.2023 / 8.05 / 8.05
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2023 With revaluation surplus Rs. 88.19 Without revaluation surplus Rs. 75.29
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2023, the financial position of KTML is as under: -

Particulars	Amount Rupees (000)
Paid up capital	2,992,964
Reserves	23,401,833
Total Equity	26,394,797
Current liabilities	13,566,572
Current assets	17,527,606
Revenue	42,046,556
Gross Profit	7,480,433
Operating Profit	5,130,900
Net Profit	2,407,262
Earnings per share (Rs.)	8.05

(B) General Disclosures: -

Ref. No.	Requirement	Information
(i)	Maximum amount of investment to be made;	Rs. 1,000 million (Rupees one thousand million only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	**Purpose:** To earn income on the loans and/or advances to be provided to KTML from time to time for working capital requirements of KTML. **Benefits:** The Company will receive markup at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds. **Period:** For a period of one year from November 01, 2023 to October 31, 2024.
(iii)	Source of funds to be utilized for investment	Loan and/or advance will be given out of own funds of the Company.
	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	**Nature:** Loan / advance **Purpose:** To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow **Period:** One Year **Rate of Mark-up:** One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. **Repayment:** Principal plus mark-up / profit upto October 31, 2024 **Penalty charges:** @ 3-months KIBOR plus one percent in addition to the outstanding amount(s).

Ref. No.	Requirement	Information
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a subsidiary company of KTML and Eight Directors including CEO are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs. 500 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 27, 2022 which is valid till October 31, 2023. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans / advances

Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirement for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 15.09% for the year ended June 30, 2023.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from KTML at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since KTML is a holding company of the Company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2023 to October 31, 2024 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2024.

Disclosure under Regulation 4(1)

Seven Directors including Sponsors of the associated company i.e. KTML are also the members of the Company and interested to the extent of their shareholding as under: -

Name	%age of Shareholding in KTML	%age of Shareholding in the Company
Mr. Tariq Sayeed Saigol	4.7118	0.0030
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	11.7117	0.0168
Mr. Taufique Sayeed Saigol	16.5719	0.0015
Mr. Sayeed Tariq Saigol	0.1430	0.0010
Mr. Waleed Tariq Saigol	0.0124	0.0011
Mr. Danial Taufique Saigol	0.0011	0.0005
Ms. Jahanara Saigol	0.0009	0.0002
Mr. Zulfikar Monnoo	0.0011	0.0003

Disclosure under Regulation 4(2):

Name of Investee Company	Kohinoor Textile Mills Limited
Total Investment Approved:	Loan / advance upto Rs.500 million was approved by members in AGM held on October 27, 2022 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to KTML from time to time as per working capital requirements to KTML upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loan/advances of Rs.500 million, as per latest financial statements for the year ended June 30, 2022, the basic earnings per share was Rs.15.84 and break-up value per share (without surplus) was Rs.68.25. As per latest financial statements for the year ended June 30, 2023, the basic earnings per share is Rs.8.05 and breakup value per share (without surplus) is Rs. 75.29.

AGENDA ITEM NUMBER 4 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CAPITAL LIMITED IN THE FORM OF LOANS/ADVANCES:

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and owns 250,000,000 shares (82.919%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing its capital in any sort of financial instruments including but not limited to secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment/ brokerage company.

The Board of Directors of the Company in their meeting held on September 06, 2023 has approved Rs. 1,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans/ advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking has been kept at the Registered Office of the Company and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

3(1)(a) Disclosure for all types of investments

(A)Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking;	Maple Leaf Capital Limited (the “MLCL”)
(ii)	Basis of relationship;	MLCL is an associated company of Maple Leaf Cement Factory Limited (the “Company”) by virtue of common directorship.
(iii)	Earnings per share for the last three years;	(Rupees) Year / Basic / Diluted 30.06.2021: 13.66 / 13.66 30.06.2022: (15.65) / (15.65) 30.06.2023: 1.91 / 1.91
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2023 is Rs. 14.67
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2023, the financial position of MLCL is as under: -

Particulars	Amount Rupees (000)
Paid up capital	3,015,000
Reserves	1,409,310
Total equity	4,424,310
Current liabilities	2,597,983
Current assets	6,602,940
Revenue	1,160,598
Profit from operations	959,566
Profit after taxation	577,296
Earnings Per Share Rs.	1.91

(B) General Disclosures: -

Ref. No.	Requirement	Information
(i)	Maximum amount of investment to be made;	Rs. 1,000 million (Rupees one thousand million only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	**Purpose:** To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL. **Benefits:** The Company will receive markup at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds. **Period:** For a period of one year from November 01, 2023 to October 31, 2024.
(iii)	Source of funds to be utilized for investment and	Loan and/or advance will be given out of own funds of the Company.
	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	**Nature:** Loan / advance **Purpose:** To earn mark-up / profit on loan / advance being provided to MLCL which will augment the Company's cash flow. **Period:** One Year **Rate of Mark-up:** One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. **Repayment:** Principal plus mark-up/ profit upto October 31, 2024 **Penalty charges:** @ 3-months KIBOR plus one percent in addition to the outstanding amount(s).

Ref. No.	Requirement	Information
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is an associated company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	N/A
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans / advances

Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 15.09% for the year ended June 30, 2023.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCL is an associated company of the Company.

Ref. No.	Requirement	Information
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2023 to October 31, 2024 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2024.

Disclosure under Regulation 4(1)

Six Directors and Sponsors of associated company i.e. MLCL are also the members of the Company and are interested to the extent of their shareholding as under: -

Name	%age of Shareholding in MLCL	%age of Shareholding in the Company
Mr. Tariq Sayeed Saigol	5.0249	0.0030
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	0.0168
Mr. Taufique Sayeed Saigol	8.3748	0.0015
Mr. Sayeed Tariq Saigol	-	0.0010
Mr. Waleed Tariq Saigol	0.3648	0.0011
Mr. Danial Taufique Saigol	-	0.0010
Ms. Jahanara Saigol	-	0.0008
Kohinoor Textile Mills Limited	82.9187	56.5053

AGENDA ITEM NO. 5 OF THE NOTICE - BUY-BACK OF SHARES

The Board of Directors of the Company in its meeting held on September 06, 2023 has approved the purchase/buy-back by the Company upto a maximum of 100 million constituting 9.32% of the issued ordinary shares of the face value of Rs. 10/- (Rupees Ten) each at the spot / current share price(s) prevailing during the purchase period under Sections 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (hereinafter the 'Buy-Back Regulations') subject to the approval of members of the Company through a special resolution.

The shares will be purchased through Securities Exchange (Pakistan Stock Exchange Limited) within the purchase period starting from October 27, 2023 and ending on April 15, 2024 (both days inclusive) i.e. a period of 180 days from the date of AGM or if the purchase/ buy-back by the Company of its issued ordinary shares is completed before April 15, 2024, the purchase period shall end on that date. The Board of Directors of the Company has recommended that the special resolution as set out in the Notice to be passed at the AGM of the members of the Company.

Purchase Price:

As required under Regulation 8(2) of the Buy-Back Regulations, the Board of Directors has recommended the purchase price, for the buy-back upto a maximum of 100 million constituting 9.32% of the issued ordinary shares by the Company, at the spot / current share price(s) prevailing during the purchase period. The shares so purchased pursuant to this buy-back shall be cancelled and resultantly the issued and paid up share capital shall be reduced.

Justification for the purchase/Buy-Back of Shares:

The purchase/buy-back of the Company's issued ordinary shares will improve the earnings per share and book value per share of the Company subsequent to the purchase of shares. Currently, the authorized share capital of the Company is Rs. 15,000,000,000/- divided into 1,400,000,000 ordinary and 100,000,000 preference shares of Rs. 10/- each with issued, subscribed and paid-up share capital of Rs. 10,733,462,320/- divided into 1,073,346,232 ordinary shares of Rs. 10/- each. The reduced paid-up share capital would be quite sufficient for the future business needs of the Company. The purchase/buy-back of shares by the Company will also provide an opportunity of exit to those members who wish to liquidate their investments at a reasonable price.

Source of Funds:

The shares will be purchased in cash using the distributable profits of the Company as required under Section 88(8) of the Companies Act, 2017. The Company will utilize a small portion out of its distributable profits which as of June 30, 2023 were Rs.25,946,716,000 based on the audited financial statements of the Company.

The Board of Directors undertakes that the funds required for proposed purchase / buy-back of shares of the Company are available with the Company and after the purchase, the Company is capable of meeting its obligations on time during the period upto the end of the immediately succeeding twelve months.

Effects on Financial Position of the Company:

The proposed purchase / buy-back of shares of the Company will have positive impact on the financial position of the Company as the reduced capital would consolidate its equity resulting in increase in earnings per share. The breakup value of the Company will also increase ultimately.

If the Company purchases the maximum of 100 million issued ordinary shares of the nominal/ face value of Rs. 10/- each, if authorized by the special resolution, the issued and paid-up share capital after the proposed purchase/buy-back of shares would be as under: -

	No. of Shares	Amount (Rs.)
Issued and paid-up Share Capital - Current	1,073,346,232	10,733,462,320
Purchase / buy-back of shares (cancellation of shares)	100,000,000	1,000,000,000
Issued and paid-up Share Capital after purchase/buy-back of shares	973,346,232	9,733,462,320

The current and post shares buy-back breakup value and EPS of Company's share considering equity as at June 30, 2023 (on the basis of audited financial statements) will be as follows: -

	As Per Audited Accounts as of June 30, 2023 Amount in Rupees	Post buy-back position as at June 30, 2023 assuming cancellation of shares*
Equity	44,913,114,000	41,413,114,000
Breakup Value	41.84	42.55
EPS	4.18	4.61

* For the sake of calculation, weighted average number of ordinary shares outstanding during the period have been assumed to be 973,346,232 and an indicative purchase price per share has been assumed.

Directors Interest:

The Directors have no personal interest, directly or indirectly, in the proposed business for the purchase / buy-back of issued ordinary shares of the Company except to the extent of their respective shareholdings held by them in the Company and like other members they would also be entitled to participate in proposed purchase/buy-back of Company's issued ordinary shares. However, the Directors, CEO, Executives and their spouses & Associated Companies shall not, directly or indirectly, trade in Company's shares till completion of purchase.

Procedure for purchase/buy-back of shares

As required under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the following procedure shall be followed for purchase/buy-back of shares of the Company: -

1. Maple Leaf Cement Factory Limited will make Public Announcement for the purchase through Securities Exchange (Pakistan Stock Exchange Limited) within two working days of the passing of the special resolution. The Public Announcement will be published in two daily newspapers, the Business Recorder and Nawa-e-Waqt, at least 7 days before commencement of the purchase period which shall also be placed on website of the Company.

2. Members of the Company who are willing to sell the shares or part thereof held by them in Maple Leaf Cement Factory Limited, may sell such shares or part thereof to the Securities Broker through the Securities Exchange (Pakistan Stock Exchange Limited) by placing a sale order through their Securities Broker.

3. The purchase shall be made through the automated trading system of the Securities Exchange (Pakistan Stock Exchange Limited).

4. The shares will be purchased by the Company through Securities Exchange (Pakistan Stock Exchange Limited) within the purchase period starting from October 27, 2023 and ending on April 15, 2024 (both days inclusive) i.e. a period of 180 days from the date of Annual General Meeting or if the purchase / buy-back by the Company of its issued ordinary shares is completed before April 15, 2024, the purchase period shall end on that date.

AGENDA ITEM NO. 6 OF THE NOTICE – RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS:

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2023 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ratification.

All transactions with related parties to be ratified have been disclosed in the note 45 to the unconsolidated financial statements for the year ended June 30, 2023. Party-wise details of such related party transactions are given in the table below: -

	Name of Parties	Relationship	Transactions	2023	2022
				(Rupees in thousand)	
a)	Kohinoor Textile Mills Limited	Holding Company (56.51% equity held)	Sale of goods to related party	2,142	101,341
			Purchase of fixed assets	6,022	-
			Expenses paid by related party on behalf of the Company	36,489	21,666
			Expenses paid by the Company on behalf of related party	-	1,948
b)	Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Coal provided to Subsidiary Company	5,035,036	3,819,160
			Coal received from Subsidiary Company	-	572,642
			Long term loan from subsidiary	-	1,000,000
			Rent charged to subsidiary company	436	435
			Purchase of goods and services (inclusive of taxes)	7,142,166	6,174,121
			Payments made by related party on behalf of the Company	5,011	109,211
			Markup paid during the year to related party	287,958	93,301
			Expenses paid on behalf of related party.	157,356	134,307
			Sale proceeds from sale of vehicle	-	1,890
			Expenses paid on behalf of related party.	134,307	224,544
c)	Maple Leaf Industries Limited	Subsidiary Company (100% equity held)	Investment in subsidiary	10,000	-
			Due from related party	755	-
d)	Key management personnel	Key management personnel	Remuneration and other benefits	456,046	255,683
e)	Employee benefits				
	Gratuity	Post-employment benefit plan	Contribution	41,171	27,577
	Provident Fund Trust	Employees benefit fund	Contribution	281,503	211,461

The Company carries out transactions as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval.

The nature of relationship with these related parties has been indicated above. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

AGENDA ITEM NO. 7 OF THE NOTICE – AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THE RELATED PARTY TRANSACTIONS DURING THE YEAR ENDING ON JUNE 30, 2024:

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2024 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2024, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

CHAIRMAN'S REVIEW

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30th June, 2023 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2022-23. The Management of the Company is encouraged by the future prospects and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Maple Leaf Cement Factory Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2023 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2023, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD: The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possess the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS: The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING: Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion and production facilities to ensure continued growth in the bottom line which should hopefully result in high growth.

DILIGENCE: The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE: The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, alongwith supporting policies and procedures. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved. The Board sets high standards of honesty and integrity which we consider are vital for success of the business.

PRESENTATIONS: During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.

Lahore:
September 06, 2023

Tariq Sayeed Saigol
Chairman

DIRECTORS' REPORT
TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors of your Company have pleasure to present standalone and consolidated audited financial statements for the year ended 30th June 2023.

Maple Leaf Cement Factory Limited (the "Company") is a Public Listed Company and a subsidiary of Kohinoor Textile Mills Limited. The principal activity of the Company is production and sale of cement.

Consolidated financial highlights of the Company and its wholly-owned subsidiaries, Maple Leaf Power Limited (MLPL) and Maple Leaf Industries Limited (MLIL) are as follows: -

	Year Ended			
	July to June		Variance	
	2023	2022	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	62,075,259	48,519,622	13,555,637	27.94%
Gross Profit	17,613,545	13,239,339	4,374,206	33.04%
Operating Profit	13,074,467	9,797,684	3,276,783	33.44%
Finance Cost	2,380,827	1,658,272	722,555	43.57%
Profit Before Taxation	10,693,640	8,139,412	2,554,228	31.38%
Taxation	4,922,878	3,586,287	1,336,591	37.27%
Profit After Taxation	5,770,762	4,553,125	1,217,637	26.74%
Earnings Per Share (Rs.)	5.38	4.15	1.23	29.64%

Unconsolidated financial highlights of the Company are as follows:

	Year Ended			
	July to June		Variance	
	2023	2022	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	62,075,259	48,519,622	13,555,637	27.94%
Gross Profit	16,423,756	12,275,466	4,148,290	33.79%
Operating Profit	12,001,415	8,924,538	3,076,877	34.48%
Finance Cost	2,750,747	1,741,026	1,009,721	58.00%
Profit Before Taxation	9,250,668	7,183,512	2,067,156	28.78%
Taxation	4,758,998	3,557,172	1,201,830	33.79%
Profit After Taxation	4,491,670	3,626,340	865,325	23.86%
Earnings Per Share (Rs.)	4.18	3.30	0.88	26.67%

During the financial year 2022-23, production and dispatches decreased in comparison to last year's performance, as evident from the data shown below:

	July to June		Variance	
	2023	2022	Change	%age
	--------------------M.Tons---------------			
Production				
Clinker Production	3,928,830	4,528,651	(599,821)	-13.25%
Cement Production	4,266,699	4,741,944	(475,245)	-10.02%
Sales				
Domestic	4,143,452	4,651,200	(507,748)	-10.92%
Exports	129,992	110,311	19,681	17.84%
	4,273,444	4,761,511	(488,067)	-10.25%

The Sales Volume of 4,273,444 tons depicts a decrease of 10.25% over 4,761,511 tons sold during last year. The domestic sales volume declined to 4,143,452 tons registering a decrease of 10.92% but export sales volume up from 110,311 to 129,992 tons, increased by 17.84% from last financial year.

During the year 2022-23, the Company recorded net consolidated sales of Rs. 62,075 million against Rs. 48,520 million in the previous year. The top line of the Company increased by 27.94% mainly due to an improvement in selling prices in the local market. Increase in selling prices is mainly due to high inflationary impact on input costs especially fuel, power, packing material and increased interest payments. Growth in construction sector was slower than expected due to lackluster implementation of large-scale projects, lower utilization of PSDP budget and decline in expected demand in housing sector.

The Company's export volume increased by 17.84% to reach 129,992 metric tons from 110,311 metric tons in previous year. Despite this increase in export sales compared to the last year, exports have not increased much since the American exit from Afghanistan. Cement exports to the rest of the world were not possible due to high production costs in Pakistan in comparison to global markets, as well as increased shipping costs which hampered competitiveness in regional markets.

Global coal prices fell during the 3rd and 4th quarters of the financial year due to demand constraints on account of global recession and are currently fairly comparable to locally available Afghan origin coal. Further, due to import constraints caused by a lack of forex reserves and issues with establishing import letters of credit, the Company has been unable to import a significant amount of coal. Furthermore, during the year, the Company relied more on Darra coal and other available fuels.

The Company's management launched cost-cutting initiatives and implemented numerous schemes in all areas, including optimizing plant operations with a specific focus on reducing fixed costs. The Company has also significantly opted to use polypropylene packing bags instead of paper bags to improve its cost efficiency.

The Company was able to avert the possible negative impact of NEPRA rate hikes by largely depending on its own power generation sources, which include a coal fired power plant (CFPP), solar power plants and waste heat recovery plant, which is the cheapest source of electricity for the Company. The Waste Heat Recovery Plant now accounts for one-third of the Company's power mix. All of the cost-cutting efforts outlined above have contributed to higher margins as compared to the last year.

Due to the aforementioned factors influencing production costs, the Company achieved consolidated gross profit of Rs. 17,613 million during the year, a 33.04% increase from Rs. 13,239 million in the last year.

The Company recorded consolidated pre-tax profit of Rs. 10,694 million for the financial year 2022-23, a 31.38% increase from Rs. 8,139 million in the last year. Consolidated taxation amounted to Rs. 4,923 million for the reporting year as compared to consolidated tax charge of Rs. 3,586 million in the corresponding year. This major increase in taxation resulted from increase in profit before tax, imposition of Super Tax @10% (2022: 4%) by the Federal Government through Finance Act, 2023 on the earnings of financial year ended 30 June 2023 and increased deferred tax expense due to imposition of Super Tax @10% (2022: 4%) on future earnings of the Company.

Profits earned from Maple Leaf Power Limited (MLPL), a wholly owned subsidiary of the Company, established to install and operate 40 MW imported coal-fired captive power plant are exempt from charge of income tax. However, partial tax charge pertains to other income. MLPL has earned net profit of Rs. 1,287 million during the financial year 2022-23. MLPL operations have favourably impacted consolidated results by yielding substantial savings in power cost.

The above factors have impacted post-tax bottom line for the reporting year to register an increase of 26.74% at a profit of Rs. 5,771 million against consolidated profit of Rs. 4,553 million in the bottom line for corresponding year.

The State Bank of Pakistan (SBP) reviewed the monetary policy rate numerous times throughout the year, increasing it from 13.75% to 15.00% in July 2022, 16.00% in November 2022, 17% in January 2023, 20.00% in

March 2023, 21% in April 2023 and 22% in June 2023. As a result of this large rise, the Company's finance cost increased during the year as compared to the previous year. The SBP's Temporary Economic Refinance Facility (TERF) and Long Term Finance Facility (LTFF) have provided the Company with long-term financing at attractive mark-up rates, allowing it to purchase imported plant and machinery and establish new projects. However, SBP's TERF and LTFF disbursements were halted in the year, preventing the Company from converting some portion of its borrowing under both schemes.

During the year, the Company's capacity improvement project, Line 4 (7,000 tpd), was completed and commenced production. The project has been funded through a combination of concessionary financing and internally generated cash flows. After commencement of Line 4, the Company's total capacity to produce Clinker has risen to 7.8 million tons per annum. This additional line also contributed to cement dispatches during the year, giving the Company a competitive edge.

DIVIDEND

It was decided to pass over dividend for the year ended June 30, 2023 as the Company has utilized its cash generated from operations to complete the dry process grey clinker production Line 4 of 7,000 tons per day. Further, due to rising trend in interest rates, the Company has prepaid some portion of its long-term financing. This will give the Company a fiscal space to cope with the continuous increase in interest rates and other inflationary factors. Future prospects of dividend hinges on the likelihood of improved demand and increase in cement prices in the local market to absorb sharp uptick in input costs. Overall improved economic and dispatch conditions will favorably impact prospects of dividend payments in future.

ADEQUACY OF INTERNAL CONTROL

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls for ensuring effective and efficient conduct of

operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Management is aware of its responsibility for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS

The auditors of the Company, M/s. A. F. Ferguson & Co., Chartered Accountants, in their independent auditor's report on financial statements of the Company for the year have expressed an unqualified opinion on the state of affairs of the Company.

The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, the retiring auditors who being eligible, have offered themselves for re-appointment for the ensuing year, subject to approval of the members in the forthcoming Annual General Meeting.

DEFAULT OF PAYMENTS, DEBT/LOAN, TAXES AND LEVIES

Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amounts. No default on payment of loan/ debts was recorded during the year under review. Furthermore, no payment on account of taxes, duties and levies is overdue or outstanding at financial year end.

FUTURE OUTLOOK

Going forward, cement demand in the domestic market may further record a decline. The Cement sector is facing a rather precarious situation wherein multiple risks in the shape of major factors including devaluation of Pak Rupee against USD, high inflation which also effects purchasing power of the public, political uncertainty, increase in interest rates and aggressive taxation measures are affecting its profitability. These factors have severe impact on cement manufacturers margins.

Import restrictions due to a lack of foreign exchange reserves, excessive sea freight on account of high oil cost, the depreciation of the Pakistan rupee versus the US dollar, unfavorable macroeconomic indicators and global recession in international markets could put pressure on cement input costs. Given Pakistan's economic situation, import restrictions are unlikely to lift in the near future. As a result, in order to limit this impact and reduce the risk of currency depreciation, the Company has expanded its reliance on local coal. The Company's finance costs will rise further in the coming year as a recent consequence of increase in SBP's interest rates. To avoid future power sector arrears, the government aims to raise electricity rates and streamline fuel price increases in response to rising pressure from the IMF. As a result, National Grid tariffs are projected to climb further, resulting in higher power expenses for the Company. To offset the aforementioned cost escalation concerns, the Company is focusing on enhancing renewable energy resources, particularly solar generation in order to reduce reliance on the National Grid to a bare minimum.

BUSINESS RATIONALE OF CAPITAL EXPENDITURE / ONGOING EXPANSIONS OF THE COMPANY

The Company is investing in sustainability and renewable energy with installation of solar energy projects at its plant site. The Company has installed 2 solar power plants of 5 MW and 7.5 MW during the financial year 2021-22. In addition to the existing total of 12.5 MW solar power capacity, the Company is now on the way to add another 7.5 MW to provide power to the factory through a total of 20 MW of solar power. Letter of credits are opened for importing solar plant equipment of 7.5 MW.

The Company has recently installed dry process clinker production Line-4 having capacity of 7,000 metric tons per day. The said production line has commenced production in FY 2022-23 and expected to significantly bolster the top line figures of the Company in next financial year.

The Company has completed its expansion of existing Waste Heat Recovery Plant which has increased to a total capacity of 37 MW including WHRP of new installed Line 4, resulting in substantial saving in power cost.

SUBSEQUENT EVENTS

There has been no considerable subsequent events after the closing of Financial Year 2022-23.

CHANGE IN NATURE OF BUSINESS

No change has occurred during the financial year concerning the nature of the business of the Company or of its subsidiaries, or any other Company in which the Company has interest.

NON-FINANCIAL PERFORMANCE

Quality, customer's satisfaction, employee's development and professional standards are Company's key areas where management has taken necessary measures to improve them. The Company is currently producing and supplying high-quality products which ensure maximum satisfaction to the customers. During the year, the Company has conducted various performance appraisals for the development of existing human capital. The Company is maintaining a highly satisfactory relationship with all stakeholders. The Company has formed various committees which are responsible for the effective monitoring of key areas.

CORPORATE SOCIAL RESPONSIBILITY

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on consistent basis. The Company has been recognized by the Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence.

The Company has contributed in medical social sciences project and in this regard, the Company's Board of Directors and the Board of the Holding Company jointly donated towards construction of Admin Block at Al-Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. The project achieved completion during the year.

The Company has also contributed in the past for medical social service projects and in this regard the Company donated a state-of-the-art Cardiac facility to the Gulab Devi Chest Hospital (GDCH) in Lahore by building Sayeed Saigol Cardiac Complex at GDCH.

Kohinoor Maple Leaf Group has received "13th Corporate Social Responsibility National Excellence Award" on account of its performance of various social obligations.

IMPACT ON THE ENVIRONMENT AND OUR MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

Traditionally, cement plants are assumed to be lacking environment friendliness but the Company has installed most modern and state of the art equipment to control industry effluents. In order to mitigate the effects of industrial effluents on surrounding environment, the Company is putting forth all efforts for providing healthy environment to employees and the community. In this regard following major environment friendly efforts are carried out by the Company: -

i. Regular monthly environmental monitoring for stack emissions and effluents complying with Natural Environmental Quality Standards.

ii. The Company has state of the art FLSmidth A/S cement manufacturing technology, equipped with world class dust collection electrostatic precipitators and bag filters for environment protection.

iii. Massive Tree Plantation Program is being constantly undertaken for maintaining healthy and green environment as a part of Corporate Social Responsibility in coordination with District Officer (Environment), Mianwali.

iv. The Company has its own hospital and trauma centre at plant site. Keeping in view the occupational health of employees, regular first-aid and CPR training programs are conducted to ensure safe health of workers.

In recognition of Company's effort to promote environment friendly practices, The Professionals Network has declared Maple Leaf Cement Factory Limited as winner of 7th International Awards on Environment, Health & Safety for the year 2021.

PRINCIPAL RISKS, CHALLENGES AND UNCERTAINTIES

The major risks and challenges faced by the Company are as follows: -

i. Rupee devaluation and escalation of coal prices in the international market squeezing profit margins.
ii. Lacklustre margin on export sales, barriers erected by cement importing countries and anti-dumping duty imposed by South Africa.

iii. High interest rates.
iv. High fuel rates.
v. Overall inflationary increase in operational expenses.
vi. Head on competition amongst cement manufacturers on price as well as sales owing ambitious capacity additions.
vii. Impact of devastating floods which have hit large parts of the country.

The Organization is effectively equipped to face any challenges and uncertainties that are likely to arise. Through combined experience, skill and effective business reporting, Management is always aware of internal and external developments. The Company has formulated unique specialised cross functional teams that routinely discuss key issues and risks to come up with the most forward approach. In response to the cuts in PSDP allocation and low margins in export markets, marketing team under the guidance of Management launched an effective brand awareness strategy to increase presence in previously untapped local markets and make Maple Leaf Cement Factory Limited a well-known trustworthy brand amongst developers, dealers and house consumers. To cater to overall inflation, cost saving measures were implemented throughout the year. To reduce finance cost, short term borrowings were brought down by effectively utilizing operating cash flows and by reduction in operating cycle. To face vigorous competition, Management ensures that the capacity to produce and to sell is fully utilized to its utmost potential.

APPROPRIATIONS

Distribution of Profit after tax for the Company (standalone) for the year is as under: -

DESCRIPTION	2023	2022
	-----Rs. in '000'-------	
Profit After tax	4,491,670	3,626,340
Dividend	-	-
Balance Transferred to Retained Earnings	4,491,670	3,626,340

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a) Male 8
b) Female 1

Composition:

1	Independent Directors	2
2	Other Non-Executive Directors	4
3	Executive Directors (including CEO)	2
4	Female Director (Non-Executive Director)	1

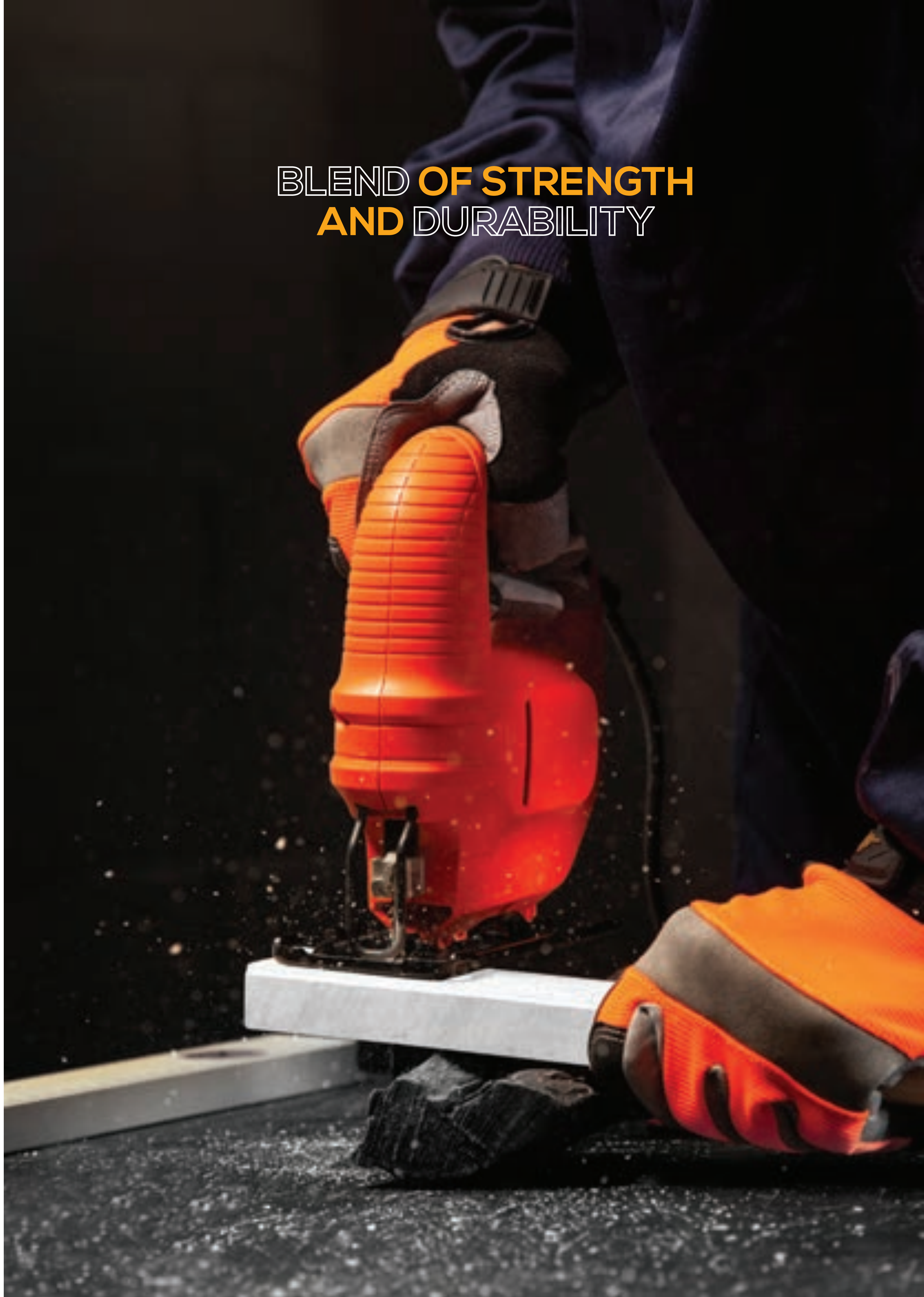
DIRECTORS AND BOARD MEETINGS

By virtue of election of Directors held during the year and pursuant to requirement of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, the following Board of Directors was re-constituted.

During the year under review, five meetings of the Board of Directors were held in Pakistan and no Board meeting was held outside Pakistan. The attendance of each Director was as under.

CATEGORY	NAME	MEETINGS ATTENDED
Independent Directors	Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo	4 5
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol	5 5 4 5
Executive Directors	Mr. Sayeed Tariq Saigol *Chief Executive Officer* Syed Mohsin Raza Naqvi	5 5
Female Director *Non-Executive Director*	Ms. Jahanara Saigol	2

Leave of absence was granted to the Director who could not attend the Board Meeting.



Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the following committees were also re-constituted: -

AUDIT COMMITTEE

Four meetings of the Audit Committee were held during the financial year and attendance of each Member was as under: -

NAME	DESIGNATION	MEETINGS ATTENDED
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)	4
Mr. Zulfikar Monnoo	Member (Independent Director)	4
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)	2
Mr. Danial Taufique Saigol	Member (Non-Executive Director)	4

Leave of absence was granted to the Member who could not attend the Audit Committee Meeting.

Mr. Shafiq Ahmed Khan, the Chairman Audit Committee attended the last AGM held on October 27, 2022.

Board Annually Evaluates the performance of Board Committees including Audit Committee.

HUMAN RESOURCE & REMUNERATION COMMITTEE

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo Mr. Danial Taufique Saigol	Chairman (Independent Director) Member (Independent Director) Member (Non-Executive Director)

One meeting of Human Resource & Remuneration Committee was held on November 18, 2022 and all members attended the meeting.

The Board would consider to constitute the Nominee Committee and Risk Management Committee and compliance will be made in due course.

DIRECTORS' REMUNERATION

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

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive, Sponsors and / or family Directors and full time working Director(s), shall be net of tax amounting to Rs. 100,000/- (Rupees one hundred thousand only) per meeting or as time to time determined by the Board for attending the Board and Rs. 10,000/- (Rupees ten thousand only) for its Committee meetings.
- Any tax obligation against such payment applicable for the time being and/or amended hereinafter shall be borne by the Company.
- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges and other expenses incurred by them for attending meetings and for other business conducted for and on behalf of the Company.

The details of the remuneration paid to the Directors including Chairman and Chief Executive of the Company is disclosed in Note 46 of the Standalone Financial Statements.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2023 is annexed.

ACKNOWLEDGEMENT

The Board takes this opportunity to express its deep sense of gratitude and thanks to the shareholders, employees, customers, bankers and other stakeholders for the confidence and faith they have always reposed in us.

For and on behalf of the Board

Lahore: September 06, 2023

Syed Mohsin Raza Naqvi
Director

Tariq Sayeed Saigol
on Behalf of CEO

The Chief Executive Officer is for the time being not available in Pakistan so the Board has authorized Mr. Tariq Sayeed Saigol - Director to sign the Directors' Report for the year ended 30th June 2023.

STATEMENT OF COMPLIANCE

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE "REGULATIONS")

Name of Company: **Maple Leaf Cement Factory Limited**
Year Ended: **June 30, 2023**

This Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors are Nine (9) as per the following composition:

   Male: 8
   Female: 1

2. The Composition of the Board is as follows: -

i.	Independent Directors	02
ii.	Non-Executive Directors	04
iii.	Executive Directors (including CEO)	02
iv.	Female Director (Non-Executive)	01

   Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors, excluding CEO who is considered as deemed director. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

   The policies namely, communication and disclosure, code of conduct for members of Board of Directors, Senior Management and other employees, risk management and internal control exist in the Company's record and shall be uploaded on the Company's website in due course.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

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

9. Three Directors have obtained certificate for Directors' Training Program and Five Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies as under: -;

Sr.	Name of Directors	Qualification & Years of Experience
1.	Mr. Tariq Sayeed Saigol	Exempted from Directors' Training Program. He is Director in Kohinoor Textile Mills Limited (KTML) since 1971 and was graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.
2.	Mr. Sayeed Tariq Saigol	Director in KTML since 1998. He graduated from McGill University with a degree in management.
3.	Mr. Taufique Sayeed Saigol	Exempted from Directors' Training Program. He is Director in KTML since 1976 and graduated as an Industrial Engineer from Cornell University, USA in 1974.
4.	Mr. Waleed Tariq Saigol	Director of the Company since 2004. He holds a bachelor's degree in Political Science from the London School of Economics & Political Science.
5.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program. He began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada.
6.	Ms. Jahanara Saigol	Appointed on the Board of the Company on December 31, 2019. She has completed PhD in Islamic Art and Architecture at SOAS, University of London. She has also obtained degrees in MA, SOAS, University of London and M. St, University of Oxford. Directors' Training Program is non-mandatory and compliance will be made in due course.
7.	Mr. Shafiq Ahmed Khan	Director in Trust Investment Bank Limited from 1997 to 2009 and Director in KTML from 2014 to April 2023. He got his bachelor degree from Punjab University and has experience over 36 years in different fields of finance.
8.	Mr. Zulfikar Monnoo	Director in Rafhan Maize Product Co. Limited since 1990 and certificate obtained for Directors' Training Program. He is a businessman with experience of more than three decades as a director having degree of bachelor in science and economics with a major in finance from University of Pennsylvania -Wharton School.
9.	Syed Mohsin Raza Naqvi	Certificate obtained for Directors' Training Program. Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with more than three decades of Financial Management experience.

   The Company has planned to arrange Directors' Training Program certification for female executives and head of departments over the next few years.

10. During the year, there was no any such appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit;

    The Head of internal audit does functionally report to the Audit Committee and administratively to the CEO; however, it is pertinent to mention that any performance appraisals as well as increments/ detriments in his remuneration package are solely vested with the CEO instead of the same in conjunction with the Chairman, Audit Committee; this is evident as per his appointment resolution.

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

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

a) **Audit Committee**

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol	Chairman (Independent Director) Member (Independent Director) Member (Non-Executive Director) Member (Non-Executive Director)

b) **Human Resource & Remuneration Committee**

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo Mr. Danial Taufique Saigol	Chairman (Independent Director) Member (Independent Director) Member (Non-Executive Director)

c) **Nomination Committee:** Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board would consider to constitute nomination committee and compliance will be made in due course;

d) **Risk Management Committee:** Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board would consider to constitute risk management committee and compliance will be made in due course;

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

14. The frequency of meetings of the committees were as per following:

MEETINGS	FREQUENCY
Audit Committee	Four meetings were held during the financial year.
Human Resource and Remuneration Committee	One meeting was held during the financial year.

15. The Board has set up an effective internal audit function with suitably qualified and experienced staff for the purpose and who are also conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

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

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

Tariq Sayeed Saigol
Chairman

Lahore: September 06, 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MAPLE LEAF CEMENT FACTORY LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Maple Leaf Cement Factory Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 16, 2023

UDIN: CR202310070hs7mFDeGf

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Karachi Lahore Islamabad

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Power Limited
- Maple Leaf Industries Limited

Mr. Tariq Sayeed Saigol is the Chairman of Kohinoor Maple Leaf Group (KMLG). He is a member of the reputed Saigol Family who pioneered in textile manufacturing after partition and later ventured into the financial sector, chemicals, synthetic fibres, sugar, edible oil refining, civil engineering, construction, cement and energy.

Mr. Saigol was schooled at Aitchison College, Lahore and graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.

He started his career in 1968 at Kohinoor's Chemical Complex at Kala Shah Kaku. Upon trifurcation of the Group in 1976, he became Chief Executive of Kohinoor Textile Mills Limited, Rawalpindi. Since 1984, he has been Chairman of Kohinoor Maple Leaf Group which has interests in textiles, cement manufacturing and energy.

He remained Chairman of All Pakistan Textile Mills Association from 1992 to 94, President of Lahore Chamber of Commerce and Industry for 1995-97 and Chairman of All Pakistan Cement Manufacturers Association from 2003-2006.

Mr. Saigol was a member of the Federal Export Promotion Board and Central Board of State Bank of Pakistan. He has also served on several Government Commissions and Committees on a number of subjects, including Export Promotion, reorganization of WAPDA and EPB, Right Sizing of State owned Corporations and Resource Mobilization. He is the author of "Textile Vision 2005" which was adopted by the Government in 2000 and also its critique prepared in 2006. He also served as a member of the Central Board of State Bank of Pakistan for a second term in 2007 and was a member of the Prime Minister's Economic Advisory Council established in 2008.

He takes keen interest in the development of education and health care in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan, member of the Syndicate of University of Health Sciences and Member of Board of Governors of Aitchison College, Lahore. He presently serves on the Managing Committee, Gulab Devi Chest Hospital, Lahore.

In recognition of his contribution, he was conferred with the civilian award, Sitara-e-Isaar by the President of Pakistan in 2006.

He is a keen golfer and has represented Pakistan at Golf in Sri Lanka and Pakistan in 1967.

MR. SAYEED TARIQ SAIGOL
(CHIEF EXECUTIVE OFFICER / DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
- Maple Leaf Power Limited
- Maple Leaf Industries Limited

DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Capital Limited

Mr. Sayeed Tariq Saigol is the Chief Executive of Maple Leaf Cement, Maple Leaf Power Ltd and Maple Leaf Industries Limited. He graduated from McGill University with a degree in management. Mr. Sayeed Saigol also has several years of work experience in the textile industry. Prior to joining Maple Leaf Cement, he was involved in setting up and managing an apparel dyeing company. He is a member of the Board of Governors of the Lahore University of Management Sciences.

MR. TAUFIQUE SAYEED SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
- Kohinoor Textile Mills Limited

CHAIRMAN / DIRECTOR
- Maple Leaf Capital Limited

DIRECTOR
- Maple Leaf Power Limited
- Maple Leaf Industries Limited

Mr. Taufique Sayeed Saigol is the Chief Executive of Kohinoor Textile Mills Limited and Director in all KMLG companies. He is a leading and experienced industrialist of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974. He has widely travelled and his special forte is in the export business.

He is a business man of impeccable credibility and vision and has substantial experience of working in different environments.

BRIEF PROFILE OF DIRECTORS

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Power Limited
- Maple Leaf Industries Limited
- TRG Pakistan Limited

CHIEF EXECUTIVE / DIRECTOR
- Maple Leaf Capital Limited

Mr. Saigol was schooled at Aitchison College, Harrow School and holds a bachelor's degree from the London School of Economics & Political Science. He has a rich experience of Textile & Cement Sectors and is currently the Chief Executive Officer and Director of Maple Leaf Capital Limited (MLCL). Over the years, he has acquired deep insight in capital market activities. His expertise of capital market operations has helped MLCL to become one of the leading investment management companies in the country.

He serves on the Boards of Kohinoor Textile Mills Limited, Maple Leaf Cement Factory Limited, Maple Leaf Power Limited and Maple Leaf Industries Limited. He is also a Member of Audit Committees of both the listed companies of Kohinoor Maple Leaf Group and is keenly involved in formulation of vision, strategies and governance structures of these companies. His valuable deliberations and able guidance are considered valuable assets.

He is a keen golfer and has won several tournaments in Pakistan.

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Capital Limited
- Maple Leaf Power Limited
- Maple Leaf Industries Limited

Mr. Danial Taufique Saigol is the younger son of Mr. Taufique Sayeed Saigol, CEO of KTML. Danial began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada. He is currently posted at Kohinoor Textile Mills, Rawalpindi.

MS. JAHANARA SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Capital Limited

Ms. Jahanara Saigol is daughter of renowned industrialist, Mr. Tariq Sayeed Saigol who is the Chairman of Kohinoor Maple Leaf Group. She has completed PhD in Islamic Art and Architecture at SOAS, University of London. She has also obtained degrees in MA, SOAS, University of London and M. St, University of Oxford.

MR. SHAFIQ AHMED KHAN
(INDEPENDENT DIRECTOR)

Mr. Shafiq Ahmed Khan got his bachelor degree from Punjab University and joined Habib Bank Limited at entry level in 1968 and spent over a period of 24 years in order to become Executive Vice President while performing in different areas of services. He spent a period of five years in Fidelity Investment Bank Limited, Lahore, as first President & CEO of a major investment bank in the country and guided with sound business and risk management.

Since 1996 to 2005, he has been associated with Pakistan's largest private sector commercial bank as Senior Executive Vice President / Group Head and taken responsibilities for devising and implementing business strategies for MCB Bank Limited. He also served on the Board of Trust Investment Bank Limited from 1997 to 2009. Over the course of 36 years in a career, he used up in domestic and international market with all necessary skills for developing & implementing successful strategies for institutions' businesses across geographical segments particularly in banking relationships and enjoy sound relationships with regulatory authorities in various countries. Currently, being an Independent Director, he is the Chairman of Audit Committee as well as Human Resource and Remuneration Committee of the Company.

BRIEF PROFILE OF DIRECTORS

MR. ZULFIKAR MONNOO
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR	Kohinoor Textile Mills Limited Unilever Pakistan Foods Limited, Rafhan Maize Products Co. Limited
DIRECTOR / CHIEF EXECUTIVE	Pakwest Industries (Pvt.) Limited

Mr. Zulfikar Monnoo joined the Board of Unilever Pakistan Foods Limited when the company was formed. He is past Chairman and now a member of both the Audit and the HR& R Committees.

He is also Director of Rafhan Maize Products Co. Limited since 1990 and a member of both the Audit and the HR& R Committees.

He is the Chief Executive of Pakwest Industries (Pvt.) Ltd., Lahore. He is an alumni of The Wharton School, University of Pennsylvania and Aitchison College, Lahore.

He is a businessman with experience of more than three decades as a director having degree of bachelor in science and economics with a major in finance from University of Pennsylvania – Wharton School. He obtained Directors' Training certification from Pakistan Institute of Corporate Governance in 2012. His special expertise/ specialized skills are Finance & Accounting, Human Resource, sales and has industrial experience in food & textile ingredient manufacturing as well as artificial leather (coated fabrics).

SYED MOHSIN RAZA NAQVI
(DIRECTOR / GROUP DIRECTOR FINANCE / CHIEF FINANCIAL OFFICER)

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER	Kohinoor Textile Mills Limited Maple Leaf Capital Limited Maple Leaf Power Limited Maple Leaf Industries Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with more than three decades of Financial Management experience. His areas of expertise include: financial projections, forecasting-short term and long-term cash flows, business strategy development, acquisitions and evaluations of business units, establishing company's reporting structure, implementing budgetary control procedures, implementing financial software, organizing finance and treasury functions of the Company.

He is currently Board member of Maple Leaf Cement Factory Limited, Kohinoor Textile Mills Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited and Maple Leaf Industries Limited and certified Director from Pakistan Institute of Corporate Governance.

He is former Board member of Kohinoor Mills Limited and many other foreign reputable companies. He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

DIVERSITY IN THE BOARD

The members of Board of Directors of the Company have diversified experience, skills and knowledge in the field of finance, operations, banking and corporate sectors.

CORPORATE BRIEFINGS

MATTERS DECIDED AND DELEGATED BY BOARD OF DIRECTORS

Matters Decided by the Board of Directors

The Board of Directors approves overall corporate strategy which is in line with Company's Vision. All the Strategic Decisions of the Company are taken by the Board. As sanctioned by the Companies Act 2017 and authorised by Articles of Association of the Company, following decisions are taken by the Board namely: -

- Issue of shares;
- Buy-back of shares;
- Make borrowings in the form of loans, debentures, leasing contracts or redeemable capital;
- Investment of funds of the company;
- Approval of financial statements;
- Approval of bonus to employees;
- Incurring capital expenditure and disposal of fixed assets;
- Declaration of interim dividend;
- Provision / Writing off bad debts, advances and receivables;
- Writing off other assets of the company;
- To determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favour of a company may be released, extinguished or relinquished; and
- Other matters of strategic nature e.g., taking over a company or acquiring a controlling or substantial stake in another company;

Matters Delegated to the Management

Management of the Company is entrusted with the responsibility to conduct operations of the Company adhering to corporate strategy approved by Board of Directors. Tactical and operational matters are delegated to the Management of the Company which mainly include:

- Cash flow Management;
- Selling and Marketing;
- Compliance with legal requirements;
- Production Management;
- Procurement Management and
- Other support functions like Human Resource Management.

ANNUAL EVALUATION OF BOARD PERFORMANCE

The Board has set a criterion based on emerging and leading practices to assist in the self-assessment of an individual director and the full Board's performance. It is not intended to be all-inclusive. When completing the performance evaluation, Board considers the following main performance evaluation process or behaviour:

i. Adequate Board composition.
ii. Satisfactory processes and procedures for Board meetings.
iii. The Board sets objectives and formulates an overall corporate strategy.
iv. The Board has set up adequate number of its committees.
v. Each Director has adequate knowledge of economic and business environment in which the company operates.
vi. Each Board member contributes towards effective and robust oversight.
vii. The Board has established a sound internal control system and regularly reviews it.
viii. The Board reviews the Company's significant accounting policies according to the adequate financial reporting regulatory framework.
ix. The Board considers the quality and appropriateness of financial accounting and reporting and the transparency of disclosures.

Evaluation Criteria of Board Performance

Following is the main criteria:

1. Financial policies reviewed and updated;
2. Capital and operating budgets approved annually;
3. Board receives regular financial reports;
4. Procedure for annual audit;
5. Board approves annual business plan;
6. Board focuses on goals and results;
7. Availability of Board's guideline to management;
8. Regular follow up to measure the impact of Board's decisions;
9. Assessment to ensure compliance with code of ethics and corporate governance.

During the year under review, the performance review of Board was not carried out by any external consultant.

PERFORMANCE REVIEW OF BOARD COMMITTEES

Performance of Board Committees is regularly evaluated by the Board of Directors based on the terms of reference as defined and approved by the Board.

UNRESERVED COMPLIANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/ IFRS issued by International Accounting Standards Board (IASB) vital to true and fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status is in detail is explained in note 3 of annexed standalone financial statements.

CEO PERFORMANCE REVIEW

The performance of the CEO is regularly evaluated by the Board of Directors and this evaluation is based on the criteria defined by the Board of Directors which includes various financial and non-financial key performance indicators (KPIs). At the start of the year, CEO presents his KPI for the upcoming year to the Board of Directors. The Board periodically evaluates the actual performance against those KPIs during the year and discusses the future course of action to attain the Company's stated goals. The CEO also appraises to the Board regarding an assessment of senior management and their potential to achieve the objectives of the Company.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

All the Directors are suitably qualified and experienced while three Directors have obtained certificate for Directors' Training Program and five Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies.

Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange.

CREDIBILITY OF INTERNAL CONTROLS AND SYSTEMS

The ultimate responsibility for effective internal control systems rests with the Audit Committee (the Committee). At MLCF, the Internal Audit function is tasked by the Committee to report on matters related to risk assessment, SOP compliance and smooth running of Quality Management Systems. The Internal Audit team consists of professional and competent personnel, having knowledge of the audit and accounts., The Internal Audit Department has experience and expertise to independently judge and provide independent evaluations of internal controls and risks to the Committee. The Committee lays down the groundwork strategy that defines which processes, departments and functions are required to be audited. The Internal Audit function executes the strategy by identifying, assessing and measuring the likelihood and magnitude of various risks. Based on assessment of risks, an audit plan is drafted in collaboration with concerned Head of Departments and then sent for approval to the Committee. The audit is conducted as per the plan and control weaknesses (if any) are highlighted and an action plan is agreed upon. Regular follows ups are then carried out to ensure the implementation and achievement of agreed action plans.

The Company obtains external assurance from:

- Statutory Audit of Financial Accounts from Audit firm A. F. Ferguson.
- (QMS) Audit to ensure compliance with ISO 9001 by SGS.
- Environment Monitoring Report to ensure compliance with ISO 14001 by ECO GREEN (PVT) Limited.

The Board has developed a set mechanism to assess the risk being faced and the internal controls implemented to mitigate them. The internal audit department is also responsible to identify and evaluate the risk being faced by the Company and controls in place, also test them if they are operating properly. The Board also gets external assurance on the effectiveness of the internal controls and also seeks suggestion for the unattended areas.

IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

The management of Maple Leaf Cement Factory Limited believes to follow best governance practices that can be implemented in the Company's environment. To implement these practices, the minimum benchmark is to comply with all the legal requirements. However, the management goes ahead to implement best governance rules and practices that are followed globally and are in favour of the Company's shareholders, employees, environment and community.

Following additional governance practices implemented by the management include:

- Disbursement of additional corporate and financial information to shareholders and legal authorities, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of 5S policy to create a healthy and work friendly environment together with efficiency and effectiveness.
- Implementation of Health, Safety and Environment Policy for better and safe work place environment for employees, workers and surrounding community.

The Company understands and fulfils its corporate social responsibility and has implemented various social projects for welfare of the community.

POLICY ON DIVERSITY

At Maple Leaf Cement Factory Limited, we aim to be an inclusive organisation, where diversity is valued, respected and built upon. We recruit and retain a diverse workforce irrespective of religious and political beliefs, gender, race, ethnicity, disability, education, colour, language, age, socioeconomic background, and geographic location and region. The culture of the Company values differences and recognises that stakeholders from different backgrounds and experiences can bring valuable insights to enable a collaborative work environment by introduction of varied ideas and perspectives within the Company.

We aim to pro-actively tackle discrimination and to ensure that no individual or group is directly or indirectly discriminated against for any reason regarding employment and the Company bears no tolerance for harassment/bullying and persecution. The company has a whistle blowing policy in place, and employees are encouraged to report all such matters and related grievances to the Human Resources department.

The Board ensures application of diversity policy through Human Resource department by ensuring that all talent hunting seminars, job fairs and advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences are appreciated rather than criticized for novel ideas and improvements. Furthermore, Internal Audit department ensures and reports compliance of diversity policy on periodic basis.

Disclosure of interest in significant contracts and arrangement by directors

None of the Directors have any interest in significant contracts and arrangements the Company has entered into. However, the Board has also a policy that all the directors who have any such interest will need to disclose it beforehand.

COMPENSATION POLICY OF EXECUTIVE DIRECTORS WHO ALSO SERVE OTHER COMPANIES BOARD OF DIRECTORS

Executive directors of the company shall be appropriately compensated for their service in the Company and for representation on the Company's Board. This compensation shall take into consideration the amount of time required to be devoted to Board activities, the fiduciary responsibility of such positions and the competitiveness of the compensation levels. Compensation is subject to change at the discretion of the Board. Board may approve revision in Directors' Compensation Policy from time to time.

No fee is paid to executive directors of the company by way of their appointment in other associated companies in the capacity of non-executive director.

Moreover, none of our executive director is working as non-executive director in companies which are not associated companies.

FOREIGN DIRECTOR

No foreign director was on Board of Directors of the Company during the year.

HUMAN RESOURCE MANAGEMENT

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork. The main components of the Company's HRM policy are:

- Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team work and synergetic efforts.
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

Succession Planning

The Company believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Rigorous succession planning is also in place throughout the organization. Succession planning ensures that employees are constantly developed to fill each needed role. We look for people who exemplify continuous improvement when we are spotting future successors.

INTERACTION WITH STAKEHOLDERS

The interactive sessions include the annual general meeting, extra ordinary general meetings, corporate briefings/road shows, responding to investor queries either raised on email, website or on telephone.

During the year, following major international and local road shows/corporate briefings sessions were held with investors:

- Corporate Briefing Session (23rd November 2022)

The Company has a set mechanism to ensure that all the shareholders are served with notice of annual general meeting within stipulated time as per corporate requirements. To ensure these notices are dispatched to members, also made available to stock exchange. On the day of annual general meeting, sufficient arrangements are made to facilitate members by encouraging their participation and responding to their queries positively.

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor services is a vital element for sustained business growth and we want to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retain existing relationships and therefore, Investor satisfaction

BUILDING
STRONG TOGETHER

becomes critical to the Company. Investor queries and complaints constitute an important voice of Investor, and this policy details grievance handling through a structured grievance framework.

Grievance policy is supported by a review mechanism, to minimize the recurrence of similar issues in future. Investors have the facility to call toll free call centre 24/7 to register their grievances. The Company's Grievance policy follows the following principles:

- Investors are treated fairly at all times.
- Complaints raised by Investors are dealt with courtesy and in a timely manner.
- Investors are informed of avenues to raise their queries and complaints within the organization and their rights if they are not satisfied with the resolution of their complaints.
- Queries and complaints are treated efficiently and fairly.
- The Company's employees work in good faith and without prejudice, towards the interests of the Investors.

WHISTLE BLOWING POLICY

In accordance with the Company's continued commitment to 'Good Governance' a 'Whistle Blowing' policy has been adopted. The policy ensures that the 'Whistle Blower' will be fully protected and the said non-conformance, will be investigated in a fair, transparent, reliable and principled manner.

Highlights of the policy are as follows:

1. All Protected Disclosures should be addressed to the nominated Ombudsman of the Company.
2. The Protected Disclosures should be reported in writing clearly stating the issue that is being raised. It should be preferably typed but legible handwritten versions in English or Urdu are also acceptable.
3. The Protected Disclosures should be forwarded with a covering letter bearing the identity of the whistle blower.
4. Anonymous disclosures will not be entertained.
5. If in an initial enquiry by the Ombudsman, it is felt that the complaint is not substantial, it can be dismissed.
6. If initial enquiry establishes that further investigation is necessary, the Ombudsman will ensure that an investigation is carried out in a neutral and fair manner without presumption of guilt. A written request of the finding will be prepared.
7. Further investigation shall only be carried out if the Ombudsman feels that the complaint is factual, fair and not speculative. It should contain as much factual information to necessitate a preliminary investigation.

   In MLCFL, no whistle blowing incidence was highlighted and reported under the above said procedures during the year.

SAFETY OF RECORD

MLCFL is effectively implementing the policy to ensure the safety of the records. All records must be retained for as long as they are required to meet legal, administrative, operational and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed of in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board of Directors periodically review the Company's Business Continuity & Disaster Recovery (BC/DR) plan to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that have access to those functions even under extraordinary circumstances. BC/ DR plan mainly includes daily tasks such as customers/ suppliers' correspondence, production data, trading activities, project management, system backups and help desk operations.

The primary activities of the Board for the execution of the plan include:

1) To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.
2) To ensure that a Business Continuity Recovery Team includes representatives from all business units.
3) To provide ongoing business continuity training to all employees, including executive management and the Board.
4) Ensure that thorough current business impact analysis and risk assessments are maintained.
5) Ensure a centralized executive view of the business continuity plan and programs.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in Listed Companies (Code of Corporate Governance) Regulations, 2019.

CONFLICT OF INTEREST MANAGEMENT POLICY

Policy Statement

The company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid any conflict of interest, identify the existence of any conflict of interest, and to disclose the existence of conflict of Interest. The Company annually circulates and obtains a signed copy of Code of Conduct applicable to all its employees and directors, which also relates to matters relating to conflict of interest. Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by all its employees and directors. The Company Policy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of non-compliance. The Policy is intended to assist directors and employees in making the right decisions when confronted with potential conflict of interest issues.

Management of Conflict of Interest:

The primary goal of MLCFL policy is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. To do this MLCFL has set the following procedures to manage and monitor the conflict of Interest:

1. Identify areas of risk.
2. Develop strategies and responses for risky areas.
3. Educate all employees about the conflict-of-interest policy.
4. Communicate with stakeholders to provide the platform for proper disclosure.
5. Enforce the policy.

Furthermore, the directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of the insider information. Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested directors do not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

The Board has established conflict resolution teams with aim to timely take up such conflicts and resolve them in the best possible way with no delays. Teams address to all such issues by paying attention to the complaints or observing them through the ways they have implemented for this. They pay attention to all the facts and come up with the resolution that becomes the standard for all similar events occurring after that. Board has the policy to review and discuss the performance of resolution teams periodically.

Approved Training Organization – ICAP & ICAEW

On 31st August 2016, MLCFL was granted the status of Training Organization outside Practice (TOoP) by Institute of Chartered Accountants of Pakistan to impart practical industry exposure to CA trainee students. The Company is also an Approved Training Employer recognized by Institute of Chartered Accountants in England & Wales (ICAEW). This demonstrates the level of confidence of these renowned institutes in company's pool of qualified professionals and at the same time, raises the opportunity for trainee students to be trained in one of the best organizations in Pakistan. During the year 2017-18, the Company inducted first batch of CA trainee students under ICAP TOoP scheme.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between financial performance and corporate, social and environmental responsibility. The Company believes that the observance of sound environmental and social strategies is essential for building strong brand and safeguarding reputation, which in turn is vital for long term success.

Social Responsibility Policy:

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behaviour which improve values like integrity and transparency.
- Focusing on social involvement by developing multicultural teams with different competencies.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions that focus in particular on preserving life and the environment.
- Maintaining collaborative relations with the society through a good harmony and effective communication.

Environmental Responsibility Policy

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.
- Responsibly managing the use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

Policy on Corporate Social Responsibility

The company has formulated an efficient policy for sustainability and corporate social responsibilities in accordance with the SECP's CSR guidelines 2013 and the Companies' Act 2017. The Board has put in place a CSR committee which is formed for better monitoring and execution of all CSR related tasks including the Al-Aleem Medical College, in Ghulab Devi Chest Hospital. The Company has contributed in medical social sciences project and in this regard, the Company's Board of Directors and the Board of the Holding Company jointly donated towards construction of Admin Block at Al-Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. The project achieved completion during the year. This committee supervises all CSR activities and ensures the progress of all CSR related goals, objectives and targets. The committee plans and determines the priority areas wherein the CSR projects are currently being managed (ongoing projects) and are planned to be initiated in the future. The Company has been recognized by the Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence. The Company has received the "Corporate Social Responsibility Award 2022" demonstrating management's firm philanthropist attitude towards social welfare of the society at large through charitable contributions and compliance with CSR objectives.

Company's approach to managing and reporting polices like procurement, waste, and emissions.

Our approach is to procure from the vendors who are registered with tax authorities and work in professional and ethical ways. The company ensure that all transactions would be at fair market value and according to the norms of the relevant market. Further, the company has a policy to perform vendor evaluation before entering into any transaction. The company performs various kind of analysis and benchmarking to evaluate its procurement on periodic basis.

At Maple Leaf, waste and emissions are utilized to produce electricity from waste heat recovery plant (WHRP). After utilization of the waste and emissions, there is very less quantum of emissions left in the air after going through state-of-the-art filtration equipment's to ensure that it is no hazardous for the environment. As a result, practically, there is negligible or no waste in the cement manufacturing process at our plants.

RELATED PARTY TRANSACTIONS

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Moreover, the Company has also decided to place its related party transactions before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, Executive Director (Finance), General Manager (Finance), Head of Internal Audit and Company Secretary. None of the Directors, CEO, CFO, General Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company other than Executive Director (Finance) who purchased 60,000 shares from Stock Market.

ROLE OF CHAIRMAN AND THE CEO

The Company's Chairman reports to the Board and the CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly. Their respective roles are being described here under: -

Role of the Chairman	Role of the CEO
Principal responsibility is the effective running of the Board.	Principal responsibility is running the Company's business.
Responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Company's strategy and overall commercial objectives.	Responsible for proposing and developing the Company's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
Guardian of the Board's decision-making process.	Responsible with the executive team for implementing the decisions of the Board and its Committees.
Responsible for promoting the highest standards of integrity, probity and corporate governance through-out the Company and particularly at Board level.	Responsible for promoting, and conducting the affairs of the Company with the highest standards of integrity, probity and corporate governance.

TERMS OF REFERENCE OF BOARD COMMITTEES

AUDIT COMMITTEE

The Main Terms of Reference of the Audit Committee are as under: -

(i) Determination of appropriate measures to safeguard the Company's assets;

(ii) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- (a) major judgmental areas;
- (b) significant adjustments resulting from the audit;
- (c) going concern assumption;
- (d) any changes in accounting policies and practices;
- (e) compliance with applicable accounting standards;
- (f) compliance with these regulations and other statutory and regulatory requirements; and
- (g) all related party transactions.

(iii) Review of preliminary announcements of results prior to external communication and publication;

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

(v) Review of management letter issued by external auditors and management's response thereto;

(vi) Ensuring coordination between the internal and external auditors of the Company;

(vii) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

(viii) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

(ix) Ascertaining that the internal control systems including 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;

(x) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

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

(xii) Determination of compliance with relevant statutory requirements;

(xiii) Monitoring compliance with these regulations and identification of significant violations thereof;

(xiv) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

(xv) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof.

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

HUMAN RESOURCE & REMUNERATION COMMITTEE (THE 'HR & R COMMITTEE')

The Main Terms of Reference of the HR&R Committee are as under: -

i. Recommending human resource management policies to the Board;

ii. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

iii. Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and

iv. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

CROSS-FUNCTIONAL TEAMS

Team Energy

Higher management of the company has formulated a team of pioneer executives with diversified skills to cope up the situation regarding increased energy cost for cement manufacturing. Energy consumption is quite intensive at cement plant; therefore, the price fluctuation of cement requires some cheap and efficient energy solutions. The team has been working to ensure the improved performance through prudent energy use by the process of monitoring, controlling, and conserving energy in the organization. Composition of team is as follows:

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MR. MUHAMMAD BASHARAT
MR. ABDUL HANAN	MR. NASIR IQBAL
MR. AMER BILAL	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. TARIQ MIR
MR. ZEESHAN AHMED	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 52

Team Improvement

A team of proficient personnel has been formulated to encourage the concept of sustainable development through Quality Management System (QMS) that supports the process of continuous improvement of products and processes involved within the organization. They accentuate on the development of long-term strategies for achieving the company objectives for sustainable development and reinforce the culture of quality. All stages of the production process right from the selection of raw materials, processing of materials and the finished product are subjected to rigorous quality testing to ensure that each bag of cement is of the best quality.

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MR. MUHAMMAD BABAR SARFRAZ
MR. ABDUL HANAN	MR. NASIR IQBAL
MR. AMER BILAL	MR. NAUMAN AHMED
MR. ARIF IJAZ	MR. SOHAIL SADIQ
MR. ZEESHAN AHMED	MR. TARIQ MIR
MR. MUHAMMAD BASHARAT	MR. YAHYA HAMID
MR. ZEESHAN MALIK BHUTTA	

Number of Meetings Held –52

Team Reliability Centered Maintenance

Reliability Centered Maintenance (RCM) team has been established to evaluate the equipment's condition and then determine the maintenance requirements for each piece of equipment in operating context of our cement plant. RCM Team is specialized in using various maintenance techniques such as predictive, preventive and proactive maintenance to keep in pace all the machinery and equipment for their adequate functionality and to increase cost effectiveness, machine uptime, and a greater understanding of the level of risk that the organization is presently managing.

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MR. MUHAMMAD BASHARAT
MR. ABDUL HANAN	MR. NASIR IQBAL
MR. AMER BILAL	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. TARIQ MIR
MR. ZEESHAN AHMED	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 52

Team Culture Development

To promote socio-economic culture, arts and national heritage, a team is engaged in our organization. Keeping in mind the social, cultural and economic needs of employees and workers, it proposes strategies to ensure wellbeing of people and to have all participate in sports and active recreation. It sets out to make Maple Leaf Cement Factory Ltd. a culture supporter organization in Pakistan, to harness the creativity of the employees and where all people are treated equally.

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MR. MUHAMMAD BABAR SARFRAZ
MR. ABDUL HANAN	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. YAHYA HAMID
MR. ZEESHAN MALIK BHUTTA	

Number of Meetings Held -12

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in Listed Companies (Code of Corporate Governance) Regulations, 2019. Four meetings of the Audit Committee were held during the year 2022-2023. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company including consolidated financial statements and recommended them for approval of the Board of Directors.

2. Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

3. Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with management processes and adequate for shareholder needs.

4. The Audit Committee reviewed and approved all related party transactions.

5. No cases of material complaints regarding accounting, internal accounting controls or audit matters, or Whistle Blowing were received by the Committee.

6. The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.

7. The Board has established internal audit function being an independent appraisal function for the review of the internal control system in all areas of the business activity and provides management with objective evaluations, appraisals and recommendations on the adequacy, effectiveness and compliance with each system reviewed.

8. Company's internal audit function is headed by a Chartered Accountant with a team of professionals who are suitably qualified and experienced and well aware of the Company's policies and procedures.

9. Internal audit function operates under the charter approved by the Audit Committee and head of the internal audit function has direct access to the Audit Committee.

10. Company's internal audit function prepares annual plan for the financial year and a strategic audit plan for following two years during which all major systems and areas of activity will be audited. Annual and strategic audit plan is approved by the Audit Committee.

11. Internal audit reports include findings, conclusions, recommendations and action plans agreed with management. These are reported promptly to the appropriate level of management. Follow up in implementation is ensured.

12. The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management's responses. This has ensured the continual evaluation of controls and improved compliance.

13. The Audit Committee has reviewed the Annual Report for the last financial year and found it fair, balance and understandable to users of financial statements. Annual Report provides the necessary information to all the stakeholders about the Company's financial performance, financial position and future prospects.

14. Performance of the Audit Committee is annually reviewed by the Board of Directors. However, the committee is devising the checklist for self-evaluation of its performance.

15. The Audit Committee ensured that statutory and regulatory obligations and requirements of best practices of governance have been met.

16. Present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, were appointed as on October 27, 2022. They are professional services company and one of the big four auditors. They carry out objective examination and evaluation of the financial statements to make sure that the records are fair and accurate representation of the transactions. M/s. A. F. Ferguson confirms every year that the firm and all Partners in the firm are compliant with the IFAC guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

17. The external auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, were allowed direct access to the Audit Committee and necessary coordination with internal auditors was also ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.

18. The Audit Committee reviewed the Management Letter issued by the external auditors and the management response thereto. Observations were discussed with the auditors and required actions recorded.

19. Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as external auditors for the year 2023-2024.

On behalf of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
September 06, 2023

BOARD'S DISCLOSURE ON COMPANY'S USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

ERP Structure and Integration Processes in a Single System: The Company uses Oracle R12 e-Business Suite (ERP system) that contains Oracle Financials, Inventory, Supply Chain, Procurement, Landed Cost Management, Human Resource and Order Management. All These modules are integrated with each other that provides automation, efficiency and productivity in day-to-day business operations.

Management Support in implementation and continuous updating: The Company's management is keen to modernize business equipment to maintain efficiencies as well as organizational growth. In this view the company upgraded ERP from Oracle e-Business Suite R12.1.3. to Oracle e-Business Suite R12.2.9. This new upgradation offers significant enhancements across security, performance stability and new features. The company has recently acquired Oracle Fusion Cloud ERP (Financial, Supply Chain and Maintenance system), which has been implemented in 1st July 2023. Oracle Fusion Cloud ERP is next generation ERP system, which has enhanced security, mobility, state-of-art analytics and dashboards separately for each layer of users, Manager and C-Level executives, all these analytics and dashboards has single source of facts.

User Trainings: Employees training and development is mandatory to maintain efficiency & productivity in smooth business operations. The Company believes in investment on human resources to improve skills and knowledge of employees and in this regard training programs are executed when necessary.

Management of Risk Factors on ERP projects: There is no such thing as a risk-free project. A project exists to bring about change, and with change comes uncertainty, and that means that risks have to be taken. The Company focuses on management of risk by proper planning, executing and monitoring of key risk areas and controls to mitigate these risks. The Company used following tools and techniques to address and manage risk factors on ERP Projects:

- effective strategic thinking and planning
- project team skills
- adequate BPR (Business Process Re-engineering)
- adequate change management

Systems Security, Access to sensitive data and segregation of duties: The Company monitors system security and access to sensitive database. The Company uses different operating units for head office and plant staff to restrict users' as per security matrix, which is being reviewed periodically by head of departments. This security matrix review help manage effective security measures including revoking and restricting the access rights. Furthermore, security matrix is designed on basis of International Governance, Risk and controls (GRC) best practices.

CHAIRMAN'S SIGNIFICANT COMMITMENTS

List of Companies in which the Chairman holds directorship has been separately disclosed in the Directors Profile section of the Annual Report.

No external search consultancy has been used in the appointment of the Chairman or non-executive director.

CORPORATE SUSTAINABILITY

We at Maple Leaf believe in creating value for all our stakeholders while keeping our commitment to a safe clean environment intact. While the Top Management is responsible for laying out and supervising the plan for a strategy towards a sustainable approach, the functional teams work on its implementation. Keeping in mind that in today's world, a business's success does not solely rely on its profitability, MLCF endorses the 'Triple Bottom Line' framework for achieving a sustainable business.

The triple bottom line helps the business to have a broader perspective of their business activities and work out ways to achieve business prosperity on metrics that include environmental health, social influence and contributions to the economy. All the three bottom lines; Economic, Social and Environmental, are of equal importance for the Company and therefore hold equal weightage in its decision making.

Following the triple bottom line theory, the Company succeeds in achieving its goal of sustainability as well as other business advantages. Waste heat management resulted in reduction in operational costs and improved asset utilization. Along with the financial advantages the company is also able to create a strong image through frequent engagements with the local communities and stakeholders to provide a better life for all.

To make sure that the company is moving in the right direction with respect to the sustainable strategy, steering committees are formed by the company to ensure the implementation of policies. These teams include Team Culture Development, Team Energy, and Team HSE, who are responsible for the execution and control of the plan in accordance with their team's scope. Furthermore, cross functionality being one of our core values, helps in achieving the set goals by the teams. The teams meet on predefined periodic basis to discuss their progress and provide guidance through synergy with one another. The efforts made by these teams are reviewed on a regular basis so that there's no delay in decision making whenever needed.

Board's statement of Adoption of best CSR practices

"Our primary goal is to work towards a better future that can positively impact every person in our society. Our Corporate Social Responsibility (CSR) policy is designed to help us achieve this mission. We consider important areas like education, training, and ensuring health and safety at work as crucial parts of our social responsibilities as a business. Our social responsibility plan covers both our employees and the communities we operate in."

CORPORATE SOCIAL RESPONSBILITY

Board's statement about company's strategic objectives on ESG /sustainability reporting

At Maple Leaf, we are committed to positive change and long-term sustainability for our business and stakeholders. Our Strategic objectives on ESG are as following:

- Environmental Safety:

  We are focused on reducing our environmental impact by implementing sustainable practices, reducing carbon emissions, and saving resources.

- Social Responsibility:

  We contribute to the well-being of our society. Our commitment to Health, safety, diversity, equality, and inclusion will be reflected in our work force and culture.

- Governance Excellence:

  We ensure the transparency, accountability and ethical behavior at all levels of corporate governance.

Chairman's overview on the company's sustainable practices and their effect on the financial performance.

Maple Leaf believes in sustainable business model and best sustainable practices regarding ESG (Economic, Social, Governance) and sustainability. So, we have implemented many sustainable practices for the better future of society as whole.

The following are the major sustainable practices at Maple Leaf Cements and their effect on the financial performance of the Company.

Solar and WHRP: Maple Leaf Cement has implemented solar energy and Waste Heat Recovery Plant (WHRP) to power up the plant. These methods of electricity have no carbon emission. In financial aspect, the solar power and waste hear recovery plant are the cheapest source of energy. These energy sources reduce a heavy amount of electricity cost and improve the efficiency by reducing the cost of production.

Water Conservation: Maple Leaf Cement use water through efficient processes which reduces the overall use of water. This helps in saving the input cost and increases financial performance of the Company.

Tree Plantation: Maple Leaf believe in Go Green. We have planted 162,700 trees in last 6 years. This helps in improving the health of human capital. This improvement in health saves the medical costs on employees which is incurred by the Company.

Proper Covering of Fuel: Maple Leaf Cement use proper sheds for covering the fuel such as coal and pet coke. This reduces the emission of particles in the air and save coal from the moisture. So, by keeping the coal dry, the company saves cost as the dry coal is more efficient for burning as the lesser inputs are used for the same amount of energy.

Maple Leaf's alignment with Sustainable Development Goals

Maple Leaf as an organization has always believed in growth through sustainable means. For years now, we have been producing quality products for our customers while undertaking measures to eliminate the negative impact of our business activity on the environment. In congruence with the company's dedication to provide returns not only to our shareholders but also to our people and community, the business integrates the 'Sustainable Development Goals' (SDGs) within the business processes. These goals were first introduced in 2015 by the United Nations in wake of the growing global challenges: poverty, hunger, increasing inequality, change in climate, peace and justice, etc. SDGs comprise of 17 goals in total with 169 targets that are directed to achieve a sustainable future for everyone around the globe by 2030. We at Maple Leaf envision a bright and prosperous future not only for ourselves but for our country as a whole. Hence, we always strive and make efforts to stay ahead of the curve through our innovations and contributions in our industry. In order to achieve this mission, we align our business processes and activities with the SDGs and contribute towards a sustainable future as a rightful corporate citizen.

Below mentioned are Maple Leaf's approach to alignment of the SDGs:

SDG No.	What do we aim to achieve?	Our contributions
1. Good Health and Well Being	Ensure healthy lives and wellbeing for everyone at all ages.	- Family club - Medical assistance for employees and families - Al-Shifa- hospital for employees at site - First aid and CPR training - Jungle mein Mangal (VPS) for truck drivers, -Pandemic recovery plan
2. Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Sponsorship for 10 classrooms for Police Public Middle School, - 4 schools established in Iskandrabad - Donation to Gulab Devi for Aleem Medical College
3. Gender Equality	Achieve gender equality and empower all women and girls	- Female representation in governance body - Equal opportunities for female employees - Zero tolerance towards gender-based violence and harassment
4. Clean water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	- Constructed water supply scheme to the nearby rural areas for Daud Khel, Sora and Khairabad village - Sensor taps to eliminate wastage of water - Water filtration and treatment plant at plant site
5. Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	- Waste Heat Recovery Plant - Coal Fired Power Plant - Wartisila and Nigata generators - Auto-controlled energy sensors (ACs, lights, etc) - Dust collection electrostatic precipitators and bag filters for environment protection. - R&D for energy alternatives
6. Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	- Employment opportunities for youth - Contribution to National Exchequer - Healthy work environment, - Apprenticeship opportunities - Policies against unfair hiring and recruitment practices

SDG No.	What do we aim to achieve?	Our contributions
7. Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	- Cement donations for schools, mosques, and other social projects. - Development, renovation and beautification of Mianwali city. - Tackling air emissions, energy saving, etc. - Availing latest technologies at cement plant.
8. Reduced Inequality	Reduce inequality within and among countries	- Job opportunities for disabled people - Master mistri program
9. Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	- community development plans for underprivileged communities (rural development program) - Infrastructure enhancement-bus stops, mosques, schools, etc. - Donations to welfare organizations.
10. Responsible Consumption and Production	Ensure sustainable consumption and production patterns	- Monitored production patterns through independent sources (Eco Green). - Adoption of 5S methodology
11. Climate Action	Take urgent action to combat climate change and its impacts	- plantation drives, - controlling and tackling air emissions, - managing waste, - improving biodiversity through quarry rehabilitation.
12. Peace and Justice Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	- business ethics and anti-corruption measures. - Lawful and transparent operational policies and practices. - Safety of employees and guests through gated enclosures, validation ID cards, logs, security cameras and independent security force.

Maple Leaf's Commitment towards Sustainability: Management mechanism, reporting and actions

Our commitment towards sustainability is guided by our values, principles and vision. Sustainability is rooted not only in our vision and principles but also in our business model and approaches. The sustainability approach designed by our senior management focuses on achieving efficiency in operations, pursuing sustainability in our supply chain, in order to control negative impacts on both the economy as well as the environment. The governance at Maple Leaf articulates a corporate commitment towards Sustainable Development along with internal alignment programs that help set incentives for sustainable development and strong accountability. To achieve our goals and objectives we implement policies (health and safety, code of conduct, environmental, Human resource planning) that lay foundations for our sustainability building and fulfils our role of a corporate citizen. To add more relevance to the sustainability strategy for employees the management sets KPIs that are monitored throughout the year time and again. Reviewing the performance of the steering teams helps the Management keep a check and balance on the implementation of the strategy and take action where needed to achieve the set goals as it is essential for achieving the sustainability as a whole.

This way not only the strategy is channelized within the organization but also clarifies the company's vision towards sustainability to all the key participants.

Furthermore, as our commitment towards a positive and healthy environment, we have an independent organization, Eco Green, on board with us that audits our plants to check whether we are in compliance with the set legal requirements for the environment by the authorities. The results are shared in a compiled report on a monthly basis with the company.

Sustainability and Supply Chain:

At MLCF, we believe that achieving a sustainable business is not restricted to production practices only but also includes the supply chain. From our early days, we have been communicating with our suppliers and contractors regarding our environmental expectations and require them to adopt environmental management practices aligned with these expectations. In light of this, suppliers/ contractors appointed for raw material extraction (limestone, gypsum, etc) are strictly prohibited from exploiting the mines and are required to follow the set provisions for mining by the authorities. The suppliers are informed and educated about the importance of environment protection not only to Maple Leaf but to their respective businesses as well. Other than encouraging environmental friendly practices, the company also scrutinizes its business partners on the basis of how actively they are fulfilling their legal requirements e.g., in light of creating an accountable and documented economy, the company motivates and highlights the importance to stakeholders in the upstream and downstream supply chain to get registered with the tax authorities. Furthermore, the Company fulfils its role as a withholding agent and makes timely payment of amount due to the National exchequer.

To further strengthen the company's approach towards a sustainable supply chain, MLCF plans on enhancing its current approach by adopting 'Green Purchasing" strategy. By acting upon the Green Purchasing Strategy, we aim to achieve sustainability in our supply chain by reducing negative effects of procurement on the environment as well as human health, as a result of our procurement practices. Choice of vendor is not based solely on attractive and lucrative quotations, but also on its standing as a reputable corporate citizen, clear of black-market operations and criminality. This is achieved by performing a complete customer/vendor profile mapping and marking. Under the Green Purchasing strategy banner, the screening process is to be augmented by adding requirements under the 'environmentally preferable criteria' which would require suppliers to be compliant with international standards and result in a multi dynamic selection process with respect to human rights, health and safety of workers, etc. While the company is currently taking measures to educate suppliers and contractors regarding the importance of environment friendly practices, adding more parameters to the education session is under consideration.

Through Green Purchasing Maple Leaf aims to cut down on waste and environmental impact along with reduced costs.

SOCIAL PERFORMANCE

As one of the leading enterprises of Pakistan we believe and understand that measuring and achieving success encompasses the profitability objective and its responsibility and mission to leave a positive impact on people and society through our business activities. We aim for a brighter tomorrow that will transform the lives of every individual of our society. Our Corporate Social Responsibility (CSR) policy is designed in hopes of achieving our mission. From education to training to health and safety at work, all these aspects hold importance for us as major factors of our social responsibilities as a business. Our social responsibility plan covers both 'Our People' and 'Our Communities'.

All the employees and workers at Maple leaf are of great value to the company. They play a vital role in our success and hence are a company's strategic asset. Their wellbeing and development is the company's standing priority. Every stakeholder has bearing significance to the company and through continuous stakeholder engagement activities, efforts are made to develop a meaningful relationship which benefits society as a whole.

HUMAN RESOURCE ACCOUNTING

Maple Leaf believes that having an eye on cost factor of the organization is important as it gives us a true picture of the Impact and overall success of the initiatives taken by the Company. In light of this philosophy, the

major cost incurred on Human Resource Management are monitored and measured through HR Budgeting which mainly includes the cost of recruitment, training, development and rewarding staff.

At the start of the financial year, estimated costs of hiring along with the advertisement and headhunting expenses are calculated and added in the budget. Similarly, the training & development plans, major employee rewards & benefits including Staff increments, health & life insurance, leave encashment, staff vehicles costs (as a part of perks) are forecasted and incorporated into the annual budgets. And at the end of the year, all the actual costs incurred on these initiatives are compared with the budgeted figures and next year's budgeting is further carried out on the basis of comparative analysis.

Employee Satisfaction:

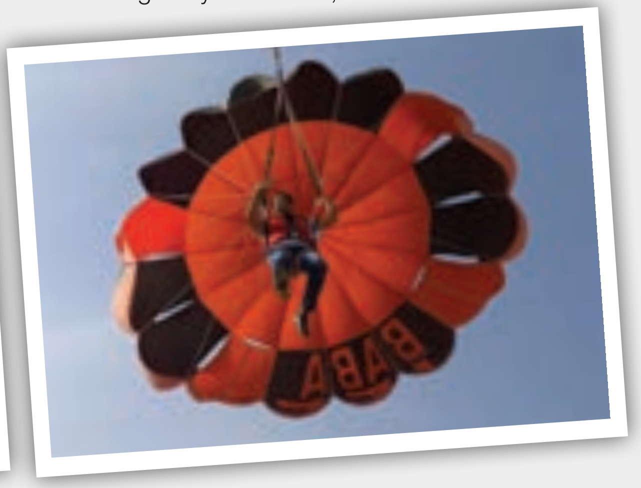
It is essential for a company to make sure its employees are satisfied with their employers. Similarly, for a company to gain competitive advantage and to benefit from its diverse workforce, it needs to cater to employee satisfaction. To achieve employees' satisfaction, the Company engages in various activities including annual gatherings, formal and informal meetings, surveys, HR engagement and appraisal activates designed to bridge the communication gap between top management and employee. It also results in identification of areas that need improvement, recognize and reward exemplary performance via salary raises and promotions and help employees gain a better understanding about their roles and responsibilities. The ultimate goal is to enhance employee's productivity as well as impart a sense of belonging by making them feel valued and acknowledged.

At Maple Leaf employee management, labour management and human rights are implemented in accordance with the legal requirements. The company has no child labour or forced labour as part of the workforce. The employees are informed beforehand in case of any operational changes, however, there were no operational changes during the year. Integrity is a part of our core values at MLCF, we have a strict policy against corruption and bribery. To emphasize its importance and to make sure the policies are communicated to all employees, a code of conduct is designed in a way that leaves no room for non-compliance.

In addition to this, all employees are offered market competitive salaries along with other benefits. The Company is committed to provide equal opportunity to all existing and prospective employees without any discrimination on the basis of religion, gender, race, age etc. and there has been no incident of discrimination so far. The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 2% quota of the total workforce necessitated to be allocated to disabled persons.

Employee Engagement, Training And Skills Development Activities:

The Company believes that recreational and skills enhancement activities are imperative in order to maximize employees' performance. For this purpose, the Management organizes various interactive activities. All these activities are designed to engage employees from all levels of organization. The events held during the year include;











- Eid Milad un Nabi
- Christmas Celebrations
- Annual Mega Event
- Azadi Celebration
- HODs family day out
- Maple sports week
- Mango feast

Nurturing the spirit of employee-centrism, the Company has constructed a purpose-built club at factory site for the employees and their families. The club is equipped with various modern facilities of a pool table, television lounge, fast food point and salon. Foosball table, chess and carom board games are there to keep all the guests entertained. A separate class room is also part of the club to teach the children music lessons.

Training and educating employees are integral to HR management. Therefore, the company invests in huge amounts for the training of its employees. These training sessions are designed with an ambition to enhance the knowledge and skills of the employees so that they not only perform to their full potential but also prepare them for their future challenges. Other than physical training like on-the-job, the company also focuses on virtual training sessions and webinars in order to cover a wider range of topics while facilitating employees to learn at their own pace and place.

Training and development at MLCF are designed to amplify the value of the employee through a designed structure of job enrichment and enlargement and targets both the technical and soft skills which help the employees integrate decision making and professionalism into their list of capabilities. Other than the motive of equipping the workforce with the right skill set, training also plays a role in succession planning. Succession planning is important for the company with respect to its HR policy of running the business smoothly, meeting customer satisfaction and delivering sustainable returns to the stakeholders. The

management makes sure that training is effective, goal oriented and is beneficial for both the employees and the company, hence the performance and progress of training is regularly reviewed and areas for improvement are highlighted.

The Company also spends a lot in terms of finances and time for the training of its resources as is evident from the below trainings organized by the company;

- Unleash your True Potential for Sales Team (2 Batches)
- Problem Solving & Decision Making for DGM's
- Multitasking Skills for Mechanical Staff (Fabrication, Millwright & Rigging)
- Fire Fighting Training Program
- HSE Awareness Sessions
- Management Development Program, LUMS

For MLCFL, it's not just the employees that matter but also their families. Going beyond cross-functionality, cultural events are planned for employees' and their families.

Rural Development Program

Being setup in a rural area, The Company realizes its responsibility to create awareness amongst the local masses relating to dengue and other serious diseases through awareness campaigns and various other techniques. The area of the plant site is an area deprived with updated facilities and medical aid. In such a case, prevention becomes more important than cure but unfortunately due to lack of knowledge, new cases keep coming up of such serious diseases.

Industrial Relations

The Company has set procedures, rules and regulations which regulate employment guidance. The Company has allocated Gratuity, Provident Fund and Worker's Profit Participation Fund for its employees. The Company also pays bonuses to employees on the basis of Company's profitability and also awards performance bonuses to star performers. Appropriate opportunity is provided to employees to participate in Collective Bargaining Agreement (CBA) activities and to elect representatives of their choice. Company also trains daughters/sons of workers through internship and apprenticeship program.

HEALTH AND SAFETY

Health and Safety ranks as the top most priority at MLCFL. The ambition of the Company is to provide safe working conditions and environment to employees and be amongst the safest companies countrywide. Health and Safety is at the center of everything performed by MLCFL, from the daily routines at the plants to project worksites and actions in neighbouring communities. The aspiration is to conduct business with zero harm to people and to

create a healthy and safe environment equipped with safety measures with an aim to eliminate and reduce accidents, health issues and injuries at work for employees, contractors, communities and customers. Our goal in respect of safety, health and environment is to minimize all adverse environmental and health impacts arising out of our operations and to conserve all kinds of resources and adhere to all legal regulations.

The HSE team at MLCF is a fully dedicated team towards implementation of the action plan that help achieve compliance with health, safety and environment matters. Through continuous coaching and training, our workforce is frequently updated about their health and safety. The Company is committed to managing health and safety risks associated with our business and is actively working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff, and application of the highest professional standards of work.

The Company has been approved the standards of ISO 14001 and ISO 18001 for complying with an effective Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) requirements.

Management takes all possible measures to prevent unsafe activities by following best practices and through the implementation of effective management, human resources and operational policies.

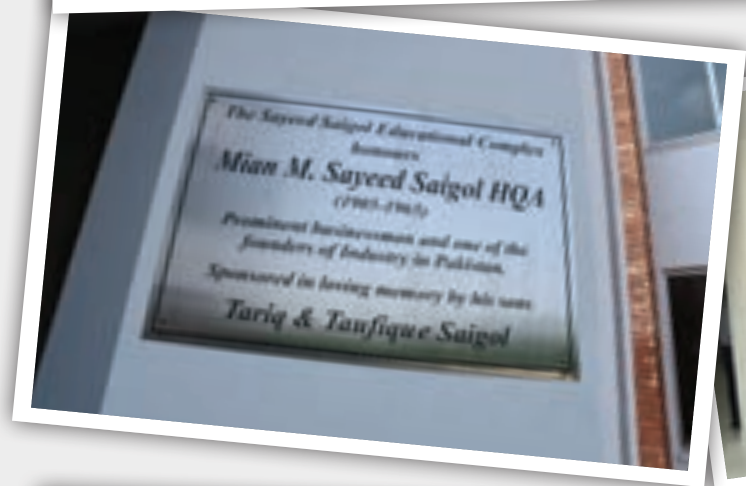
Keeping in view the occupational health of

employees, regular first aid and Cardiopulmonary Resuscitation (CPR) training programs are conducted to ensure safe health of workers. Along with this, the Company also has its own hospital and trauma centre at the plant site.

In recognition of the Company's effort to promote environment friendly practices, The Professionals Network has declared Maple Leaf Cement Factory Limited as winner of 8th International Awards on Environment, Health & Safety for the year 2022.

Maple Leaf and Al-Shifa International

To provide state of the art health facilities to its employees and local community, the Company has built a hospital at its plant site in collaboration with Al-Shifa Islamabad. Shifa International is a known name in Pakistan with hospitals in Islamabad and Faisalabad. Maple Health Care Centre operated by Al-Shifa International Hospital Islamabad, was completed during the financial year 2017. The free medical and hospital centre is treating patients with the help of quality human capital working there.








Measures for Consumer Safety

The Company takes full responsibility for its consumer's safety. As a result of this commitment, the company focuses on its quality assurance at all levels of production. The purpose of quality assurance is to make sure that our products not only meet the standard requirements but also the consumer expectations. We ensure that our products are delivered in a quality and timely manner complying with safety and legal requirements. The Company takes care and applies appropriate procedures to manufacture cement products so as to ensure that no harmful substances are present in its products. The Company has a strict policy to control any activity which is against the consumer rights. This is why MLCFL has always been the first priority of cement consumers due to its superior quality products giving an edge to the Company in the intensive competitive environment.

Business Ethics & Anticorruption Measures

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deal that may be supported by kickbacks. No employee is allowed to run a parallel business. The Company is maintaining sophisticated Oracle based online software using which any employee can report the non-conformance (NC) to the top management. All the NCs reported are being addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are being resolved permanently. Moreover, the company has also formulated whistle blowing policy.

QUALITY MANAGEMENT SYSTEM

The Company manufactures cement through the plant based on state-of-the-art technology of world renowned FL Smidth A/S Denmark. Quality is assured through systematic and effective adoption, implementation, monitoring and continuous enhancement of quality control systems using latest methods of analysis. To ensure that each bag being used by our valued customers / consumers is of the highest quality, all stages of the production process right from the selection of raw materials, drying, grinding, homogenization, clinkerization and the finished product are tested rigorously. The quality check parameters during each level of the process are monitored and controlled by the latest version of technology & equipment connected on-line with Central Control Room through PLC system. The frequency of sampling and testing along with control parameters is defined.

Procedures Adopted for Quality Assurance:

Main purpose is to ensure that the cement produced not only meets all the standard requirements to which the Company is certified, but exceeds the customers' requirements and expectations. To achieve these goals, the Quality Control Department has adopted various procedures and is fully equipped with state-of-the art technologies such as:

- X-ray Fluorescent Analyzers and X-ray Diffraction Analyzer to analyze chemical and mineralogical composition.
- Online QCX system software.
- Sample preparation tools such as a jaw crusher, sample dividers, disk grinding mill, mixer mill and press mills.
- Automatic Moisture Analyzers.
- Precision Electronic Balances.
- Drying Ovens & Furnaces.
- Lab Glassware.
- Automatic Free Lime Apparatus.
- PC Based Automatic Calorimeter and Sulphur.
- Determinator to analyze fuels.
- Latest Automatic Compressive Strength machines for determination of cement compressive strength.
- Latest whiteness tester.

COMMUNITIES AND WELFARE

The Company has a strong tradition of good community relations and its employees are actively involved in welfare schemes. The Company believes that investing in communities is an integral part of social commitment to ensure its sustained success. The Company aims to ensure that it has the resources and support to identify those projects, initiatives and partnerships that can make a real difference in communities.

For community investment and welfare, the Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on a consistent basis. The Company has been recognized by Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence. Kohinoor Maple Leaf Group has received "Corporate Social Responsibility Award 2021" on account of its performance in various projects. The Company has taken an array of initiatives for the welfare of its workforce, local community as well as stakeholders. The Company has also contributed in medical social sciences project and in this regard, Company's Board of Directors and the Board of Directors of Kohinoor Textile Mills Limited (KTML) have jointly donated to Gulab Devi Educational Complex, Lahore towards construction of Al- Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. The construction of said project was completed during the year. To ensure transparency and accountability, a committee of the members of the Board monitored the progress of the project from inception to completion on periodic scheduled meetings.

The addition of a state-of-the-art Cardiac facility named as Sayeed Saigol Cardiac Complex (SSCC) at GDCH is also a symbol of the Company's consistent drive toward community welfare.

Master Mistri Program

One of the leading brands of cement, MLCF indulges itself in plans that have a dual outcome; the company as well as the people in the community. As a result of our commitment towards this objective MLCFL launched its Master Mistri Program. Under this program, the company aims to enhance skills and standard of living of masons. To facilitate the program, the Company has built a state-of-the-art Masons' lounge at its plant site for boarding and lodging of masons. Through this program the company not only achieves its social goal of creating a skillful workforce but also a pull effect by locking-in its customers and is consequently able to tap the potential markets proactively.

Education

Provision of quality education plays a vital role in refining the livelihoods of people as well as towards a prosperous society. As an organization, we understand that education not only helps in the benefit of the society in terms of reducing poverty and crime but also provides benefits to people in the form of opportunity to earn higher incomes that would eventually lead to better living standards. The Company is fully aware of its responsibility towards imparting quality education to future generations. Educating the children, ranks the best future investment for long term growth and is the core heart of the Company's CSR initiatives. These initiatives are aligned with our SDG 4. The Al-Aleem Medical College in Gulab Devi Chest Hospital in Lahore is an example of MLCF's contribution towards encouragement of education. Together with the Kohinoor Textile Mills Limited, the Company donated to Gulab Devi Educational Complex for this project.

Furthermore, the Company facilitated various schools over the years, the list of significant completed projects in recent years are as follows:

Sr#	Project Name	Description
1	Police Lines Public School Mianwali	Fully sponsored construction and provision of furniture for 10 class-rooms
2	Police Welfare School Mianwali	Construction of auditorium
3	PAF Base Montessori School Mianwali	Construction of 2 class rooms
4	DPS School Sargodha	Construction of boundary wall and provision of furniture and allied support facilities

Moreover, the Company has established four schools in Iskandarabad city, which provide quality education not only to children of employees of the Company but also to the local residents. The Company has provided buildings and complete infrastructure to these schools. In addition, the Company gives a monthly subsidy to partly cover the running expenses. About 2,287 students are currently enrolled in these schools. Further, the company provides employment to 117 teachers and 30 non-teaching staff.

Jungle Mein Mangal - Vehicle Parking Space (Vps)

The Company believes that the most effective way to maximize customer experience is to move beyond mere customer satisfaction and connect to all the stakeholders. With this strategy in mind, the Company has established an exclusive hotel to provide truck drivers a lifetime experience. While vehicles are in queue for their turn, instead of waiting for long, drivers can visit the hotel to relax with the touch of fun and refreshment.

Best Corporate Report Award

The Company keeping alive the tradition of winning the Best Corporate Report award in Cement Category jointly presented by ICAP and ICMAP and has won 2nd position award for the year 2021. This award was presented to MLCFL management on September 27, 2022. MLCFL is the leader in most transparent and easily understandable Financial Reports thus reflecting the sound financial systems of the Company. These recognitions have strengthened the Company's resolve to be positioned the best in the area of corporate reporting.

Contribution to National Exchequer

During the year, Company has contributed an amount of Rs. 22,358 million towards national exchequer in shape of taxes, duties, cess, levies etc. The Company has also contributed through earnings of valuable foreign exchange amounting to US$ 6.9 million.

National Cause Donations

The Company has launched numerous CSR initiatives as per DC Office requirements. Financial assistance was also provided for the DPO ISO certification training program. Moreover, the Company has also made generous donations in the form of cement.

Additional Welfare Schemes

- Maple Leaf recognizes its responsibility towards the inclusion of other religious communities. In this regard, Christmas party was arranged both at Head Office and plant site on the 24th December 2022 to celebrate with the Christian community on their joyous occasion.
- Civil defence week was held for training of staff.
- The Company has always concerned itself with the safety of the general public. To that end, it aided in the setup of a speed monitoring system for the police force and assisted in the promotion and execution of a road safety campaign. It has also distributed safety helmets to the general public at Mianwali.
- In recognition of the efforts of the police force, The Company has constructed a Yadgar-e Shuhada Monument and Rest Houses at Mianwali Police lines.
- The Company has also facilitated in the development, renovation and beautification of Mianwali city. A number of bus stands and city monuments were constructed.
- For recreational purposes of the locals, a cricket ground was revamped. In addition, a football ground was rehabilitated and a number of aviaries constructed at Kashmir Park, Mianwali. Housing birds of all kinds, aviaries allow large open spaces for the birds to live in safety.

ENVIRONMENTAL PERFORMANCE

An environmentally friendly approach has always been MLCF's way of going about the business. We understand how our operations have an impact on the environment and take full responsibility towards it. Just like how critical and sensitive we are about our new projects, we're equally concerned about the effects it will have on our environment in future. In order to fulfil our duty as a responsible corporate citizen, we work on our precautionary plans side by side with our project planning. Having independent parties like Eco Green on board, help us in monitoring and complying with all key indicators as suggested by various government authorities. Therefore, we staunchly work on managing the negative implications of our production on the environment and overall climate change. Monitoring of environmental factors is conducted by EPA certified environmental laboratory; SGS Pakistan (Pvt.) Ltd. The monitoring is carried out according to Self-Monitoring and Reporting by Industry Rules, 2001 (SMART).

As a result of energy crisis in the country and environmental impacts of fossil fuel, MLCFL management has already installed 12.5MW of Solar PV Systems for a cleaner and sustainable plant operations. This effort is another renewable energy source apart from Waste Heat Recovery.

MLCFL management is very vigilant about carbon foot prints and environmental impacts expected from the operation of the plant and hence have taken applaud able measures and have spent huge financial resources for environmentally sustainable operations. Environment Protection Agency (EPA) Punjab has also recognized the efforts of Maple Leaf Cement Factory recently and have awarded MLCFL with Best Performance Award in 2022.

MLCFL management strives hard for the most efficient use of resources and cleaner production. In pursuance of these intentions, MLCFL has a total installed electricity generation capacity of 37 MW through Waste Heat Recovery Power Plant (WHRP) which is a renewable energy source thereby, reducing possible fossil fuel emissions and reducing load on national grid through captive generation. WHRP of MLCFL is also an approved CDM Project in Pakistan depicting the concern and attitude of management towards cleaner environment.

Appreciating the contributions made by the company, the National Forum for Environment and Health (NFEH) presented MLCFL with the award for excellence in Health, Safety & Environment.

Material Usage:

We understand the importance of limited resources and their availability to our business today. Not only is it crucial for our current economic performance but also for the continuity of our business in the long run.

A number of different materials and chemicals are used in the cement production however the major raw materials involved in the production are limestone, gypsum and clay that we extract from mines through our suppliers/contractors. Our Team Improvement, which comprises proficient personnel, encourages the sustainable approach through their quality management systems. Through this team we aim to control and manage our raw material consumption so that they are neither exploited nor wasted. In addition to this, suppliers and contractors at Maple Leaf Cement are educated and informed about our environmental goals and require them to adopt environmental management practices aligned with these goals. Similarly,

to avoid wastage of raw materials, production of cement is planned and executed according to the demand in the market.

Energy:

Since the production of cement is energy-intensive, efficient energy management is important to MLCF. For this we have developed a Team Energy that is striving to attain maximum energy efficiency with environmental protection at minimal cost including development of alternative sources like efficient usage of Waste Heat Recovery Boiler and installation of LED lights.

The Company has an active Waste Heat Recovery Plant (WHRP) at site which converts heat from the kiln into energy, which was previously lost. Waste heat is the cheapest mode of electricity currently available to the Company. The emissions are significantly reduced and herewith it relieves the atmosphere radically. The Company has completed its expansion of existing Waste Heat Recovery Plant which has increased to a total capacity of 25 MW, resulting in substantial saving in power cost.

In addition to above, the Company has also completed work on a new Waste Heat Recovery Plant for new cement Line-4. The planned project has increased capacity further from 25 MW to 37 MW.

The Company's 100% owned 40 Mega Watt Coal Fired Power Plant after successful commissioning has also reduced our dependence on the national grid. By adopting an approach of consistent efficiency management, the Company was able to obtain additional energy approximately 2 MWH through optimum use of coal fired boiler yielding extra steam which was utilized for the generation of electricity in waste heat recovery plant with nominal investment. Moreover, augmenting the energy conservation drive, occupancy-based sensors are installed in head office to control air-conditioning and office lighting based on physical presence in the room. Also, to utilize renewable sources of energy in future, the Company has currently placed wind monitoring units based on German technology at various locations near plant site to evaluate the feasibility of wind power.

Tackling Air Emissions:

Greenhouse gases, emitted into the environment as a result of combustion processes, are a major contributor to climate change. Air emissions are a key environmental aspect of cement production. Therefore, at Maple Leaf, we believe it is our rightful responsibility to reduce emissions as much as possible. As an operating principle, the Company at all cement production lines measures and manages air emissions. MLCFL monitors the dust, NO2 and SO2 emissions from clinker produced.

The sustainability mission requires businesses to adopt cleaner technologies and efficient processes. At MLCF, we have our own equipment with the likes of TESTO 350, Mini-Sampler & Air pointer to measure the stack of emission on a fortnightly basis. Other than that, continuous monitoring of ambient air is also undertaken along with an EPA approved lab which is functional to assist with the emission monitoring and compliance. A comprehensive report is submitted on monthly basis.

With the help of these technologies and systems, we are already below the legal allowable emission limits.

Effluents and waste:

Traditionally plants in cement industry are assumed to be lacking the environmental friendliness however, MLCF's efforts to stay ahead of the curve by installing state of the art equipment to control industry effluents. We aim to keep the environment healthy for both our employees and the community. Therefore, the company carries out certain efforts to overcome this issue. The operational activity at plants is regularly monitored for stack emissions and effluents complying with National Environmental Quality Standards. In addition to this, the company also has state of the art FLSmidth A/S cement manufacturing technology along with world class dust collection electrostatic precipitators and bag filters to help in environment protection. The Explosive Magazine is also regularly checked for environmental issues. At reporting date, no potential hazard/threat was found to the environment.

Plantation drive:

To enhance environmental standards and continuously promote a better and green environment within the factory as well in the nearby areas the Company is arranging regular Tree Plantation activities that occur twice a year. The Company has over the years earnestly contributed heapful sums in the form of plant donations and money to numerous environmental campaigns at Mianwali city aimed to realize a green and clean Pakistan. Plants have been donated to DC office at Mianwali as well as the Environmental Protection Agency (EPA). Furthermore, donations have been made to plant trees at Judicial Complex and police stations at Mianwali. The Company also planted 12,000 trees during the yar enabling the total count during the last 6 years to cross 162,700 plants at different locations within factory premises and nearby areas to provide a healthy environment to employees and other communities living in surroundings. The plantation campaign is underway and trees have been successfully planted at various schools in Mianwali city. This activity will continue in the future and further trees will be planted to ensure a healthy and green environment.

Improving Biodiversity through Quarry Rehabilitation

At the quarry, we undertook a rehabilitation project to create habitats for species, joining forces with the Environmental Protection Agency (EPA) and Mines and Mineral Department, Government of the Punjab. The Company planted approximately 10,000 trees in the exhausted quarry area. The results have been encouraging, of how habitats can be created through close collaboration with the scientific community, local stakeholders and government agencies. Some of the bird species, and several species of dragonflies and damselflies, have been observed at the site. Evolving over time, the biodiversity program demonstrates that wildlife can flourish alongside industry.

Water Management:

Water scarcity is an issue faced by communities globally. Amid rising population, climate change, lowering of ground water table and an archaic distribution system, Pakistan is drastically vulnerable, with the threat of a water crisis. Businesses in Pakistan have an added responsibility to have an efficient water management system and policies in place. At MLCF, water management is an integral part of our sustainability approach. Although, manufacturing of

cement is a relatively dry process; nevertheless, water is still used for cooling down clinker. The water used in the process coverts into steam that is reused to create electricity by using waste heat recovery plant.

In addition, the fully operational waste water treatment plant at cement housing colony at plant site treats an estimated 300m3 of water per day, so that damage and negative impact to the local ecosystem is avoided.

Overall, the company tries to use water in a responsible manner and makes sure there is no wastage of water at any point of business activity. The company also celebrates 'The World Water Day' at the site in the form of a seminar with a purpose to raise awareness of water preservation and its right use.

While we understand the cruciality of water conservation, providing access to clean water to communities is also a part of Maple Leaf's sustainable strategy. As part of the action plan, the Management launched a water supply scheme project at ward No.1, Daud Khel. The local water supply was unsuitable for both drinking and agricultural purposes due to its salinity. In order to provide a solution to this issue, the company installed a water turbine system which supplies fresh water from the nearby Mianwali canal, thereby uplifting the life and prosperity of the community. This initiative has been benefiting households, farms, schools and hospitals through access to fresh water. The design of the project was formulated with a forward-looking vision to ensure that there are no water shortages in the area and a necessity of life is available to all. This clean drinking water initiative also extends to our own employees and workers, active water filtration plants located at the factory and residential areas at MLCFL protects the health and wellbeing of all consumers. Drinking water is tested for chemical and microbiological contamination at:

- China Colony Filtration Plant
- Guest House Filtration Plant
- China Colony Mosque

Water management is not only applied at our plant site, but also at our head office. Installation of sensor taps in replacement to traditional basin taps adds to the list of efforts made by the Company for efficient water management. A traditional basin taps pours 10-15 liters of water per minute while sensor taps pour no more than 6 liters. The fact that there is a self-closing mechanism on the taps ensures that there is no sink overflow and cuts off the water supply based on sensor proximity, hence saving up water.

Go Green

The Company for maintaining a healthy and green environment, celebrated the "World Environment Day" in coordination with District Officer Environment Mianwali along with other community stakeholders on 5 June 2023. The main aim of celebrating World Environment Day was to demonstrate the continual efforts and commitment of the Company's Management for the healthy working environment and awareness of people through the Environment Walk and Seminar in pursuance of the community investment and welfare schemes. In pursuance of the green vision and commitment of management of the Company for maintaining healthy and green environment, "Earth Day '' was carried out at Maple Leaf Cement Factory Limited Iskanderabad, Mianwali on 22 April 2023. The main aim of the ceremony was to demonstrate the continual efforts and commitment of the Company's Management for the healthy working environment for its workers as well as for the people in the neighbourhood of the Company.

Status of Compliance of the Corporate Social Responsibility Voluntary Guidelines, 2013

The Company acknowledges its role and responsibility to contribute towards community and is fully aware of its corporate social responsibility. The Company has been involved in various voluntary projects in different areas of the community needs and focusing mainly on education, health, clean water and environment.

To structure the process of corporate social responsibility activities, the Company also takes guidance from Corporate Social Responsibility Voluntary Guidelines, 2013 as issued by Securities and Exchange Commission of Pakistan. The Company has devised a corporate social responsibility policy keeping in view the areas that need the contribution and that are align with the company's vision.

The Company has formed a corporate social responsibility committee that plans, executes and monitors all corporate social responsibility activities with approval of the Board of Directors.

The Company also executes the training sessions to create the awareness regarding corporate social responsibility objectives.

All corporate social responsibility activities performed by the Company are mentioned in corporate social responsibility section of this report.
Following is the compliance status of major areas as described by corporate social responsibility guidelines:

	Guidelines	Assessment	Company Initiatives
A)	Does the Company have implemented the CSR governance?	Yes	The Company has implemented the CSR governance. The Company holds the training sessions and CSR is agreed by the Board of Directors.
B)	Does the Company have committee to implement CSR policy?	Yes	The Company has CSR team to implement CSR policy. And they are responsible for planning, execution and progress.
C)	Does the Company have CSR management system?	Yes	The Company has clear CSR management system that takes care of CSR progress and shortcomings.
D)	Does the Company have clarity of areas of CSR projects?	Yes	The Company has clear vision regarding areas of CSR projects that include health, education and clean water.
E)	Does the Company have implementation structure?	Yes	The Company has committee for implementation of the CSR policy. They are responsible for the monitoring of CSR targets.
F)	Does the Company allocate resources to CSR Policy?	Yes	The Company allocates certain proportion of funds and human resources for the CSR objectives.
G)	Does the Company have presented CSR disclosure and reporting?	Yes	The Company has presented the financial disclosure in financial statements and nature of projects are also disclosed in CSR section of this report.
H)	Does the Board approve of placing the CSR report on website of the Company?	Yes	The Company has displayed its CSR activities on the company website.

ISO 14001:2015

In order to mitigate the effects of industrial effluents on surrounding environment, the Company is putting forth all efforts for providing healthy environment to employees and natives. In this regard, the Management has a strong commitment and dedication towards improving the environment. The Company has installed most modern and state of the art equipment to control industry effluents including tree plantation drives held every year.

In May, 2021 MLCFL was awarded certified to be compliant with the requirements of ISO 14001 after fulfilling all the obligations and goals set out in the standard. ISO 14001:2015 sets out the criteria for an environmental management system and maps out a framework that an organization can follow to achieve its environmental goals and fulfil its environmental obligations. The Company is committed to ensure that the guidelines of standard are fully met in order to make ISO 14001 a sustainable program.

Achievement of ISO 45001:2018

MLCFL has a clearly defined management system in place to identify and control health and safety risks. We are able to minimize risks to our workforce, visitors and external contractors on our premises. The achievement of this standard has enabled us to put in place processes for continuous review and improvement of occupational health and safety.

A structured health and safety management system throughout the organization demonstrates our commitment to the welfare of our staff and external parties.

By achieving ISO 45001:2018, MLCFL gained competitive advantage by:

- Minimizing the risks of production delays.
- Providing a safe environment to do business.
- Demonstrating our commitment to maintaining an effective health and safety policy.
- Increasing reputation.
- Increasing opportunities to gain new business.
- Minimizing risks of downtime through accidents.
- Demonstrating our commitment to meet legal obligations.
- A robust system to maintain and continually improve health and safety.

IT GOVERNANCE POLICY
AND CYBERSECURITY

Board of Directors of the Company has properly documented and implemented IT Governance Policy to ensure an integrated Information Technology framework for evolving and maintaining existing IT infrastructure and acquiring new to achieve the Company's strategic focus. The purpose of this policy is to define the IT governance scope, design procedures and assign roles and responsibilities to ensure its effective implementation and avoid any threats mainly cybersecurity risks due to potential breach.

Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks:

The Board of Directors have implemented comprehensive IT governance policy that is in line with the Companies organizational goals and objectives. The policy is aimed to design the governance structure and also specify the rules and responsibilities covering the significant parts of IT framework. By ensuring the effective implementation of this policy the Company has been able to obtain risk free, efficient and effective information for the decision making for companies' overall operations in general and IT specific decisions in particular.

The salient objectives of the IT governance policy are as follows:

- Establishing the guidelines for decision making pertaining to information technology and encouraging related initiatives.
- Setting information technology goals and formulating the strategy to achieve them.
- Communicating the established companies' priorities relating to information technology.
- Designing the procedures of resource allocation.

One of the most integral parts of IT governance policy is the security of the IT structure. The purpose of IT security is to protect confidential companies' information from all kinds of threats whether intentional or accidental, internal or external. Threats also include cybersecurity threats.

The salient features of IT security policy are as follows:
- Regulatory and legal requirement' compliant procedures e.g., record keeping, retention and retrieval etc.
- Restricting unauthorized access to ensure integrity of information.
- Integrity of information to be assured by protecting it from unauthorized modification, disclosure or interruption.
- Disaster recovery plan to have in place which is tested occasionally to ensure that the system and services are available within bear minimum time.
- Educating the employees about IT security policy and cybersecurity threats.
- Reporting all actual or suspected information security breaches to the internal audit for further investigation.
- Making rules for all employees who have the access and use companies IT assets and resources.

IT Governance and Cybersecurity Programs:

Board of Directors have devised a strategic level policy of IT Governance and Cybersecurity that is aimed to ensure smooth functioning of the IT framework and protect IT structure from all potential threats. To support this policy, standards procedures have been developed for its implementation, monitoring and control. These standards comprise of rules, guidelines and procedures covering areas such as cybersecurity threats, backup, endpoints users' control, data security and password:

- All the employees have the responsibility to adhere to the policy
- It is the responsibility of Internal Audit to document the policy and provide guidelines for its implementation
- Line managers have the responsibility to not only adhere to policy by themselves but also ensure compliance by their staff

The Company has formed a steering committee which is charged with the responsibility of making teams for the implementation of controls addressing cybersecurity attacks, mitigations of related risks, ERP disruption and compromise of data or email.

To cope up with unforeseen incidents, the Company has formulated following controls:

- Identification and assessments of such threats by internal and also external teams;
- Systems audits on periodical basis. Procedures to be applied during system audits include penetration testing, cybersecurity audits for ensuring safety of IT structure, IT audits by internal and external experts, vulnerability testing; and
- Adequate information backup facilities

Risk Oversight and Cybersecurity:

Board of directors of the Company has given the task to IT Steering Committee to assess the risk level of cybersecurity and align with management to address this risk based.

The Audit committee also considers, reviews and evaluates the cybersecurity risk while performing risk oversight function. Adequate budget is also approved by the Board of Directors to be set aside for upgradation of IT structure, strengthening of controls related to cybersecurity.

Board Level Committee Charged with oversight of IT governance and cybersecurity:

The Company has formed a committee that comprises of Board members which is charged with oversight of the IT Governance and plays pivotal part to motivate the management to take the ownership of cybersecurity and also understands and ensures that its well understood across the Company as strategic and critical function. Discussion on assessments of such risks, its evaluation by internal or external teams and how to improve/implement further controls are the agenda points this committee's meetings.

The Committee review the controls, procedures and also the reports of the external teams paying attention to their suggestions and also considers if any of the controls need to be implemented or changed.

Controls and procedures for early warning system:

Changes are coming very rapidly relating to networks due to evolving threats, growth and application of new changes in the regulatory or legislative framework. The Company implemented to access rights' mechanism to control the unauthorized access of the system.

The Company has implemented multiple standard controls to protect systems and data i.e., firewall, email encryption/decryption, email gateway and end point security systems which is monitored and analysed by system logs.

Management uses a very effective tool called as "Firewall log analyser" for analytics and reporting of logs of such activities. It enables management to manage, respond, automate and devise complete plan identify and evaluate the details of the attacks.

Other measures include end -t0-end security arrangements, threat detection, security analytics and deployment of firewalls.

Policies related to independent comprehensive security assessment.

The Company has implemented information technology security policies that correlates with Company's organizational objectives and are also in line with industry regulations. Board of Directors always encourage and offer unreserved support by participating in the assessment, development and enforcement of third-party security assessment of IT structure and their findings pertaining to security level of the Company for the betterment of the overall IT function.

The Board considers the findings of third-party assessment, evaluate the suggestions therein and implement them as per the resources and need basis. The Company has also conducted the 3rd party review to assess the system security and report shall be received on 1st October 2022. In order to monitor the progress of this report matter is under discussion in Improvement Forum.

Disaster recovery plan and contingency:

The Board of Directors has approved and continuously reviews the IT Governance Policy and Business Continuity Plan of the Company and as a result has implemented a well-established Business Continuity and Disaster Recovery Plan in case of any business disruption due to unforeseen incident.

The plans provide assurance on resumption of services to normal in case of any disruption in the shortest of time with no/minimum financial loss to the Company. All resources have been trained to perform the critical services in case the primary site is partially / fully inaccessible. Other areas that have been addressed in this plan are as follows:

- Business continuity plan;
- State-of-the art construction with building and other structures being fire resilient, earth quake proof and equipped with firefighting equipment;
- Plan updates with any recent changes in potential threats;
- Recovery plan covering IT and other infrastructure

The Business Continuity and Disaster Recovery Plans are tested periodically and based on testing reports the plans and corresponding controls are upgraded to ensure that there would be no delay in providing the services.

Cybersecurity insurance:

This is an agreement by which some or all of the cybersecurity risk can be transferred to the insurance companies offering such services in return of insurance cost.

Cybersecurity insurance is a new phenomenon and is emerging as serious industry.

Although, the Company has not obtained any cybersecurity insurance, however, controls have been implemented to avoid threats or minimize the risk of loss due to these threats. In near future, Company may consider the need to obtain this insurance to cover this risk.

The Company has adapted many modern measures to transform manual process into modern, digital and smart machines.

The Company has adapted many modern measures by following Industry 4.0 revolution to transform manual process into modern, digital and smart machines. With every passing day the technology is evolving and new advancements are being brough keeping the changing needs of the users and potential threats being faced by them. It has been sometime that a fourth industrial revolution has emerged, called as Industry 4.0. The Company is in process to adopt cloud-based technologies for its business. Project has already been initiated to move all data on cloud to mitigate this issue. The Company is monitoring the progress of this project in improvement forum. By pursuing this way, products and means of production get networked, enabling new ways of production, value creation, and real-time optimization. This will help management to plan and deploy resources in the most efficient ways by interconnecting all the processes and this will also make monitoring of the processes easy and efficient.

Efforts to mitigate Cybersecurity Risks:

The Company's steering committee has directed IT team to do the following efforts to minimize the risk of cybersecurity

- Regularly arrange organized trainings for staff to follow best standards procedures to avoid potential cybersecurity threats & risks; and

Conduct information security awareness session on regular basis. This will create awareness among users about potential threats, means of attacks, computers' vulnerability, protection of confidential data. Effective sessions cover all the possible mistakes that employees may make and compromise the personal information, Company's confidential and competitive information or may become victims of cybersecurity attacks as a result.

FORWARD LOOKING STATEMENT

Cement demand has been modestly growing in local market in the past few years, with the current year trend exhibiting promising future growth in demand as the Government expresses renewed dedication to recover from the delays caused by slowdown in CPEC projects, whereas simultaneously announcing ambitious development projects, PSDP allocation boost and construction packages. The cement sector has seen robust expansions in the past in the form of capacity enhancement projects and is currently in the period of expansionary growth and better utilization of capacities as market conditions continue to improve. To get benefit from the upcoming demand of cement, the Company has already started its capacity enhancement project Line 4 at its existing plant site which has now commenced production. Measures taken by the government and stability in the law-and-order situation is a good sign in national politics, however, recent developments in the shift of political regime in neighbourhood country Afghanistan may affect the export scenario. Some of the plans announced by the government dams/water reservoir construction and an increase in private sector spending in housing sector after announcement of subsidized housing finance scheme may result in increased demand of cement in future years as well. However, the timing to implement these projects will be highly important to forecast the performance of the Company. Hence, we are hopeful that cement demand will continue to increase in coming years as the work on these projects will gain the desired pace and the economic situation gets favourable. A control over production overheads and input material cost is imperative for future success, in addition, government policy, favourable taxation reforms, stable economic condition, better consumer purchasing power and attractive export margins will all play an important role to absorb increased supply pressure of cement in the market as a result of capacity enhancements.

The Company's main aim is to keep production costs at lower level and to increase its market share. The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The addition of grey cement line IV is fuel and energy efficient and has significantly enhanced capacity by 7,000 tons per day.

The production costs are anticipated to increase in future due to non-controllable factors like rising input material costs especially coal, electricity from National Grid, Pak Rupee devaluation and overall inflation, but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values.

Sources of information used for projections of future revenue:

The company carries market survey through its sale teams to know the market trends, customers' demand. The management also extracts information from the policy factors announced by the government, economic data available on State Bank of Pakistan's website & other sources, international trends/forecast of coal prices, macroeconomic factors affecting currency fluctuation and inflationary trends.

Assistance taken by any external consultant.

No assistance has been taken by external consultants for the forecasting.

Financial Projections

The Company expects local dispatches to the market for the next financial year to reach higher levels as reported in 2022-23. We presume current cement prices to rise in the domestic market to pass on the impact of robust increase in coal rates in international market and local inflationary impacts. Whereas, the cement industry is also keenly eyeing developments on CPEC and this opportunity is expected to prove to be of great benefit for the whole nation. The company also aims to improve its market share through its constant vigorous marketing and branding activities to capture, retain and build a wide customer portfolio. Oil and coal prices are expected to go up in the future which will adversely affect profitability. Based on management's best estimates, future consolidated financial forecast of MLCFL and its wholly owned subsidiary MLPL are as follows:

Financial Year	2024 Rs. in Million
Sales – Net	62,756
Profit after taxation	5,501
Paid up share capital	10,733
EPS (Rupees)	5.13

Company Performance against Last Year Projections

A moderate stance was taken for the year under review as the economy had receded to negative growth, PSDP allocations were cut, inflation was an all-time high and industrial growth as well as consumer demand had stunted. Pakistan's economy performed slower than anticipated as the actual financial results deviated to an unfavourable outcome. As reported last year, recovery in sales retention and demand was imperative yet the Company has achieved a new milestone of Rs.62.07 billion Net Sales Revenue, an increase of 27.94% as compared to previous year, as prices were increase to deal with the devaluation of Pakistan Rupees. However, the sales were less than the last year's projection.

The higher sales margins also impacted financial costs of the company as higher profits led to greater operational cash inflows prompting the company to shed off its reliance on short term borrowings and utilize its internal generations for working capital requirements. With State Bank of Pakistan's policy rate also increased from 13.75% to 22%, the Company's cost of debt also went up.

Status of the projects in progress

The company is undergoing expansion of Waste Heat Recovery Plant for this new cement Line-4. This project is expected to increase capacity further from 25 MW to 37 MW. In this regard, the Company has established Letter of Credit for import of equipment and civil works have commenced at site.

The Company is also considering investments in sustainability and renewable energy, with the commencement of a solar energy project at its plant site.

Status of the projects previously disclosed

The Company has now completed capacity expansion project to increase its grey cement production by 7,000 tpd by constructing a new brownfield plant. Plant has begun commercial operations in 3rd quarter of financial year 2023.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingencies. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

KEY ESTIMATES AND ASSUMPTIONS

Key estimates and assumptions concerning the future include:

Impairment of financial assets

The impairment loss on financial assets is calculated based on the forward looking 'expected credit loss' model (ECL) which assumes that there is always an expected loss component to every loan/ receivable which management must make a judgement on, all of which is extensively detailed in note 49 to the financial statements.

Estimating useful life of assets

The useful life of assets is reviewed annually and are estimated based on numerous factors such as asset usage, maintenance, rate of technical and commercial obsolescence.

Taxation

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognized on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

Employee benefit scheme

The defined benefit obligations are based on actuarial assumptions such as discount rate, expected rate of return on plan assets, expected rate of growth in salaries and expected average remaining working life of employees which are extensively detailed in note 15 to the stand-alone financial statements.

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

The Company's buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses as per stated company policy. Freehold land is stated at revalued amount being the fair value at the date of revaluation less any subsequent impairment loss in the financial statements.

SUMMARY OF SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

The Company's material assets comprise of land, building, four complete cement lines (including one white cement line) comprising of kiln, cooler, preheater, raw mills, Wartsila, Nigatta engines and waste heat recovery plant.

POLICY AND PROCEDURES FOR STAKEHOLDERS' ENGAGEMENT

1) Policy Note: Maple Leaf Cement maintains sound collaborative relationships with its stakeholders.

2) The identification of stakeholders at MLCF is done on the basis of their relevance, responsibility, influence, diversity and responsibility towards our business. Their level of involvement, influence and keenness to engage with our business, helps us in prioritizing the stakeholders.

3) Procedures: Procedure for stakeholders' engagement includes effective communication, good harmony, compliance with laws & regulations and customer focused approach which is the key success factor for establishment of collaborative relationship with stakeholder.

STAKEHOLDERS	NATURE OF ENGAGEMENT	FREQUENCY
SHAREHOLDERS	Annual general meeting Annual report/ Quarterly reports Investor conference Analyst briefing	Annually Annually / quarterly Annually Continuous
EMPLOYEES	Trade unions Maple magazine Annual get together Team cultural activities	Continuous Quarterly Annually Monthly
CUSTOMERS	Customer call center Customer events Customer satisfaction survey	Continuous Continuous Continuous
SUPPLIERS	Regular meeting with major suppliers Supplier forums Newspapers advertisement	Continuous Occasionally As required
INSTITUTIONAL INVESTOR / LENDERS	Business briefings Periodic meetings Financial reporting Head office/ site visits	Occasionally As required Continuous As required
COMMUNITY ORGANIZATIONS	Environmental campaign Safety management system	Continuous As required
MEDIA	Media announcements and briefings Media interviews	As required As required
REGULATORS	Submission of periodic reports Responding / enquiring various queries/ information	Periodic basis As required
ANALYST	Corporate briefing and analysis Forecasting and financial modelling	As required As required
LOCAL BODIES	Sponsorship of local events Corporate social projects	As required As required
BANKS AND OTHER LENDERS	Treasury operational transactions Financing and borrowing Investments	Continuous As required As required

ENTITY'S SIGNIFICANT RELATIONSHIPS

The Company has very prominent and good relationships with all stakeholders. We maintain collaborative relations with our stakeholders, good harmony, effective communication and customer focused approach because without doing this, we may affect our Company's performance and values of our entity. We follow the best policy to maintain the relationship with our stakeholders which includes satisfaction of customers by providing quality products and timely payments to all creditors. The call centre established several years ago is in full swing and achieves the main purpose of being a bridge between the Company and its stakeholders including customers and supply chain staff. Moreover, the Company maintains good relationship with its Bankers and also arranges Investors' Conferences periodically to discuss business prospects and financial management plans with the lenders which also enhances their confidence in the Company.

POLICY TO SOLICIT AND UNDERSTAND VIEWS OF SHAREHOLDERS

The Board understands the importance of continuous collaboration with shareholders of the Company regarding all significant decisions to be made, the performance of the Company in varying circumstances, challenges it faced and the necessary steps taken to mitigate those challenges. The Board has devised a mechanism to arrange the interactive sessions between the management of the Company and its shareholders. It includes management briefings to its shareholders about the performance of the Company, macro and micro economic factors affecting the Company, future prospects of the Company and the steps taken by the Company to improve its performance in challenging circumstances. These communications help the Board to understand and resolve the concerns of the shareholders and to add synergy factor to achieve better results in the Company's future prospects.

INTERACTION WITH MAJOR SHAREHOLDERS

The interactive sessions include the annual general meeting, extra ordinary general meetings, corporate briefings/road shows, responding to investor queries either raised on email, website or on telephone.

During the year, following major international and local road shows/corporate briefings sessions were held with investors:

- Corporate Briefing Session (23rd November 2022)

STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

Notice of Annual General Meeting is sent to all shareholders of the Company at least twenty-one days before the date fixed for meeting. Such notice is published in Urdu and English languages in at least in one issue each of daily newspaper of respective language having nationwide circulation Further, notice of AGM is also placed on Company's website. To capture the interest of minority shareholders the Company has been conducting corporate briefings, conference calls and road shows on regular basis including regularly updating our website about Company's general conditions.

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

The Company disseminates information to its investors and shareholders through a mix of information exchange platforms, including its corporate website. The website is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information besides the link to SECP's investor education portal, the 'Jamapunji'.

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

No issue was raised by the valued shareholders in the last Annual General Meeting held on October 27, 2022 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

During the year under review no formal complaints has been lodged by any shareholder of the Company.

INTEGRATED REPORTING

BASIS OF PREPARATION AND PRESENTATION

Maple Leaf Cement Factory Limited is engaged in the production and sale of cement. Management of the Company following the spirit of adhering to the best corporate governance practices and it's reporting thereof is committed to generate greater value for the organization and its stakeholders. Keeping in view the globalized business scenario and the ever-increasing expectations of all the stakeholders being users of published annual report, integration of corporate governance briefings, social and environmental information with financial information is vital to organizational position and performance reporting.

The Company has adopted the International Integrated Reporting (IR) Framework to give an overview of the Company's business affairs by presenting all the financial and non-financial information considering the variable interests of a wide range of stakeholders. The Management is committed to achieve excellence in transparent reporting in all aspects. The Company annually reviews the IR Framework to continuously improve the quality of information produced, and communicates its operations, brand, and financial structure to the stakeholders. Furthermore, the Company is prepared to manage any risk that may affect the long-term sustainability of the business and has progressed ahead in this Report to incorporate all 8 core Content Elements of IR Framework: -

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Management acknowledges its responsibility of the integrity of this Report and have applied their collective mind and effort in its preparation and presentation. All information is internally reviewed by the command hierarchy, polished and improved at each step to reflect stark realities, remove errors and analytically report on future scenarios and where relevant, all information is presented in a format tied and linked to various capitals, stakeholder relationships and how the organization relates to it. Full efforts have been made to disclose all material information to its stakeholders unless Management is of the view that its disclosure would cause significant competitive harm.

Even so, the Company is moving ahead with the tradition of providing information to its stakeholders that goes beyond the traditional requirements of financial reporting framework and other legal requirements. In the light of evaluating performance in a broader perspective, the Company has drafted its Annual Report guided by Global Reporting Initiative principles to deliver a multi-dimensional approach to the accounting framework. By doing so, the Company believes the stakeholders gain a better understanding of the Company, its business, strategies, opportunities and risks, business model, governance and performance which itself is a form of value creation for its stakeholders. Sustainability and Integrated Reporting go hand in hand, by outlining a report structure along the triple bottom line format, the company demonstrates its advancement to uphold the essence of the framework.

The Report has been prepared in compliance of:-

- The International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
- Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)
- Provisions and directives of Companies Act, 2017
- Code of Corporate Governance Regulations, 2019
- Core guidelines of the Integrated Reporting Framework issued by the IIRC

ECONOMIC PERFORMANCE

Economic Performance at Maple Leaf is steered by our vision, mission and values along with the goals and targets set by the senior management that results in enhanced performance of the company. The senior management is responsible for sketching the economic targets for different time periods i.e., annual targets, monthly targets, etc. We aim at delivering both direct and indirect economic impacts. Providing returns to investors, paying off to employees and government and suppliers, are all examples of our economic impacts.

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

FINANCIAL INDICATORS:

Actual Results:

The Company's sale increased in current FY 2023 by 27.94% as compared to FY 2022. This increase in sales is a result of better average retention compared to previous year due to market conditions and passing on the effect of price increase in oil and other input costs. Profitability saw a massive rebound mainly due to increase in sales retentions. Annual Inflationary trend in production costs was averted to maximum possible extent by efficient buying of fuel and strict monitoring of fixed costs. Following are the main highlights:

	2023	2022
	(Rs. In Million)	
Net Sales	62,075	48,520
Net Profit/ (Loss)	5,770	4,553
Earnings/(Loss) per share (Rupee)	5.38	4.15

Budgeted Results:

The profit increased mainly due to increase in local grey cement sale price and retention as compared to the budget on account of robust demand of cement in local market. Following are the main highlights of actual results as compared to updated budget:

	Actual 2023	Budget 2023
	(Rs. In Million)	
Net Sales	62,075	64,397
Net Profit	5,770	3,416
Earnings per share (Rupee)	5.38	3.18

PROSPECTS OF THE ENTITY INCLUDING TARGETS FOR FINANCIAL AND NON-FINANCIAL MEASURES

Prospects of the Entity – The financial projections of the Company are in line with expected growth in domestic market share and new potential markets for export sales which are being explored and various measures adopted by the Company to reduce the cost. Different marketing strategies are being carried out to increase sales and profitability.

Financial Measures – Various financial considerations are used to make the projections of Maple Leaf Cement. Following are the financial measures to determine the healthy prospects of the Company:

1. Increase in sales volume for all types of products.
2. Reduction in cost of production through:

   a. Savings in fuel cost per ton with more efficient yield and more reliance of local coal, Afghan coal and pet coke.
   b. lower power cost including decline in per ton KWH power consumption and by adding cheap source of energy.

3. Lowering weighted average cost of capital

Non-Financial Measures – Non-financial measures including many intangible variables which may impact performance. Those are difficult to quantify as compared to financial measures but are equally important. Following are the key non-financial measures of the Company:

1. Stakeholder's Engagement –Through different committees and forums, management expects to further strengthen stakeholder's engagement by increasing the awareness of different qualitative aspects of the business through cross-functionality.

2. Customer Satisfaction – The Company places great focus on customer satisfaction. Going forward, this remains a prime objective of the management.

3. Brand Recognition – Marketing efforts will be in place to increase sales volume based on the philosophy of being a brand where demand for our products will create a pull effect.

4. Integrity of managers – Being one of the core values of the Company, trainings have been planned to further drill this value into the middle and lower staff.

Significant Change in Accounting Policies, judgements, estimates and assumption

Significant accounting policies, judgements, estimates and assumptions have been disclosed in notes to the accounts. Any significant change there in has been properly disclosed in the aforesaid note.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

A performance indicator represents parameters and factors that may cast an impact of decisive nature on a company's financial position, financial performance or liquidity position. Following are the key assumptions in compiling these indicators:

Financial Position
- Appropriateness of capital mix in the company
- Proportion of financial leverage in debt equity mix
- Change in current ratio

Financial Performance
- Maintaining high local sales retention.
- Monitoring key components of variable cost to be amongst top cost-effective players.
- Initiating and maintaining techniques for optimal fixed cost absorption and appropriate mix of operational leverage.

Liquidity Position
- Keeping an eye on funds used in / generated from operating, investing and financial cash flow activities.
- Reviewing funds used in working capital management.
- Effectively segregating cash and non-cash items

All the indicators are devised in the light of these basic assumptions and are periodically reviewed and monitored. Furthermore, Company performance variance analysis from corresponding figures of comparative periods and from budgeted figures as comparability over time provides good basis of Corporate Reporting. These indicators are finally used to report financial information to all users of the financial statements in the form of annual financial statements.

SHARE PRICE SENSITIVITY ANALYSIS

Company's share price is directly linked with the operational and financial performance of the Company. Following are the major factors which might affect the share price of the company in the stock exchange.

1) INCREASE IN DEMAND:

Increase in demand of cement may result in increase in market price of bag which will contribute towards better profitability and Earning per Share (EPS), which will ultimately increase the share price.

2) INCREASE IN VARIABLE COST:

Any increase in variable costs due to price hikes coupled with inflation which mainly includes coal, power and raw material cost causes gross margins to narrow and adversely hits profitability and EPS. This may badly affect the market price of the share downward.

3) INCREASE IN FIXED COST:

Fixed cost primarily consists of financial charges and other overheads of fixed nature. Any increase in SBP discount rate results in corresponding increase in financial charges leading to lower net profit and EPS. Conversely, decrease in SBP discount rates results in lower financial charges and higher net profit i.e., EPS. Moreover, price hikes due to inflation for other overheads of fixed nature results in reduction in net profit.

4) **CHANGE IN GOVERNMENT POLICIES:**

Any change in Government policies related to cement sector may affect the share price of the company. If policy change is positive, share price will increase and vice versa.

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30 June 2023	Rs. 28.33
Market Capitalization as of 30.06.2023	Rs. 30,407,898,753
Change in Share Price by	Change in Market Capitalization
+10%	Rs. 3,040,789,875
-10%	Rs. (3,040,789,875)

Reasons

Market capitalization is affected by political instability and economic conditions.

Segmental review and analysis of business performance

The Standalone financial statements of the Company have been prepared on the basis of single reporting segment.

The Company is operating in two principal geographical areas in terms of continents and revenue from continuing operations from external customers based on geographical areas are Asia 98.33% and Africa 1.67%.

- The Standalone financial statements of the Company have been prepared on the basis of single reporting segment.
- Revenue from sale of cement represents 100% of gross sales of the Company. Sales during the year 2022-23 comprises 95.8% of grey cement and 4.2% of white cement. During the year, grey cement segment has shown significant growth in terms of prices. The Company operates in two principal geographical areas, Asia and Africa. The Company's main sole product is cement.

- However, the consolidated financial statements have been prepared based on two strategic divisions, which are reportable segments. These divisions offer different products and services and are managed separately because they require different technology and strategies.
- Cement Manufacturing: The Maple Leaf Cement Factory Limited (the "Holding Company") is operating as a cement manufacturing segment of the Group. The principal activity of the Holding Company is production and sales of cement.
- Power Generation: Maple Leaf Power Limited (the "Subsidiary Company") is operating as an electric power generation segment of the Group. The principal activity of the Subsidiary Company is to develop, operate and maintain electric power generation plant and engage in the business of generation, sale and supply of electricity.
- Moreover, all assets of the Company as at June 30, 2023 are located in Pakistan.

HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

The Company has established key indicators which pertain to its key performance area. Such indicators are subject to change with the Internal and external environment associated with the organization.

The Company has identified key KPI's that are critical to its operations. While identifying KPI's, the Company has analysed various indicators, their interpretations and accordingly the extent to which they may correctly and clearly communicate the Company's performance. Some important indicators are as briefly explained below:

Market Share: The Company is a leading brand in Pakistan with a diverse customer base and presence across the Pakistan. Carrying on with the legacy of Leaf, Maple Leaf brand is widely acknowledged as the best quality cement brand in all the local and export markets. Presently the Company, due to its unique and unparalleled marketing efforts and superior quality. The Company is also the largest producer of White Cement in the country with more than 90% of local market share and the biggest white cement exporter of Pakistan.

Financial Leverage: Too much debt can be dangerous for a company and its investors. However, if a company can generate cheaper source of financing, then it will always result in growth of profits. Nonetheless, uncontrolled debt levels can lead to credit - downgrade. On the other hand, the reluctance or inability to borrow may be a sign that operating margins are simply too tight. So, an optimal debt equity mix is always appreciated especially in expansion periods.

The management of the Company keeps a strong watch on its leverage and consistent efforts have been made to curtail it.

Fixed Cost per unit: Higher production capacities of an entity help in bringing down the cost per unit of the items manufactured. Production units are inversely proportion to the fixed cost per unit, higher production means low per unit cost and vice versa. The Company is keen to bring its fixed cost per unit down in order to enhance its profitability by strategic initiatives and continuous monitoring.

Variable cost per unit: Management of the Company is very keen about variable cost as it is the key profit indicator in an industry like cement manufacturing. The Company is successfully operating its 40 MW Coal Fired Project Plant that has benefitted the Company in reduction of per ton cost of power required for manufacturing of cement.

Local Sales Retention: Being in a hard-core business of cement manufacturing and sale, marketing activities and branding seem a very novel and unique idea. Management, however, strongly believes and has implemented marketing techniques efficiently to be amongst the top retention players of the cement industry. The company is gradually improving its local sales retention viz a viz other key players in the sector.

HORIZONTAL ANALYSIS - UNCONSOLIDATED
SIX YEARS

	2023 Rs. '000'	23 vs 22 %	2022 Rs. '000'	22 vs 21 %	2021 Rs. '000'	21 vs 20 %	2020 Rs. '000'	20 vs 19 %	2019 Rs. '000'	19 vs 18 %	2018 Rs. '000'	18 vs 17 %
Statement of Financial Position												
Total equity	44,913,114	10.74	40,559,015	8.03	37,542,541	19.86	31,320,831	2.64	30,514,586	2.02	29,911,139	26.16
Total non-current liabilities	28,579,576	12.24	25,461,804	47.63	17,247,289	(10.98)	19,375,165	(8.95)	21,278,671	26.18	16,863,465	129.60
Total current liabilities	16,215,021	0.13	16,193,391	41.43	11,449,448	(25.23)	15,313,775	8.11	14,164,518	18.49	11,953,924	53.97
Total equity and liabilities	89,707,711	9.11	82,214,210	24.12	66,239,278	0.35	66,009,771	0.08	65,957,775	12.31	58,728,528	51.30
Total non-current assets	67,468,044	9.01	61,892,221	25.50	49,315,862	(0.18)	49,402,580	(4.54)	51,750,897	12.51	45,996,847	61.93
Total current assets	22,239,667	9.44	20,321,989	20.08	16,923,416	1.90	16,607,191	16.90	14,206,878	11.59	12,731,681	22.28
Total assets	89,707,711	9.11	82,214,210	24.12	66,239,278	0.35	66,009,771	0.08	65,957,775	12.31	58,728,528	51.30
Profit or Loss Account												
Sales - net	62,075,259	27.94	48,519,622	36.53	35,538,301	22.05	29,117,734	11.97	26,005,944	1.19	25,699,113	7.11
Cost of sales	(45,651,503)	25.96	(36,244,156)	28.82	(28,135,419)	(5.64)	(29,816,947)	41.39	(21,088,864)	12.92	(18,676,562)	28.72
Gross profit	16,423,756	33.79	12,275,466	65.82	7,402,882	(1,158.74)	(699,213)	(114.22)	4,917,080	(29.98)	7,022,551	(25.94)
Distribution cost	(2,001,499)	34.88	(1,483,876)	46.36	(1,013,852)	19.93	(845,379)	(9.42)	(933,244)	26.77	(736,142)	(42.27)
Administrative expenses	(1,380,607)	42.12	(971,453)	19.42	(813,489)	3.67	(784,706)	6.97	(733,607)	0.42	(730,551)	17.63
Other operating expenses	(1,186,881)	24.65	(952,200)	81.67	(524,142)	482.39	(89,999)	(80.28)	(456,493)	(20.25)	(572,436)	6.72
Other operating income	146,646	159.09	56,601	(98.48)	3,732,132	2,727.84	131,978	206.95	42,997	(23.13)	55,935	(59.77)
Profit from operations	12,001,415	34.48	8,924,538	1.61	8,783,531	(484.01)	(2,287,319)	(180.63)	2,836,733	(43.71)	5,039,357	(29.90)
Finance cost	(2,750,747)	58.00	(1,741,026)	16.54	(1,493,930)	(49.90)	(2,981,722)	154.29	(1,172,557)	82.04	(644,121)	102.33
Profit/(loss) before taxation	9,250,667	28.78	7,183,512	(1.46)	7,289,601	(238.35)	(5,269,041)	(416.62)	1,664,176	(62.14)	4,395,236	(36.03)
Taxation	(4,758,998)	33.79	(3,557,172)	243.52	(1,035,492)	(343.20)	425,776	(314.09)	(198,877)	(73.94)	(763,035)	(63.55)
Profit/(loss) after taxation	4,491,669	23.86	3,626,340	(42.02)	6,254,109	(229.13)	(4,843,265)	(430.53)	1,465,299	(59.66)	3,632,201	(23.97)

VERTICAL ANALYSIS - UNCONSOLIDATED
SIX YEARS

	2023		2022		2021		2020		2019		2018	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Statement of Financial Position												
Total equity	44,913,114	50.07	40,559,015	49.33	37,542,541	56.68	31,320,831	47.45	30,514,586	46.26	29,911,139	50.93
Total non-current liabilities	28,579,576	31.86	25,461,804	30.97	17,247,289	26.04	19,375,165	29.35	21,278,671	32.26	16,863,465	28.71
Total current liabilities	16,215,021	18.08	16,193,391	19.70	11,449,448	17.28	15,313,775	23.20	14,164,518	21.48	11,953,924	20.35
Total equity and liabilities	89,707,711	100.00	82,214,210	100.00	66,239,278	100.00	66,009,771	100.00	65,957,775	100.00	58,728,528	100.00
Total non-current assets	67,468,044	75.21	61,892,221	75.28	49,315,862	74.45	49,402,580	74.84	51,750,897	78.46	45,996,847	78.32
Total current assets	22,239,667	24.79	20,321,989	24.72	16,923,416	25.55	16,607,191	25.16	14,206,878	21.54	12,731,681	21.68
Total assets	89,707,711	100.00	82,214,210	100.00	66,239,278	100.00	66,009,771	100.00	65,957,775	100.00	58,728,528	100.00
Profit or Loss Account												
Sales - net	62,075,259	100.00	48,519,622	100.00	35,538,301	100.00	29,117,734	100.00	26,005,944	100.00	25,699,113	100.00
Cost of sales	(45,651,503)	(73.54)	(36,244,156)	(74.70)	(28,135,419)	(79.17)	(29,816,947)	(102.40)	(21,088,864)	(81.09)	(18,676,562)	(72.67)
Gross profit	16,423,756	26.46	12,275,466	25.30	7,402,882	20.83	(699,213)	(2.40)	4,917,080	18.91	7,022,551	27.33
Distribution cost	(2,001,499)	(3.22)	(1,483,876)	(3.06)	(1,013,852)	(2.85)	(845,379)	(2.90)	(933,244)	(3.59)	(736,142)	(2.86)
Administrative expenses	(1,380,607)	(2.22)	(971,453)	(2.00)	(813,489)	(2.29)	(784,706)	(2.69)	(733,607)	(2.82)	(730,551)	(2.84)
Other operating expenses	(1,186,881)	(1.91)	(952,200)	(1.96)	(524,142)	(1.47)	(89,999)	(0.31)	(456,493)	(1.76)	(572,436)	(2.23)
Other operating income	146,646	0.24	56,601	0.12	3,732,132	10.50	131,978	0.45	42,997	0.17	55,935	0.22
Profit from operations	12,001,415	19.33	8,924,538	18.39	8,783,531	24.72	(2,287,319)	(7.86)	2,836,733	10.91	5,039,357	19.61
Finance cost	(2,750,747)	(4.43)	(1,741,026)	(3.59)	(1,493,930)	(4.20)	(2,981,722)	(10.24)	(1,172,557)	(4.51)	(644,121)	(2.51)
Profit / (loss) before taxation	9,250,667	14.90	7,183,512	14.81	7,289,601	20.51	(5,269,041)	(18.10)	1,664,176	6.40	4,395,236	17.10
Taxation	(4,758,998)	(7.67)	(3,557,172)	(7.33)	(1,035,492)	(2.91)	425,776	1.46	(198,877)	(0.76)	(763,035)	(2.97)
Profit / (loss) after taxation	4,491,669	7.24	3,626,340	7.47	6,254,109	17.60	(4,843,265)	(16.63)	1,465,299	5.63	3,632,201	14.13

SUMMARY OF CASH FLOW STATEMENT - UNCONSOLIDATED
SIX YEARS

	2023	2022	2021	2020	2019	2018
	(Rupees in thousand)					
Cash generated from operations before working capital changes	15,897,923	12,905,198	9,013,169	1,047,196	5,335,849	7,623,505
(Increase) / decrease in current assests						
Stores, spare parts and loose tools	2,927,753	(3,114,888)	(1,343,107)	(1,186,848)	(703,479)	245,303
Stock-in-trade	(1,178,984)	(545,438)	(370,779)	(40,390)	(545,508)	107,729
Trade debts	(726,197)	(596,428)	1,213,368	(393,515)	(1,688,194)	(474,227)
Loans and advances	(276,007)	(122,623)	(85,357)	382,104	1,498,243	(1,468,489)
Trade and other payables	3,343,875	775,175	(838,876)	37,109	2,922,380	1,815,694
Other receivables	29,730	113,574	(130,579)	63	8,215	217,102
Retirement benefits adjusted / (paid)	(53,879)	(43,319)	(56,198)	(35,724)	(38,020)	(40,084)
Workers' Profit Participation Fund Paid	(106,080)	(88,151)	-	(71,253)	(93,768)	(175,916)
Workers' Welfare Fund paid	(64,844)	(23,185)	(161)	-	-	(135,635)
Taxes paid	(1,459,957)	(586,635)	(736,571)	(675,051)	(379,435)	(2,393,707)
Others	1,810,331	(343,173)	(112,943)	(1,415)	(35,322)	268,656
Net Cash generated from operating activities	20,143,665	8,330,107	6,551,967	(937,724)	6,280,961	5,589,931
Capital expenditure	(9,071,126)	(15,790,494)	(3,285,300)	(855,476)	(8,220,851)	(19,445,846)
Dividend received from fully owned subsidy	-	-	3,514,000	-	-	-
Intangible asset purchased	-	(6,786)	-	-	(5,219)	-
Proceeds from disposal of property, plant and equipment	89,125	30,583	53,115	52,047	102,173	51,965
Redemption of long term investments	-	-	-	-	-	-
Short term investment - net	(3,234,546)	(75,000)	(44,500)	(50,000)	-	(21,997)
Long term investment	(10,000)	-	-	-	-	(350,000)
Profit on bank deposits received	52,064	22,377	13,692	29,842	18,796	28,970
Net Cash used in investing activities	(12,174,483)	(15,819,320)	251,007	(823,587)	(8,105,101)	(19,736,908)
Proceeds from long term loans from banking companies - secured - net	(1,720,571)	6,898,075	1,142,825	(5,007,260)	3,552,666	10,648,936
Long term loan from subsidiary company	-	1,000,000	(2,000,000)	2,000,000	1,000,000	-
Proceeds from issuance of right shares	-	-	-	5,994,968	-	4,241,830
Repayment of redeemable capital - secured	-		-	-	-	-
Repayment of syndicated term finance - secured	-		-	-	-	-
Payment of liabilities against assets subject to finance lease - net	-		-	-	-	(480,615)
Short term borrowings - net	(2,174,578)	490,990	(4,121,973)	3,100,037	(1,215,654)	1,038,909
Finance cost paid	(2,527,786)	(1,296,781)	(1,733,621)	(3,011,992)	(857,976)	(462,171)
Redemption of preference shares	(5)		-	-		-
Dividend paid	(191)	(565)	(19,919)	(289,361)	(663,880)	(1,804,561)
Lease rentals paid during the year	(14,611)	(12,425)	-	-	-	-
Own share purchased for cancellation	(194,661)	(477,778)	-	-	-	-
Net cash generated from/ (used in) financing activities	(6,632,403)	6,601,516	(6,732,688)	2,786,392	1,815,156	13,182,328
Net increase/ (decrease) in cash and cash equivalents	1,336,779	(887,697)	70,286	1,025,081	(8,984)	(964,649)
Cash and cash equivalents at beginning of the years	(603,919)	279,802	209,516	(815,565)	(806,581)	158,068
Exchange (Loss)/Gain on cash & cash equivalents	7,847	3,976	-	-	-	-
Cash and cash equivalents at end of the years	740,707	(603,919)	279,802	209,516	(815,565)	(806,581)

COMMENTS ON
SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS

Statement of Financial Position

The Company's equity significantly increased during the past 6 years mainly due to increase in profit after tax and issuance of capital in the initial years. Further, in initial years, accumulated profits increased due to increase in cement demand in local markets as a result of Naya Pakistan Housing Scheme, CPEC and other government infrastructure projects. But since last two years, the accumulated profits increased due to cost efficient production and better pricing. Non-current liabilities increased during the period of FY 2017 to FY 2019 as the Company entered into a phase of growth and expansion and hence increased its debt leverage to partially finance coal fired power project and production line III of cement. This trend was discontinued in the FY 2021, as the Company lowered its debt component by making early principal repayments. However, during the FY 2022 and FY 2023, non-current liabilities increased significantly as compared to FY 2021 due to investment on the installation of line IV and Waste Heat Recovery Plant and installation of 2 Nos. solar power plants which have been capitalized during the current year. During the FY 2021, the Company successfully reduced its current liabilities by 25% mainly by reduction of short-term borrowings due to better operating cash flows as evident from respective year profits which has increased again during the FY 2022 and FY2023 due to growth and expansion mainly relating to line IV project, WHRP and installation of 2 more solar power plants.

Increase in non-current assets of the Company in FY 2017 to FY 2020 was mainly due to its investment in new production line-III of grey cement. Non-current assets significantly increased again during the next years mainly due to expansion relating to installation of line IV, installation of 2 Nos. solar power plants and related WHRP. Current assets exhibit a consistent increasing trend in line with higher capacity levels and sales volume.

Profit or Loss Account

In FY 2018, profit margins reduced due to high cost of production caused by an increase in coal rates and power costs. Cost of production also increased in FY 2019 mainly due to increase in input prices primarily due to devaluation of Pak Rupee. This trend of higher input prices also continued in FY 2020 and losses were incurred as sales retention declined and cost of sales increased due to increase in coal rates, power costs, devaluation of Pak rupees coupled with higher financial costs due to commencement of line-III operations in May-2019 which impacted the bottom line negatively.

In sharp contrast, FY 2021 flourished in a mighty display of take-off in the financial indicators of the Company by reason of collective factors such as improved market conditions which uplifted and promoted demand, thereby restoring the slump in sales retention from the previous year. Furthermore, reduction in packing material cost, efficient buying of coal and reduction in short term borrowing resulted in increased profits. The exponentially high other operating income was mainly due to dividend income received from MLPL.

In line with FY 2021, FY 2022 and FY 2023 also showed sizable profits due to higher sales which were mainly due to increased local prices. Prices were increased to pass the inflationary impact on input costs mainly coal and power since their prices increased globally and further affecting us due to Pak Rupee devaluation. Finance cost is also on the higher side for the current financial year as compared to prior years due to more borrowings and increased policy rates by SBP during the two years from 7% to 22%.

VERTICAL ANALYSIS

Statement of Financial Position

The equity of the Company continues to improve; its weightage has also increased except from FY 2017 to FY 2019 where its proportion decreased from 61.08% to 46.26% respectively on account of increase in non-current liabilities resulting from drawdown of long-term finances for expansion project of cement however, during financial year 2020-2021 equity component has increased from 47.45% to 56.68% by virtue of profits earned by the Company. However, equity component has decreased during the FY 2022 from 56.68% to 49.33% due to increase in non-current liabilities from 26.04% to 30.97% and current liabilities increased from 17.28% to 19.70% resulting from further financing for line IV project and other expansion related projects as explained in above sections. In FY 2023, total equity slightly increased from 49.33% to 50.07% and total non-current liabilities also increased from 30.97% to 31.86% while the total non-current liabilities decreased from 19.70% to 18.08%.

Due to nature of industry, a capital-intensive sector, ratio of non-current assets to total assets remained in the range of 74.45% to 78.46% as evident from last 6 years reported figures. On account of investment in expansion project, non-current assets have increased in FY 2018 & 19 in rupee terms. The proportion of current asset vs non-current assets significantly decreased during FY 2017 to FY 2018 due to an increase in non-current assets as explained above, while showing a reversed trend in the FY 2020 and FY 2021 due to higher working capital requirements on account of the addition of grey cement Line III, similarly, in the aforementioned period non-current assets share stayed between 78.46% to 74.45% on account of increase in deprecation due to operations of line-III. During the current financial year, the ratio of current assets has increased slightly, a difference that is very negligible.

Profit or Loss Account

The Company's GP% showcased a declining trend in the

FY 2017 to FY 2019, mainly due to an increase in production costs specially in packing material and power costs coupled with decrease in sales retention of local grey cement. FY 2020 was especially hard felt as coal prices, devaluation of Pak Rupee and poor sales prices unfavourable impacted the profitability of the Company.

In FY 2021 onwards, the Company's GP% increased mainly due to increase in local sale prices on account of high demand of cement in local market. Other operating income increased mainly due to the dividend received from Maple Leaf Power Limited (wholly owned subsidiary). Finance cost decreased mainly due to low discount rates and reduction in short term borrowings. Overall net profit was mainly due to high sale retention and low finance cost as explained.

During the current year, GP % increased further from 25.30% to 26.46% of prior year mainly due to increase in local sales prices even there is a dip in local dispatches. Prices were on the higher side due to passing on the impact of high inflationary impact of prices on input costs and Pak Rupee devaluation. NP % decreased during the year from 7.47% to 7.24% mainly due to increased finance cost which in turn is mainly due to revised SBP policy rates from 13.75% to 22% and increased tax charge which is due to the implementation of Super Tax.

COMMENTS ON CASH FLOW STATEMENTS

Cash generated from operations has been in line with profits earned by the Company in the past years. However, in FY 2020, the Company's operating cash flows were negative mainly due to tough market conditions that resulted in low sale prices. But in later years, cash generated from operations showed significant growth mainly due to better sale retention on account of favourable market conditions in local market.

Other than the FY 2021, where the Company didn't invest in any new project or major investment, the Company's capital expenditure has been consistently high, especially in FY 2018-19, due to investment in the grey cement line III of 7,300 tpd for capacity enhancement and in FY 2022-23 due to heavy investments in line IV (7,000 tpd), WHRP and solar power projects. The Company has financed the above-mentioned project by obtaining finances from financial institutions and issuing right shares along with its equity contribution.

During the FY 2021, the Company has started new projects i.e., new brownfield cement line IV, enhancement of WHRP capacity at existing lines of cement. These capital expenditures were managed partially with long term financing and from internally generated cash flows. In FY 2022, the financing activates produced a net inflow because of the long term loan from the banks. The FY 2023 witnessed a heavy net outflow from financing activities as the company utilized its cash generation from operations to clear its outstanding loan and short-term borrowings.

ANALYSIS OF FINANCIAL RATIOS UNCONSOLIDATED FOR SIX YEARS

FROM JUNE 2018 TO JUNE 2023

Ratios Description	2023	2022	2021	2020	2019	2018
Profitability Ratios:						
Gross Profit ratio	26.46%	25.30%	20.83%	-2.40%	18.91%	27.33%
Net Profit to Sales	7.24%	7.47%	17.60%	-16.63%	5.63%	14.13%
EBITDA Margin to Sales	25.76%	25.85%	34.96%	3.60%	20.75%	28.81%
Operating leverage ratio	1.23	0.04	-21.95	-15.10	-36.61	-4.20
Return on Equity	10.00%	8.94%	16.66%	-15.46%	4.80%	12.14%
Return on Capital employed	7.52%	6.69%	13.35%	-10.42%	3.24%	10.42%
Effective Tax Rate	51.44%	49.52%	14.21%	8.08%	11.95%	17.36%
Shareholder's Funds	50.07%	49.33%	56.68%	47.45%	46.26%	50.93%
Return on Shareholder's Funds	10.00%	8.94%	16.66%	-15.46%	4.80%	12.14%
Total Shareholder's return	3.58%	-41.78%	80.83%	9.88%	-50.95%	-51.69%
Liquidity Ratios:						
Current ratio	1.37	1.25	1.48	1.08	1.00	1.07
Quick / Acid test ratio	0.52	0.29	0.44	0.42	0.37	0.42
Cash to Current Liabilities	0.05	0.05	0.04	0.07	0.03	0.05
Cash flow from Operations to Sales	0.32	0.17	0.18	(0.03)	0.24	0.22
Cash flow to capital expenditure	2.22	0.53	1.99	(1.10)	0.76	0.29
Cash flow coverage ratio	1.02	0.33	0.40	(0.04)	0.28	0.29
Investment / Market Ratios:						
Earnings per share (EPS)						
Basic	4.18	3.30	5.69	(5.30)	2.13	6.29
Diluted	4.18	3.30	5.69	(5.30)	2.13	6.29
Price Earnings ratio	6.77	8.28	8.25	(4.90)	11.23	8.07
Price to book ratio	0.68	0.74	1.37	0.91	0.46	1.01
Market value per share						
Closing	28.33	27.35	46.98	25.98	23.89	50.74
High	29.36	47.51	50.90	31.90	60.78	119.60
Low	19.34	23.95	25.85	13.79	19.26	47.20
Break up value per share / Net assets per share						
With revaluation surplus	41.84	36.93	34.18	28.52	51.40	50.38
Without revaluation surplus	40.10	34.69	31.37	25.22	44.85	43.20
With revaluation surplus including investment in subsidiary*	49.38	43.12	39.54	36.03	62.77	60.06
Cash Dividend per Share	-	-	-	0.27	1.00	3.06
Dividend Pay out Ratio	-	-	-	-5.10%	47.00%	48.57%
Dividend Yield Ratio	-	-	-	1.04%	4.19%	6.02%
Dividend Cover Ratio	-	-	-	(16.32)	2.47	2.00
Capital Structure Ratios:						
Financial leverage ratio	0.46	0.64	0.44	0.70	0.73	0.64
Weighted average cost of debt	15.09%	9.64%	7.85%	13.57%	9.89%	6.98%
Net Borrowing/ EBITDA	1.29	2.07	1.31	20.52	4.20	2.57
Av. Operating Working Capital to Sales Ratio	22.53%	26.36%	30.04%	29.33%	27.42%	23.84%
Debt to Equity ratio	32:68	36:64	28:72	33:67	37:63	31:69
Debt to Equity ratio (Market value)	24:76	27:73	16:84	24:76	32:68	20:80
Interest Cover ratio	4.36	5.13	5.88	(0.77)	2.42	7.82
Activity / Turnover Ratios:						
Inventory turnover ratio	13.90	14.96	14.32	16.97	14.38	14.97
No. of Days in Inventory	26.27	24.40	25.49	21.51	25.38	24.38
Debtor turnover ratio	26.60	25.91	15.02	10.15	13.63	28.33
No. of Days in Receivables	13.72	14.09	24.23	35.95	26.78	12.88
Total Assets turnover ratio	0.69	0.59	0.54	0.44	0.39	0.44
Fixed Assets turnover ratio	1.00	0.85	0.80	0.66	0.56	0.63
Creditor turnover ratio	10.40	9.59	7.54	8.32	7.78	13.22
No. of Days in Creditors	35.10	38.04	48.43	43.88	46.90	27.62
Operating Cycle	4.89	0.77	1.78	13.59	5.25	9.65
Employee Productivity Ratio						
Production per Employee (Tons)	2,642	3,097	3,498	3,557	2,424	2,709
Revenue per Employee (Rs. in millions)	38.56	31.69	24.89	19.93	17.33	18.52
Staff turnover ratio	22.66%	15.59%	6.30%	5.80%	5.30%	7.00%
Non-Financial Ratios						
%age of plant availability	87%	104%	98%	99%	98%	99%
Customer satisfaction index	90%	91%	75%	85%	90%	97%
Other Ratios						
Spares Inventory as % of Assets Cost	11.06%	15.63%	14.70%	12.72%	10.93%	11.08%
Maintenance Cost as % of Operating Expenses	7.28%	7.76%	6.84%	6.93%	7.89%	9.66%

COMMENTS ON RATIO ANALYSIS

Profitability ratios: The profitability ratios of the Company have shown a triumphant recovery during the current year due to an increase in retention prices and control in production expenses due to cost efficient production and the Company avoiding the bump in the Wapda power tariffs by following an ongoing strategy of shifting reliance from national power grid to self-generation. Furthermore, profitability of the Company has also improved due to increase in selling price. In addition, the Company has managed to increase its Grey local sales retention, thereby overall increasing net sales. However, due to increased input cots EBITDA margins slightly reduced from 25.85% to 25.76%. The Cost of Sales show a limited variance, but overall, input prices remain high.

Liquidity Ratios: From 2018 onwards decline in the liquidity is witnessed due to Brown field expansion of grey cement line-III. Liquidity indicators stabilized during the comparative period due to no significant capital expenditures having been incurred and management's decision to early service the current portion of long-term debts from financial institutions. During FY 2022, liquidity worsened a little due to reduced profitability as compared to prior year and enhanced borrowings on account of expansion and growth. In FY 2023, liquidity improved significantly due to the increase in contribution margins.

Investment / Market Ratios: The increase of the State Bank Policy rate in the year under review and instability in economic and political system has revitalized the investors' interest and confidence in the stock market. Further, government policies and political uncertainty has made the market conditions unfavourable which is result decreases the demand of products and share price of the company. The Company's market share price remained in the range of Rs.19.34 per share to Rs. 29.36 per share, closing at Rs. 28.33 per share in comparison to Rs. 27.35 per share at the close of last year. Further, the company's EPS has improved significantly from 3.30 to 4.18 in the current year due to the cancellation of bought back shares.

Capital Structure Ratios: The Company is operating at optimal level of debt equity mix. Relying mainly on internal cash generation to maximize shareholders' return. However, in last 5 years, the Company increased its debt to cater the financing needs for expansion project of grey cement line-III and line IV. This increase in ratio results is currently due to Company obtaining more borrowings to finance the line III and Line IV projects and other capital investments and as a result, debt to equity ratio has worsened to 36:64 in FY 2022 but has improved in FY 2023 due to the early payment of loan to cope up with the increasing interest rates.

During the year, the Government also revised SBP policy rate from 13.75% to 22% which has caused the finance cost of the company to increase as compared to prior year.

Activity/turnover ratios: The operating cycle has overall been on an upward positive trend over the years due to an increase in Payable days on account of better negotiated credit terms with suppliers of expansion projects and creditors. No. of days of Inventory, however, have witnessed a small variation, but has generally overall increased. A stable inventory turnover ratio over the past 6 years shows the Company's quick ability to convert inventory into revenue as a result of the Companies persistent improvements in the supply chain and logistical network. Over the years, debtor turnover ratio declined due to enhancement of distributors and dealers' network in the local market for higher market share but has now again increased in recent years.

DUPONT ANALYSIS

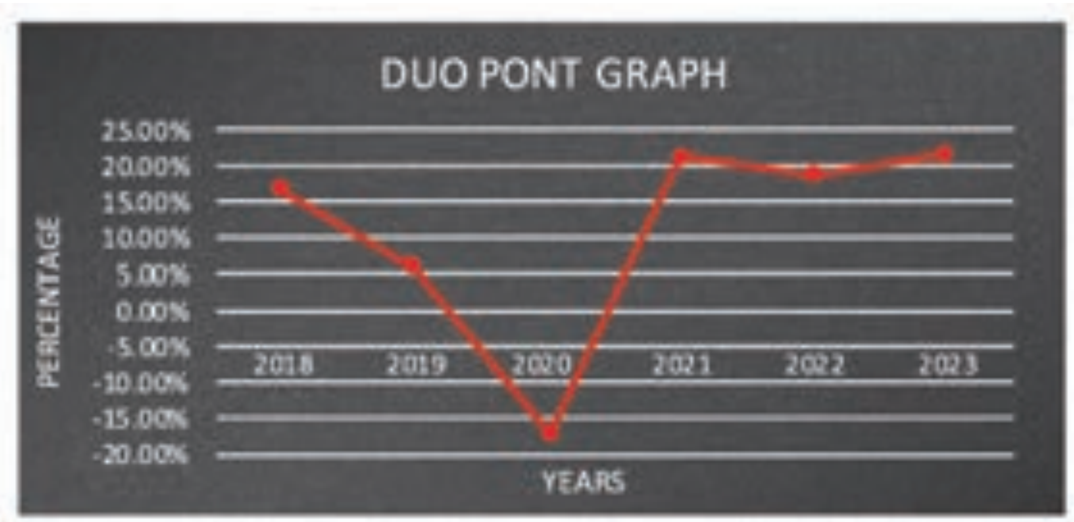
Years	Return on Equity (Profit Margin * Total Asset Turnover* Equity Multiplier)	Profit Margin (Pre-Tax Profit / Sales)	Total Asset Turnover (Sales / Avg. Assets)	Return on Assets	Equity Multiplier (Avg. Assets / Avg. Equity)
	E= C*D	A	B	C= A*B	D
2023	21.65%	0.15	0.72	10.76%	2.01
2022	18.40%	0.15	0.65	9.68%	1.90
2021	21.17%	0.2	0.54	11.02%	1.92
2020	-17.04%	(0.18)	0.44	-7.99%	2.13
2019	5.51%	0.06	0.42	2.67%	2.06
2018	16.39%	0.17	0.53	9.01%	1.82

Following are the DuPont analysis highlights:

1. Operational results have improved due to better local sale retention and the profit margin remains same as last year.
2. Assets turnover ratio has improved from the previous year, as net sales skyrocketed, whereas the Company's Total Asset base materially remained unchanged from the previous year.
3. Based on the above two factors, the Return on Assets which is dependent on the above two factors, has gone up.
4. Investment in new machinery has increased the value of average asset while the profits have also increased the equity which overall increases the Equity Multiplier.

Conclusion:

The DuPont analysis depicts improvement in profitability and return on assets.



COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

	2023		2022	
	Rs. '000	%	Rs. '000	%
Local Components:				
Raw materials consumed	2,904,016	10%	2,413,914	10%
Packing materials consumed	3,376,679	12%	3,065,308	13%
Fuel	16,828,224	58%	7,020,523	30%
Stores, spare parts and loose tools consumed	404,909	1%	988,096	4%
Imported Components:				
Fuel	4,948,902	17%	9,303,183	40%
Stores, spare parts and loose tools consumed	672,466	2%	392,032	2%
Total	29,135,196	100%	23,183,056	100%

Sensitivity analysis

If US$ to Pak Rupee exchange rate fluctuates by 1% , the impact on cost of production

would have been as follow:

	2023 Rs. '000'	2022 Rs. '000'
Increase of 1% in exchange rate	56,214	96,952
Decrease of 1% in exchange rate	(56,214)	(96,952)

The management constantly monitors the international coal prices and exchange rates. The management takes necessary and timely steps to mitigate such impacts.

FREE CASH FLOWS

	2023 Rs. '000'	2022 Rs. '000'
Net cash generated from operating activities	20,143,665	8,330,107
Capital expenditures	(9,071,126)	(15,790,494)
FCF - Total	11,072,539	(7,460,387)

Free cash flow represents the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

ECONOMIC VALUE ADDED

	2022 Rs. '000'	2022 Rs. '000'
NOPAT	9,352,691	6,515,326
Less: WACC* Capital Invested	(2,547,079)	(1,422,660)
Economic Value Added	6,805,612	5,092,666

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth

KEY OPERATING AND FINANCIAL DATA - UNCONSOLIDATED

FOR SIX YEARS FROM JUNE 2018 TO JUNE 2023

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Quantitative Data (M. Tons)						
Cement:						
Production	4,253,451	4,741,944	4,994,594	5,196,304	3,638,313	3,760,120
Sales	4,273,444	4,759,428	5,023,444	5,201,820	3,673,278	3,763,835
Sales (Rs. 000)						
Gross Sales (Local + Export- Discount)	82,836,831	66,400,649	50,875,878	47,412,675	36,678,918	35,990,524
Less:						
Excise Duty	6,911,333	6,973,716	7,043,999	10,040,696	4,874,102	4,436,086
Sales Tax	13,494,564	10,631,729	8,060,518	8,027,602	5,656,806	5,713,760
Commission	355,676	275,582	233,060	226,643	142,066	141,565
Net Sales	62,075,259	48,519,622	35,538,301	29,117,734	26,005,944	25,699,113
Profitability (Rs. 000)						
Gross Profit/(Loss)	16,423,756	12,275,466	7,402,882	(699,213)	4,917,080	7,022,551
Profit/(Loss) Before Tax	9,250,668	7,183,512	7,289,601	(5,269,041)	1,664,176	4,395,236
Provision for Income Tax	(4,758,998)	(3,557,172)	(1,035,492)	425,776	(198,877)	(763,035)
Profit/(Loss) After Tax	4,491,670	3,626,340	6,254,109	(4,843,265)	1,465,299	3,632,201
Financial Position (Rs. 000)						
Tangible Fixed Assets-Net	62,354,608	56,784,840	44,215,539	44,297,941	46,640,664	40,894,010
Other Non-Current Assets	5,113,436	5,107,381	5,100,323	5,104,639	5,110,233	5,102,837
	67,468,044	61,892,221	49,315,862	49,402,580	51,750,897	45,996,847
Current Assets	22,239,667	20,321,989	16,923,416	16,607,191	14,206,878	12,731,681
Current Liabilities	(16,215,021)	(16,193,391)	(11,449,448)	(15,313,775)	(14,164,518)	(11,953,924)
Net Working Capital	6,024,646	4,128,598	5,473,968	1,293,416	42,360	777,757
Capital Employed	73,492,690	66,020,819	54,789,830	50,695,996	51,793,257	46,774,604
Less: Non Current Liabilities	(28,579,576)	(25,461,804)	(17,247,289)	(19,375,165)	(21,278,671)	(16,863,465)
Shareholders' Equity	44,913,114	40,559,015	37,542,541	31,320,831	30,514,586	29,911,139
Represented By:						
Share Capital	10,733,462	10,983,462	10,983,462	10,983,462	5,937,007	5,937,007
Reserves & Un-appropriated Profit	32,310,668	27,115,586	23,469,104	16,722,039	20,693,099	19,709,589
Surplus on Revaluation of PPE	1,868,984	2,459,967	3,089,975	3,615,330	3,884,480	4,264,543
	44,913,114	40,559,015	37,542,541	31,320,831	30,514,586	29,911,139

STATEMENT OF CASH FLOWS DIRECT METHOD - UNCONSOLIDATED

	2023	2022
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	61,349,061	47,923,194
Cash paid to suppliers and employees	41,263,463	38,822,196
Net cash generated from operations	20,085,598	9,100,998
Decrease / (Increase) in long term loans to employees	1,277	(2,362)
Increase in long term deposits to suppliers	(801)	(298)
Increase in retention money payable	1,750,198	-
Retirement benefits paid	(53,879)	(43,319)
Decrease in payable to Government Authority	-	(22,965)
Workers' Profit Participation Fund paid	(106,080)	(88,151)
Workers' Welfare Fund paid	(64,844)	(23,185)
Taxes paid - net of refund	(1,459,957)	(586,635)
Net cash generated from operating activities	20,151,512	8,334,083
Cash flows from investing activities		
Capital expenditure	(9,071,126)	(15,790,494)
Intangible assets acquired	-	(6,786)
Dividend received from the subsidiary company	-	-
Proceeds from disposal of property, plant and equipment	89,125	30,583
Long term investment - MLIL	(10,000)	-
Short term investment	(3,234,546)	(75,000)
Profit on bank deposits received	52,064	22,377
Net cash (used in) / generated from investing activities	(12,174,483)	(15,819,320)
Cash flows from financing activities		
Long term loans from financial institutions - secured - net	(1,720,571)	6,898,075
Proceeds from / (repayments of) long term loan from subsidiary company	-	1,000,000
Short term borrowings - net	(2,174,578)	490,990
Finance cost paid	(2,527,786)	(1,296,781)
Lease rentals paid during the year	(14,611)	(12,425)
Own share purchased for cancellation	(194,661)	(477,778)
Redemption of preference shares	(5)	-
Dividend paid	(191)	(565)
Net cash generated from / (used in) financing activities	(6,632,403)	6,601,516
Net (decrease) / increase in cash and cash equivalents	1,344,626	(883,721)
Cash and cash equivalents at beginning of the year	(603,919)	279,802
Cash and cash equivalents at end of the year	740,707	(603,919)

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

	Interim Results						Annual Results	
	3 Months Period Ended 30-09-2022		6 Months Period Ended 31-12-2022		9 Months Period Ended 31-03-2023		Year Ended 30-06-2023	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net turnover	12,827,344		30,051,369		47,089,636		62,075,259	
Gross Profit	3,569,051	27.82%	8,641,344	28.76%	12,878,753	27.35%	16,423,756	26.46%
Operating Profit	2,417,084	18.84%	6,507,237	21.65%	9,271,632	19.69%	12,001,415	19.33%
Net Profit Before Tax	1,774,168	13.83%	5,257,325	17.49%	7,523,924	15.98%	9,250,668	14.90%
Net Profit After Tax	1,210,124	9.43%	3,555,770	11.83%	5,056,440	10.74%	4,491,670	7.24%
Debt Equity Ratio	21,941,215	35:65	21,654,093	33:67	19,585,923	30:70	18,618,431	29:71
	63,536,507		65,601,270		65,065,916		63,531,545	
Current Ratio	23,059,814	1.24	21,812,888	1.39	20,834,489	1.26	22,239,667	1.37
	18,560,417		15,660,593		16,499,712		16,215,021	

Analysis of Variation in Results Reported in Interim Financial Statements with the Final Accounts

3 Months Ended September 30, 2022

Gross Profit (GP) Ratio for the 1st Quarter was 27.82% as compared to annual GP of 26.46%, mainly due to the increase in CGS on coal and electricity.

Operating Profit was 18.84% as compared to 19.33%, mainly due to high other charges in 1st Quarter.

Net Profit Before Tax was 13.83% as compared to annual 14.90%, mainly due to less OP and other income in 1st Quarter.

Net Profit After Tax was 9.43% as compared to 7.24%, due to lower tax in the 1st Quarter.

Debt Equity Ratio was 35:65 in first quarter as compared to 29:71 in annual, mainly due to payments of loan in the financial year.

Current ratio was 1.24 as compared to annual of 1.37, due to a decrease in current liabilities after paying short term loans.

6 Months Ended December 31, 2022

Gross Profit (GP) Ratio was 28.76% as compared to annual GP of 26.46%, this was the best performing quarter due to sale retention.

Operating Profit was 21.65% as compared to 19.33%, mainly due to high GP in half year results. Net Profit Before Tax was 17.49% as compared to annual 14.90%. However, it was better than the 1st quarter due to increase in local sale retention.

Net Profit After Tax was 11.83% as compared to 7.24%, due to less tax on account of reasons explained above.

Debt Equity Ratio was 33:67 in 6-month period as compared to 29:71 in annual, mainly due to payment of loan to reduce the finance cost.

Current ratio was 1.39 as compared to annual of 1.37, due to an increase in inventory because of higher coal and pet coke rates in the international market and reduction in short term borrowings in annual financials.

9 Months Ended March 31, 2023

Gross Profit (GP) Ratio was 27.35% as compared to annual GP of 26.46% because of the highest CGS in the last quarter of the year.

Operating Profit was 19.69% as compared to 19.33% in annual, which is very close to the annual percentage.

Net Profit Before Tax was 15.98% as compared to annual 14.90%, due to high finance cost even after the payment of loans.

Net Profit After Tax was 10.74% as compared to 7.24% in annual, due to higher high taxation in the last quarter.

Debt Equity Ratio was 30:70 in the 9 months' period, very close to 29:71 reported in annual results.

Current ratio was 1.26 as compared to annual of 1.37, due to decrease in short term loans.

EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS

	Annual Results					
	Year Ended 30-06-2023		Year Ended 30-06-2022		YOY Variance	
	Rs. '000	%	Rs. '000	%	Rs. '000	%
Net Turnover	62,075,259		48,519,622		13,555,637	27.94%
Gross Profit	16,423,756	26.46%	12,275,466	25.30%	4,148,290	30.60%
Operationg Profit	12,001,415	19.33%	8,924,538	18.39%	3,076,877	22.70%
Net Profit Before Tax	9,250,668	14.90%	7,183,512	14.81%	2,067,156	15.25%
Net Profit After Tax	4,491,670	7.24%	3,626,340	7.47%	865,330	6.38%

- Overall turnover increased by 27.94%, it includes negative volumetric growth mainly due to low demand in market, however, sale retention was increased on account of increasing sale prices.
- Gross Profit increased by 30.60% from preceding year due to increase in sales retention. Cost of sales were higher because of high input costs, Pak Rupee devaluation and higher fuel rates. However, these inflationary impacts were partially mitigated by production efficiencies and fixed cost reduction.
- Net profit before tax increased by 15.25%, however, finance cost for the year was higher on account of increase in SBP discount rates.
- Net profit after tax increased by 6.38% due to higher margins in gross profit and operating profit.

STATEMENT OF VALUE ADDED
AND HOW DISTRIBUTED

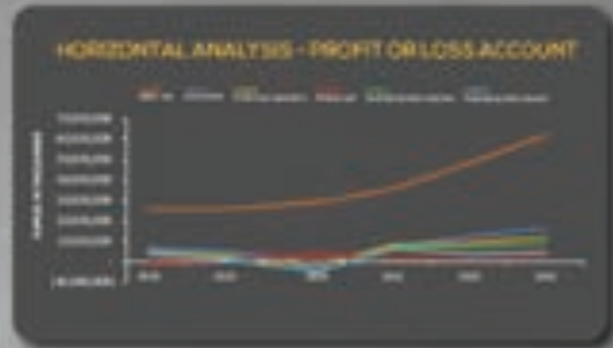
	2023		2022	
	Rs. (000)	% age	Rs. (000)	% age
Wealth Generated				
Sales net of commission	82,481,154	99.82%	66,125,067	99.91%
Other Operating Income	146,646	0.18%	56,601	0.09%
	82,627,800	100.00%	66,181,668	100.00%
Distribution of Wealth				
Cost of Sales (excluding employees' remuneration)	44,184,828	53.47%	34,969,996	52.84%
Marketing, Selling, Administration Expenses & other expenses	3,399,902	4.11%	2,626,527	3.97%
To Employees as Remuneration	2,593,405	3.14%	2,048,557	3.10%
To Government as Taxes	25,164,895	30.46%	21,162,617	31.98%
To Providers of Capital as Dividend	-	0.00%	-	0.00%
To Providers of Finance as Financial Charges	2,750,747	3.33%	1,741,026	2.63%
To Society / Donations	42,355	0.05%	6,605	0.01%
Retained within the Business	4,491,670	5.44%	3,626,340	5.48%
	82,627,801	**100.00%**	**66,181,668**	**100.00%**

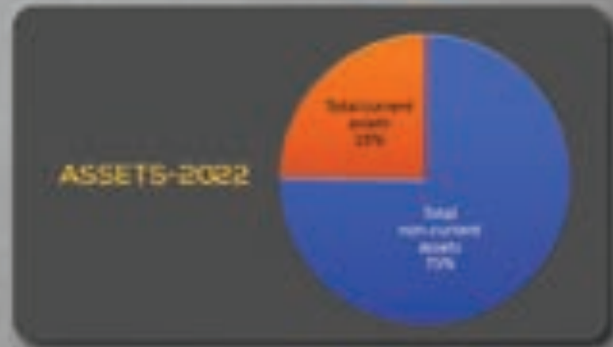
Statement of Charity

	2023	2022
	Rs. (000)	Rs. (000)
Maple CSR Initiative as per DC Office requirement	3,476	-
Daudkhel Police Station	248	-
Sunshine Trust	5,000	-
Earthquake in Turkia & Syria	1,410	-
MAYO Hospital (Baby Incubator)	-	1,319
Dialysis center in AGL hospital	-	1,000
Daud Khel Water Supply Project	365	726
Beaconhouse National University (Scholarship)	782	1,358
Akhuwat Islamic Mirco Finance	15,000	-
Financial assistance for the deceased worker	-	600
Shafaullah	270	120
Local schools at Daud khel	100	1,482
Kinnaird College Lahore	112	-
Aga Khan Planning , Building Service	15,000	-
Miscellance Donations in the form of cement	591	-
	42,355	**6,605**

GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION





DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit Ratio

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio

The operating profit margin ratio indicates how much profit a company makes after paying for variable costs of production.

Current Asset Ratio

The key indicator of whether you can pay your creditors on time. The relationship between current assets like cash, book debts, stock and work in progress and current liabilities like overdraft, trade and expense creditors and other current debt.

Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/falling price of the goods sold.

Return on Assets (ROA)

The amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive financial leverage.

Return on Equity (ROE)

A percentage that indicates how well common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Return on Investment (ROI)

Also known as return on invested capital (ROIC). ROI is a measure of how well management has used the company's resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because assets include debt as well as equity. It is useful to compare a company's ROI with others in the same industry.

PATTERN OF SHAREHOLDING

CUIN (Incorporation Number)	0001107
1.1 Name of the Company	MAPLE LEAF CEMENT FACTORY LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	30-06-2023

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total shares held
2756	1	100	114,174
3296	101	500	1,068,525
2151	501	1,000	1,830,206
3600	1,001	5,000	9,314,899
970	5,001	10,000	7,567,043
388	10,001	15,000	4,930,850
248	15,001	20,000	4,526,228
195	20,001	25,000	4,549,538
111	25,001	30,000	3,161,794
70	30,001	35,000	2,300,924
60	35,001	40,000	2,290,556
44	40,001	45,000	1,898,887
77	45,001	50,000	3,764,974
38	50,001	55,000	2,010,927
34	55,001	60,000	1,982,411
24	60,001	65,000	1,512,109
18	65,001	70,000	1,227,990
20	70,001	75,000	1,466,556
20	75,001	80,000	1,560,873
8	80,001	85,000	657,709
11	85,001	90,000	971,433
14	90,001	95,000	1,302,669
42	95,001	100,000	4,190,251
11	100,001	105,000	1,139,297
16	105,001	110,000	1,740,184
9	110,001	115,000	1,016,201
8	115,001	120,000	933,448
13	120,001	125,000	1,610,711
8	125,001	130,000	1,021,414
3	130,001	135,000	398,158
5	135,001	140,000	692,305
3	140,001	145,000	430,426
16	145,001	150,000	2,397,152
4	150,001	155,000	609,610
5	155,001	160,000	789,800
5	160,001	165,000	820,385
4	165,001	170,000	677,500
6	170,001	175,000	1,040,865
2	175,001	180,000	357,419
2	180,001	185,000	364,501
3	185,001	190,000	562,849
2	190,001	195,000	389,999

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total shares held
11	195,001	200,000	2,194,031
4	200,001	205,000	809,544
3	205,001	210,000	628,124
8	210,001	215,000	1,699,314
3	215,001	220,000	656,299
1	220,001	225,000	223,100
5	225,001	230,000	1,143,181
4	230,001	235,000	928,567
2	235,001	240,000	476,000
2	240,001	245,000	483,110
10	245,001	250,000	2,495,505
1	250,001	255,000	250,900
2	265,001	270,000	536,749
1	275,001	280,000	280,000
1	280,001	285,000	282,000
1	285,001	290,000	289,062
2	290,001	295,000	582,929
6	295,001	300,000	1,800,000
1	300,001	305,000	305,000
3	305,001	310,000	924,143
2	310,001	315,000	627,600
6	315,001	320,000	1,917,358
4	320,001	325,000	1,288,556
2	325,001	330,000	656,000
1	340,001	345,000	344,578
1	345,001	350,000	350,000
2	350,001	355,000	705,394
1	355,001	360,000	355,409
2	360,001	365,000	724,084
1	365,001	370,000	369,999
2	370,001	375,000	747,000
1	385,001	390,000	386,399
1	390,001	395,000	393,000
9	395,001	400,000	3,594,945
1	405,001	410,000	406,000
1	415,001	420,000	417,700
1	420,001	425,000	424,574
1	435,001	440,000	438,124
2	445,001	450,000	900,000
1	460,001	465,000	464,104
2	470,001	475,000	949,000
3	480,001	485,000	1,446,500
3	495,001	500,000	1,500,000
1	515,001	520,000	516,622
3	520,001	525,000	1,566,442
4	525,001	530,000	2,108,756
1	530,001	535,000	532,135
1	535,001	540,000	539,000
1	550,001	555,000	554,999
1	555,001	560,000	555,494

2.2 No. of Shareholders	Shareholdings From	To	Total shares held
1	560,001	565,000	560,781
1	575,001	580,000	579,773
1	585,001	590,000	589,500
4	595,001	600,000	2,398,480
1	600,001	605,000	605,000
1	610,001	615,000	610,987
1	635,001	640,000	637,500
2	645,001	650,000	1,292,927
2	655,001	660,000	1,319,977
2	670,001	675,000	1,349,374
1	675,001	680,000	680,000
1	685,001	690,000	687,506
1	690,001	695,000	690,173
1	705,001	710,000	705,349
1	715,001	720,000	718,467
2	720,001	725,000	1,446,012
1	735,001	740,000	736,249
2	740,001	745,000	1,485,405
1	770,001	775,000	775,000
1	795,001	800,000	795,296
1	800,001	805,000	805,000
1	850,001	855,000	854,999
1	855,001	860,000	857,474
1	865,001	870,000	868,341
1	880,001	885,000	883,000
1	895,001	900,000	900,000
1	945,001	950,000	949,749
1	970,001	975,000	971,079
1	995,001	1,000,000	1,000,000
1	1,035,001	1,040,000	1,035,984
1	1,045,001	1,050,000	1,050,000
1	1,060,001	1,065,000	1,062,521
1	1,065,001	1,070,000	1,068,705
2	1,105,001	1,110,000	2,215,259
1	1,110,001	1,115,000	1,115,000
1	1,115,001	1,120,000	1,117,000
2	1,145,001	1,150,000	2,297,460
1	1,195,001	1,200,000	1,197,561
1	1,255,001	1,260,000	1,260,000
1	1,305,001	1,310,000	1,306,070
1	1,345,001	1,350,000	1,348,702
1	1,370,001	1,375,000	1,375,000
1	1,390,001	1,395,000	1,394,437
1	1,465,001	1,470,000	1,469,889
1	1,505,001	1,510,000	1,505,791
1	1,635,001	1,640,000	1,636,949
1	1,655,001	1,660,000	1,660,000
1	1,670,001	1,675,000	1,670,542
1	1,790,001	1,795,000	1,791,571

2.2 No. of Shareholders	Shareholdings From	To	Total shares held
1	1,865,001	1,870,000	1,866,249
1	1,895,001	1,900,000	1,900,000
1	1,925,001	1,930,000	1,928,257
1	1,945,001	1,950,000	1,947,760
1	1,995,001	2,000,000	2,000,000
1	2,245,001	2,250,000	2,250,000
2	2,300,001	2,305,000	4,604,817
2	2,500,001	2,505,000	5,002,763
1	2,680,001	2,685,000	2,682,264
1	2,745,001	2,750,000	2,750,000
1	2,795,001	2,800,000	2,800,000
1	2,850,001	2,855,000	2,852,950
1	3,040,001	3,045,000	3,040,706
1	3,050,001	3,055,000	3,052,000
1	3,140,001	3,145,000	3,142,000
1	4,065,001	4,070,000	4,068,744
1	4,300,001	4,305,000	4,300,030
1	4,325,001	4,330,000	4,326,389
1	4,610,001	4,615,000	4,614,073
1	5,245,001	5,250,000	5,250,000
1	5,255,001	5,260,000	5,258,415
1	5,295,001	5,300,000	5,300,000
1	5,495,001	5,500,000	5,500,000
1	5,645,001	5,650,000	5,645,304
1	6,095,001	6,100,000	6,095,178
1	6,115,001	6,120,000	6,117,302
1	7,155,001	7,160,000	7,160,000
1	7,365,001	7,370,000	7,366,680
1	7,495,001	7,500,000	7,500,000
1	7,805,001	7,810,000	7,807,687
1	8,125,001	8,130,000	8,129,277
1	9,035,001	9,040,000	9,038,311
1	9,420,001	9,425,000	9,423,422
1	10,140,001	10,145,000	10,144,633
1	11,090,001	11,095,000	11,094,525
1	11,755,001	11,760,000	11,755,980
1	12,025,001	12,030,000	12,026,270
1	15,775,001	15,780,000	15,777,814
1	16,235,001	16,240,000	16,235,657
1	26,710,001	26,715,000	26,712,912
1	29,085,001	29,090,000	29,087,000
1	606,495,001	606,500,000	606,497,944
14,556			**1,073,346,232**

Note.The Slabs not applicable above have not been shown.

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, CEO and their spouses & minor children		
Mr. Tariq Sayeed Saigol - Chairman	32,428	0.0030
Mr. Sayeed Tariq Saigol - Chief Executive	10,729	0.0010
Mr. Taufique Sayeed Saigol	15,934	0.0015
Mr. Waleed Tariq Saigol	11,305	0.0011
Mr. Danial Taufique Saigol	5,202	0.0005
Ms. Jahanara Saigol	2,500	0.0002
Mr. Shafiq Ahmed Khan	15,608	0.0015
Mr. Zulfikar Monnoo	3,000	0.0003
Mrs. Shehla Tariq Saigol - Spouse of Mr. Tariq Sayeed Saigol	179,919	0.0168
	276,625	0.0259
2.3.2 Associated Companies, undertakings and related parties		
Kohinoor Textile Mills Limited	606,497,944	56.5053
Maple Leaf Capital Limited	12,026,270	1.1204
	618,524,214	57.6257
2.3.3 NIT and IDBP		
National Bank of Pakistan, Trustee Deptt.	13,097	0.0012
Industrial Development Bank of Pakistan (IDBP)	5,800	0.0005
	18,897	0.0017
2.3.4 Banks, Development Financial Institutions, Non-banking Financial Institutions	43,013,805	4.0074
2.3.5 Insurance Companies	28,391,073	2.6451
2.3.6 Modarabas and Mutual Funds	80,294,058	7.4807
2.3.7 Shareholders holding 10%		
Refer to 2.3.2 above	-	-
2.3.8 General Public		
a. Local	236,923,831	22.0734
b. Foreign	54,339,130	5.0626

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.9 Others		
ARTAL RESTAURANT INT LTD. EMP. P.F	500	
TRUSTEE ARTAL RESTAURANTS INTS EMP. P.F	1,000	
ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND	48,000	
Trustees of Karachi Sheraton Hotel Employees Provident Fund	1,640	
Chevron Pakistan Lubricants (Pvt.) Ltd. EPF	130,000	
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	25	
TRUSTEE PAKISTAN PETROLEUM SENOIR PROVIDENT FUND	438,124	
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	520,400	
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	223,100	
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	250,900	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	1,348,702	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	167,500	
TRUSTEES PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	140,000	
TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF GRATUITY FUND	165,000	
TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF PENSION FUND	450,000	
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	195,000	
TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	372,000	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	1,115,000	
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (DC SHARIAH)	485,000	
TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	95,000	
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND-DC SHARIAH	305,700	
TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	108,100	
HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES GRATUITY FUND	70,000	
BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	21,699	
ENGRO CORPORATION LIMITED PROVIDENT FUND	247,505	
HILAL GROUP EMPLOYEES PROVIDENT FUND	18,100	
ENGRO CORP LTD MPT EMPLOYEES DEF CONTR PENSION FUND	14,101	
ENGRO CORP LTD MPT EMPLOYEES DEF CONT GRATUITY FUND	102,392	
WELLCOME PAKISTAN LIMITED PROVIDENT FUND	90,599	
Bristol-Myers Squibb Pak (Pvt) Ltd Emp Prov Fund	7,474	
ENGRO FOODS LIMITED EMPLOYEES GRATUITY FUND	27,000	
PAKISTAN TELECOMMUNICATION EMPLOYEES TRUST	214,500	
ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	8,599	
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	8,500	
AGRIAUTO INDUSTRIES LIMITED EMPLOYEES PROVIDENT FUND	3,725	
ICI PAKISTAN MANAGEMENT STAF PROVIDENT FUND	29,900	
KHAADI (SMC-PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	15,500	
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	32,500	
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	13,699	
ROCHE PAKISTAN LIMITED MANAGEMENT STAFF PENSION FUND	84,010	
ROCHE PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	56,449	
HAMID ADAMJEE TRUST	12,645	
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	900,000	
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1,306,070	
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	38,924	
CDC - TRUSTEE AGPF EQUITY SUB-FUND	24,645	

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.9 Others		
HOMMIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST	39,420	
SUI SOUTHERN GAS EXECUTIVE STAFF PROVIDENT FUND	26,446	
CDC - TRUSTEE AL HABIB PENSION FUND-EQUITY SUB FUND	53,862	
CDC - TRUSTEE AL HABIB ISLAMIC PENSION FUND-EQUITY SUB FUND	53,000	
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES GRATUITY FUND	44,041	
GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	149,000	
NISHAT CHUNIAN LIMITED EMPLOYEES PROVIDENT FUND	36,462	
KOT ADDU POWER COMPANY LIMITED EMPLOYEES PROVIDENT FUND	46,546	
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	19,503	
ROCHE PAKISTAN LIMITED MANAGEMENT STAFF GRATUITY FUND	79,233	
SEAGOLD (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	18,400	
PAKISTAN HERALD PUBLICATIONS (PVT) LTD. STAFF PENSION FUND	6,000	
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED EMPL G.F TRUST	131,000	
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED E.C.P.F TRUST	158,000	
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	121,062	
TRUSTEES S.M.SOHAIL TRUST	36,999	
TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G.FUND	6,400	
TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.P.FUND	1,000	
TRUSTEES OF GHANDHARA TYRE & RUBBER CO. LTD LOCAL STAFF P.F.	61,500	
TRUSTEES OF GHANDHARA TYRE & RUBBER CO LTD. EMPLOYEES G.F	46,600	
TRUSTEES OF CRESENT STEEL & ALLIED PRODUCTS LTD-PENSION FUND	7,137	
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	7,488	
TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	139,568	
MANAGING COMMITTEE GHAZALI EDUCATION TRUST	440	
TRUSTEES NESTLE PAKISTAN LIMITED EMPLOYEES PENSION FUND	45,000	
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	162,362	
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES GRATUITY FUND	30,000	
TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	9,000	
TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	11,200	
TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	12,100	
TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	10,000	
TRUSTEE LEVER BROTHERS EMPLOYEES	5,000	
TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	5,000	
TRUSTEE CHERAT CEMENT CO. LTD EMPLOYEES PROVIDENT FUND	30	
TRUSTEE CHERAT CEMENT COMPANY LTD STAFF GRATUITY FUND	4,374	
HAMID ADAMJEE TRUST	26,200	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	200	
SSGC LPG (PVT.) LTD.-EMPLOYEES GRATUITY FUND	6,000	
TRUSTEE KARACHI PARSI ANJUMAN TRUST FUND	7,399	
WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000	
TRUSTEE-AZAN WELFARE TRUST	12,400	
	11,564,599	**1.0775**
Grand Total:-	**1,073,346,232**	**100.0000**

FINANCIAL STATEMENTS
for the Year Ended June 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Maple Leaf Cement Factory Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

A. F. FERGUSON & Co., Chartered Accountants, A Member Firm of the PwC network
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■Karachi ■Lahore ■Islamabad

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	Capital expenditure (Refer to note 20 to the unconsolidated financial statements) During the current year, the Company has incurred a significant amount of expenditure that has been capitalised. We consider the above as a key audit matter being significant transaction and event for the Company during the year.	Our audit procedures included the following: • Assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industry. • Checked the date of transfer of capital work-in- progress to operating fixed assets by examining the completion certificates, on a sample basis. • Assessed whether the disclosures are made in accordance with the financial reporting framework.
2	Contingent taxation liabilities (Refer to note 19.1 and 33 to the unconsolidated financial statements) The Company has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter.	Our audit procedures included the following: • Obtained and examined details of the pending tax matters and discussed the same with the Company's management. • Circularized confirmations to the Company's external legal / tax advisors for their views on open tax assessments and matters. • Examined correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external legal / tax advisors engaged by the Company. • Assessed the adequacy and appropriateness of disclosures made in respect of such income and sales tax matters.

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

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the unconsolidated and consolidated financial pwc A·F·FERGUSON&Co.

statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The unconsolidated financial statements of the Company for the year ended June 30, 2022 were audited by another firm of auditors whose report, dated September 02, 2022, expressed an unmodified opinion on those unconsolidated financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 16, 2023
UDIN: AR202310070FbZE1KC9d

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,733,462	10,983,462
Capital reserves	6	6,363,952	6,092,384
Accumulated profits		25,946,716	21,023,202
Surplus on revaluation of fixed assets - net of tax	7	1,868,984	2,459,967
		44,913,114	40,559,015
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	15,233,337	16,747,868
Deferred grant	9	605,926	786,758
Long term loan from subsidiary company	10	2,000,000	2,000,000
Long term liability against right of use asset	11	31,408	27,136
Long term deposits	12	8,214	8,214
Deferred taxation	13	8,669,211	5,656,499
Retention money	14	1,752,988	-
Retirement benefits	15	278,492	235,329
		28,579,576	25,461,804
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	2,599,401	2,619,800
- Deferred grant	9	179,766	184,576
- Liability against right of use assets	11	10,257	6,837
Trade and other payables	16	12,518,180	9,117,414
Unclaimed dividend		27,378	27,569
Mark-up accrued on borrowings	17	880,039	665,122
Short term borrowings	18	-	3,572,073
		16,215,021	16,193,391
CONTINGENCIES AND COMMITMENTS	19		
		89,707,711	82,214,210

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these unconsolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

	Note	2023	2022
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	62,354,608	56,784,840
Intangible assets	21	6,946	10,415
Long term investment	22	5,030,000	5,020,000
Long term loans to employees - secured	23	18,089	19,366
Long term deposits	24	58,401	57,600
		67,468,044	61,892,221
CURRENT ASSETS			
Stores, spare parts and loose tools	25	9,925,852	12,853,605
Stock-in-trade	26	3,874,605	2,695,621
Trade debts	27	2,600,988	2,066,212
Loans and advances	28	868,404	594,906
Short term investment	29	3,689,556	198,346
Short term deposits and prepayments	30	482,930	542,588
Accrued profit	31	8,792	7,075
Other receivables	32	22,531	52,261
Advance income tax - net of provision	33	25,302	517,799
Cash and bank balances	34	740,707	793,576
		22,239,667	20,321,989
		89,707,711	82,214,210

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Sales - net	35	62,075,259	48,519,622
Cost of sales	36	(45,651,503)	(36,244,156)
Gross profit		16,423,756	12,275,466
Distribution cost	37	(2,001,499)	(1,483,876)
Administrative expenses	38	(1,380,607)	(971,453)
Net impairment loss on financial assets	27.1	(191,421)	(209,920)
Other charges	39	(995,460)	(742,280)
		(4,568,987)	(3,407,529)
Other income	40	146,646	56,601
Profit from operations		12,001,415	8,924,538
Finance cost	41	(2,750,748)	(1,741,026)
Profit before taxation		9,250,667	7,183,512
Taxation	42	(4,758,998)	(3,557,172)
Profit after taxation		4,491,669	3,626,340
		------------- Rupees -------------	
Earnings per share - basic and diluted	43	4.18	3.30

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DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit after taxation		4,491,669	3,626,340
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of defined benefit liability		(18,830)	1,726
Related tax		6,977	(557)
		(11,853)	1,169
Change in fair value of investment at fair value through OCI	29	263,437	-
Tax effect of change in fair value of investment at fair value through OCI		(65,859)	-
		197,578	-
Surplus on revaluation of fixed assets: Effect on deferred tax due to change in effective tax rate		(147,285)	-
Items that may be subsequently reclassified to statement of profit or loss:		-	-
Other comprehensive income for the year		38,440	1,169
Total comprehensive income for the year		4,530,109	3,627,509

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

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DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,250,667	7,183,512
Adjustments for:			
Depreciation	20.1.1	3,471,880	3,231,589
Amortization	21.1	3,469	2,388
Provision for expected credit loss	27.1	180,000	50,049
Bad debts written off	27.1	11,421	159,871
Advances written off	38	2,509	9,209
Provision for Workers' Profit Participation Fund	16.3	56,319	376,250
Provision for Workers' Welfare Fund	16.4	189,936	92,486
(Gain) / Loss on disposal of property, plant and equipment	40	(42,382)	3,043
Exchange Gain on cash & cash equivalents		(7,847)	(3,976)
Gain on re-measurement of short term investments at fair value	39	6,773	25,802
Notional interest on unwinding of retention money payable	41	2,790	27,828
Notional interest on unwinding of payable to government authority	41	216	9,871
Retirement benefits	15	78,212	57,340
Profit on bank deposits	40	(53,781)	(23,391)
Finance cost	41	2,747,741	1,703,327
Cash generated from operations before working capital changes		15,897,923	12,905,198
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		2,927,753	(3,114,888)
Stock-in-trade		(1,178,984)	(545,438)
Trade debts		(726,197)	(596,428)
Loans and advances		(276,007)	(122,623)
Short term deposits and prepayments		59,658	(317,548)
Other receivables		29,730	113,574
		835,953	(4,583,351)
Decrease in current liabilities			
Trade and other payables		3,343,875	775,175
		4,179,828	(3,808,176)
Net cash generated from operations		20,077,751	9,097,022
Decrease / (increase) in long term loans to employees		1,277	(2,362)
Decrease in long term deposits to suppliers		(801)	(298)
Increase in retention money payable		1,750,198	-
Retirement benefits paid		(53,879)	(43,319)
Decrease in payable to Government Authority		-	(22,965)
Workers' Profit Participation Fund paid		(106,080)	(88,151)
Workers' Welfare Fund paid		(64,844)	(23,185)
Taxes paid - net of refund		(1,459,957)	(586,635)
Net cash generated from operating activities		20,143,665	8,330,107
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(9,071,126)	(15,790,494)
Intangible assets acquired		-	(6,786)
Proceeds from disposal of property, plant and equipment		89,125	30,583
Long term investment - MLIL		(10,000)	-
Short term investment	29	(3,234,546)	(75,000)
Profit on bank deposits received		52,064	22,377
Net cash used in investing activities		(12,174,483)	(15,819,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) / Proceeds from long term loans from financial institutions - secured - net		(1,720,571)	6,898,075
Proceeds from long term loans from subsidiary company		-	1,000,000
Short term borrowings - net	18	(2,174,578)	490,990
Finance cost paid		(2,527,786)	(1,296,781)
Lease rentals paid		(14,611)	(12,425)
Own share purchased for cancellation		(194,661)	(477,778)
Redemption of preference shares		(5)	-
Dividend paid		(191)	(565)
Net cash (used in) / generated from financing activities		(6,632,403)	6,601,516
Net increase / (decrease) in cash and cash equivalents		1,336,779	(887,697)
Cash and cash equivalents at beginning of the year		(603,919)	279,802
Exchange Gain on cash & cash equivalents		7,847	3,976
Cash and cash equivalents at end of the year	44	740,707	(603,919)

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these unconsolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Capital Reserves						Revenue Reserve	Total Equity
		Share premium	Capital redemption reserve	Own shares purchase for cancellation	FVOCI reserve	Sub - total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	
	Rupees in thousand								
As at July 01, 2021	**10,983,462**	**6,060,550**	**528,263**	**-**	**-**	**6,588,813**	**3,089,975**	**16,880,291**	**37,542,541**
Total comprehensive income for the year									
Profit for the year ended June 30, 2022	-	-	-	-	-	-	-	3,626,340	3,626,340
Other comprehensive income for the year ended June 30, 2022	-	-	-	-	-	-	-	1,169	1,169
	-	-	-	-	-	-	-	3,627,509	3,627,509
Own shares purchased during the year for cancellation (note 6.3)	-	-	-	(496,429)	-	(496,429)	-	-	(496,429)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(513,416)	513,416	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	(1,986)	1,986	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	(114,606)	-	(114,606)
Balance as at June 30, 2022	**10,983,462**	**6,060,550**	**528,263**	**(496,429)**	**-**	**6,092,384**	**2,459,967**	**21,023,202**	**40,559,015**
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	496,429	-	73,990	-	-	(176,010)
Total comprehensive income for the year									
Profit for the year ended June 30, 2023	-	-	-	-	-	-	-	4,491,669	4,491,669
Other comprehensive income for the year ended June 30, 2022	-	-	-	-	197,578	197,578	(147,285)	(11,853)	38,440
	-	-	-	-	197,578	197,578	(147,285)	4,479,816	4,530,109
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(443,313)	443,313	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	(385)	385	-
Balance as at June 30, 2023	**10,733,462**	**6,060,550**	**105,824**	**-**	**197,578**	**6,363,952**	**1,868,984**	**25,946,716**	**44,913,114**

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these unconsolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. REPORTING ENTITY

1.1 Maple Leaf Cement Factory Limited ("the Company") was incorporated in Pakistan on April 13, 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Ultimate Holding Company").

2. BASIS OF PREPARATION

2.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries is accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following long term investments:

		2023	2022
		(Direct holding percentage)	
Subsidiary Company			
Maple Leaf Power Limited	2.1.1	100	100
Maple Leaf Industries Limited	2.1.2	100	0

2.1.1 Maple Leaf Power Limited ("MLPL") was incorporated in Pakistan on October 15, 2015 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). MLPL has been established to set up and operate a 40 megawatt coal fired power generation plant at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity. MLPL's registered office is located at 42 - Lawrence Road, Lahore. MLPL's principal objective is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity.

2.1.2 Maple Leaf Industries Limited ("MLIL") is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited company under Companies Act, 2017. MLIL's objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of MLIL is situated at 42-Lawrence Road, Lahore, Pakistan. MLIL has not yet commenced its commercial operations.

2.2 Statement of compliance

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

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

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

- Provision of and directives issued under the Companies Act, 2017.

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

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in these unconsolidated financial statements.

2.4 Functional and presentation currency

These unconsolidated financial statements have been prepared in Pak Rupees ("Rs.") which is the Company's functional currency.

Figures in the unconsolidated financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.

2.5 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for employee benefits - Note 3.1.
- Contingent taxation liabilities - Note 3.2.
- Revaluation of property, plant and equipment - Note 3.4.
- Useful lives and residual values of property, plant & equipment - Note 3.4.1.
- Provision for slow moving stores, spare parts & loose tools - Note 3.7.
- Net realisable value of stock-in-trade - Note 3.8.
- Expected credit loss against trade debts, deposits, advances and other receivables - Note 3.10.
- Recoverable amount of assets and cash generating units - Note 3.10.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all periods presented in these unconsolidated financial statements.

3.1 Employee benefits

Defined contribution plan

The Company operates a defined contributory approved Provident Fund Trust for all its employees. Equal monthly contributions are made both by the Company and employees at the rate of 10% of the basic salary to the Provident Fund Trust. Obligation for contributions to defined contribution plan is expensed as the related service is provided.

Defined benefit plan

The Company operates approved funded gratuity scheme for all its full time permanent workers who have completed the minimum qualifying period of service of one year. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to unconsolidated statement of profit or loss.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method for valuation. The latest valuation was carried out at June 30, 2023. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in unconsolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in unconsolidated statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Liability for employees' compensated absences - other long term benefits

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Company service. The Company uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on June 30 2023. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the unconsolidated statement of profit or loss. The amount recognized in the unconsolidated statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the unconsolidated statement of profit or loss immediately in the period when these occur.

3.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the unconsolidated statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in unconsolidated statement of changes in equity or unconsolidated statement of comprehensive income as the case may be.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favour of the Company, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized 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 utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the unconsolidated statement of profit or loss, except in the case of items charged or credited to equity or other comprehensive income, in which case it is included in the unconsolidated statement of changes in equity or unconsolidated statement of comprehensive income as the case may be.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the statement of financial position date.

3.3 Leases

The Company is the lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the unconsolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in unconsolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.4 Property, plant and equipment

Tangible assets except freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery are stated at cost less accumulated depreciation and accumulated impairment, if any. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any. Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses, if any. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the unconsolidated statement of profit or loss as incurred.

Gains / losses on disposal or retirement of tangible assets, if any, are taken to the unconsolidated statement of profit or loss.

Depreciation is calculated at the rates specified in note 20.1 on reducing balance method except for the plant and machinery and buildings relating to dry process plant for which straight line method is used after deducting residual value. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Increase in the carrying amounts arising on revaluation of land, building, road bridges and railway sidings and plant and machinery is recognised, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The Company reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Company expects to drive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each unconsolidated statement of financial position date.

3.5 Intangible assets

Intangible asset is stated at cost less accumulated amortization for finite intangible asset and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Finite intangible assets are amortized using straight-line method over a period of usage. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal.

3.6 Investment in equity instruments of subsidiaries

Investment in subsidiary companies is measured at cost as per the requirements of IAS 27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

3.7 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

3.8 Stock-in-trade

Stocks are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw material	at weighted average cost
Packing material	at weighted average cost
Work in process	at weighted average manufacturing cost
Finished goods	at weighted average manufacturing cost

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Further, the Company's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

3.9 Financial instruments

3.9.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price. The Company follows settlement date accounting for recognition of financial assets acquired through regular way trade.

3.9.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the unconsolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the unconsolidated statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan to employees, accrued profit, term deposit receipts, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the unconsolidated statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the unconsolidated statement of profit or loss.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the unconsolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the unconsolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the unconsolidated statement of profit or loss.

Financial liabilities comprise trade and other payables, long term loan from subsidiary, long term loans from financial institutions (including current portion), markup accrued on borrowings, unclaimed dividend, retention money payable, long term deposits and short term borrowings.

3.9.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the unconsolidated statement of profit or loss.

3.9.4 Trade Debts

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. Trade debts are written off where there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than one year past due (considered as default).

3.10 Impairment

Financial assets

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

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

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

3.11 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, running finance and cash at banks.

3.13 Revenue recognition

Revenue from contracts with customers is recognised, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

3.13.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are dispatched to customers and in very few cases when goods are delivered to the customers, in case of local sales. Further in case of export sale, control is transferred when goods are shipped to the customers or received at customer's country port.

3.13.2 Dividends

Dividend income is recognized when the Company's right to receive the dividend is established.

3.13.3 Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

3.14 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.15 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the statement of financial position date. All exchange differences are charged to unconsolidated statement of profit or loss.

3.16 Borrowings

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to unconsolidated statement of profit or loss in the period in which these are incurred.

3.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each unconsolidated statement of financial position date and adjusted to reflect the current best estimate.

3.18 Earnings per share (EPS)

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

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

3.19 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit and as a liability in the Company's unconsolidated statement of financial position in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

3.20 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost representing the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the unconsolidated statement of profit or loss over the period of borrowings on an effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.21 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.22 Contingent liabilities

A contingent liability is disclosed when:

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

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

3.23 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director of the Company that makes strategic decisions.

3.24 Government Grant

The Company follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in the unconsolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

3.25 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

4.1 Initial application of standards, amendments or an interpretation to existing standards

Certain standard amendments and interpretations to approved accounting standards are effective for the accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company operations and are, therefore, not detailed in these financial statements.

4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

4.2.1 Amendments to IAS 1, Classification of liabilities as current or non-current

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2023, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

4.2.2 Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies.

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

4.2.3 Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes, effective for accounting periods beginning on or after January 01, 2023, require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

4.2.4 Amendments to IAS 8, Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

4.2.5 Amendments to IFRS 16, Leases on sale and leaseback

The amendment to IFRS 16 Leases on sale and leaseback, effective for accounting periods beginning on or after January 01, 2023, requires companies to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

4.2.6 Amendment to IAS 1 – Non-current liabilities with covenants

The amendment to IAS 1 Non-current liabilities with covenants, effective for accounting periods beginning on or after January 01, 2024, clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

5. SHARE CAPITAL

5.1 Authorised share capital

	Number of shares	2023	2022
		(Rupees in thousand)	
(2022: 1,400,000,000) ordinary shares of Rs. 10 each	1,400,000,000	14,000,000	14,000,000
(2022: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each	100,000,000	1,000,000	1,000,000
	1,500,000,000	15,000,000	15,000,000

5.2 Issued, subscribed and paid-up share capital

	Note	Number of shares	2023	2022
			(Rupees in thousand)	
Number of shares				
(2022: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	835,972,162	8,359,721	8,609,721
(2022: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.2.2	35,834,100	358,341	358,341
(2022: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2022: 153,846,153) ordinary shares of Rs. 10 each issued as fully right shares at discount	5.2.3	153,846,153	1,538,462	1,538,462
(2022: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.4	1,624,417	16,244	16,244
	5.2.5	1,073,346,232	10,733,462	10,983,462

5.2.1 The Company has bought back 25 million shares for the purpose of cancellation from May 26, 2022 to July 5, 2022 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Company in their meeting held on April 19, 2022 and May 17, 2022 respectively, where the company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 25 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from May 26, 2022 to August 15, 2022. These shares were cancelled on July 15, 2022.

5.2.2 During the financial year 1992, pursuant to merger of White Cement Industries Limited and Pak Cement Capital Limited with and into the Company, the Company issued 3,503,000 ordinary shares at the rate of Rs. 10 each to the shareholders of White Cement Industries Limited and 6,487,100 ordinary shares at the rate of Rs. 10 each to the shareholders of Pak Cement Company Limited respectively. Further, during financial year 2001, pursuant to merger of Maple Leaf Electric Company Limited with and into the Company, the Company issued 25,844,000 ordinary shares at the rate of Rs. 10 each to the shareholders of Maple Leaf Electric Company Limited. The shares were issued in accordance with the schemes of merger approved by the share holders of the Company.

5.2.3 During the financial year ended June 30, 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

5.2.4 During the financial years ended June 30, 2011 and June 30, 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

5.2.5 Movement of Issued, subscribed and paid-up share capital	Number of shares	2023	2022
		(Rupees in thousand)	
At beginning of the year	1,098,346,232	10,983,462	10,983,462
Own shares purchased during the year	(25,000,000)	(250,000)	-
At end of the year	1,073,346,232	10,733,462	10,983,462

5.3 The Holding Company holds 606,497,944 (2022: 606,497,944) ordinary shares, which represents 56.51% (2022: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.4 Directors of the Company hold 96,706 (2022: 98,730) ordinary shares of Rs. 10 each of the Company.

6. CAPITAL RESERVES

	Note	2023	2022
		(Rupees in thousand)	
Capital redemption reserve	6.1	105,824	528,263
Share premium reserve	6.2	6,060,550	6,060,550
Own share purchased for cancellation	5.2.1	-	(496,429)
FVOCI reserve	6.3	197,578	-
		6,363,952	6,092,384

6.1 This reserve has been created under section 85 of the repealed Companies Ordinance, 1984 for redemption of shares.

6.2 This reserve can be utilized by the Company only for the purpose specified in section 81(2) of the Companies Act, 2017.

6.3 This represents the unrealised gain on remeasurement of equity investments at FVOCI and is not available for distribution.

7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	2023	2022
	(Rupees in thousand)	
At beginning of the year	3,456,148	4,175,634
Surplus on disposal of fixed assets during the year - net of deferred tax	(385)	(1,986)
Related deferred tax liability	(226)	(786)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(443,313)	(513,416)
Related deferred tax liability	(260,918)	(203,298)
At end of the year	2,751,306	3,456,148

Deferred tax liability on revaluation surplus	2023	2022
	(Rupees in thousand)	
At beginning of the year	996,181	1,085,659
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(226)	(786)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(260,918)	(203,298)
Effect of change in effective tax rate due to proportion of local and export sales	147,285	114,606
At end of the year	882,322	996,181
	1,868,984	2,459,967

7.1 The Company's freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery were revalued by Arif Evaluators, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) in "any amount" category, at June 30, 2020. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Buildings on freehold land, roads, bridges and railway sidings

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		Rupees in '000'					
1	Askari Bank Limited - Term Finance	707,130	459,634	636,416	13 equal quarterly installments starting from December 28, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
2	Bank of Punjab - Demand Finance	1,253,119	814,528	1,190,463	13 equal quarterly installments starting from February 27, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
3	MCB Bank Limited - Demand Finance	1,451,920	775,650	889,149	11 equal quarterly installments starting from June 24, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Company.
4	National Bank of Pakistan - Demand Finance	5,500,000	1,280,001	2,565,714	09 equal quarterly installments starting from September 30, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	450,000	262,500	412,500	07 equal quarterly installments starting from July 01, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	Joint Pari Passu charge of Rs. 600 million on all present and future fixed assets of the Company including land.
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	-	962,878	This loan has been fully repaid during the period.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on the first working day of every calendar quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Company.
7	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	822,807	1,045,285	Repayment will made in following tranches. Tranche 1 12 equal quarterly installments starting from August 23, 2023. Tranche 2 12 equal quarterly installments starting from August 30, 2023. Tranche 3 13 equal quarterly installments starting from June 28, 2023. Tranche 4 13 equal quarterly installments starting from September 14, 2023. Tranche 5 13 equal quarterly installments starting from September 17, 2023. Tranche 6 15 equal quarterly installments starting from June 28, 2023.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 2,000 million over all present and future fixed assets of the Company including land and building and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		Rupees in '000'					
8	Askari Bank Limited - Term Finance	125,000	-	75,000	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs 667 million over fixed assets of the Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it. - Personal Guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel).
9	The Bank of Punjab - Demand Finance	374,339	-	299,471	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million, with 25% margin, over all present and future fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	National Bank of Pakistan - Demand Finance	1,000,000	-	200,000	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and to be reset on the first working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
11	MCB Islamic Bank - Diminishing Musharakah	500,000	-	166,667	This loan has been fully repaid during the year.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and subsequently at the beginning of each quarter.	1st Joint Pari Passu charge of Rs. 666.67 millions over all present and future fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
12	Allied Bank Limited- SBP refinance for Wages and Salaries	933,000	-	213,315	This loan has been fully repaid during the year.	SBP rate + 50 bps to 100 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge over all fixed assets of the Company with 25% margin.
13	Pair Investment Company Limited - Term Finance	300,000	-	75,000	This loan has been fully repaid during the year.	3 months KIBOR + 100 bps p.a, payable quarterly, with the first payment falling due at the end of the 3rd month from the first disbursement date and subsequently every three months thereafter.	1st Joint Pari Passu charge over present and future fixed assets of the company with 25% margin.
14	Askari Bank Limited - TERF	756,000	448,448	586,433	13 equal quarterly installments starting from August 17, 2023.	SBP Rate + 200 bps p.a, payable quarterly in arrears.	Ranking hypothecation charge of PKR 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of the Company (to be upgraded to 1st Joint Pari Passu charge). Cushion available against existing registered 1st Joint Pari Passu charge of Rs 2,000 million, to the extent of Rs. 890.493 million, over fixed assets of the Company with 25% margin over fixed assets of the Company as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'		---------------			
15	Bank of Punjab - Demand Finance	600,000	243,157	297,192	18 equal quarterly installments starting from September 14, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
16	National Bank of Pakistan - Demand Finance	1,220,497	714,106	360,751	32 equal quarterly installments starting from September 18, 2023.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
17	National Bank of Pakistan - TERF	1,779,503	1,730,090	1,779,503	32 equal quarterly installments starting from September 18, 2023.	SBP rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
18	Bank of Punjab - Demand Finance	2,500,000	2,222,753	1,965,331	32 equal quarterly installments starting from September 19, 2023.	3-Month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	Cushion available against existing registered 1st Joint Pari Passu charge of Rs 7,903 million, over fixed assets of the Company inclusive of 25% margin and initial ranking charge of Rs. 3,236.1 million with 25% margin, over all present and future fixed assets of the Company (upgraded to First Joint Pari Passu charge).
19	Bank of Punjab - TERF	500,000	500,000	500,000	32 equal quarterly installments starting from September 19, 2023.	SBP Rate + 150 bps p.a payable quarterly in arrears.	1st Joint Pari Passu Charge of Rs 7,903 million over all present and future fixed assets of the Company, with 25% margin.
20	MCB Bank Limited - LTFF	805,806	805,806	805,806	32 equal quarterly installments starting from September 18, 2023.	SBP LTFF Rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Company.
21	MCB Bank Limited - Demand Finance	1,194,194	617,007	439,276	32 equal quarterly installments starting from September 18, 2023.	3-Month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Company.
22	Habib Bank Limited. - LTFF	560,705	560,705	560,705	20 equal quarterly installments starting from September 25, 2023.	SBP + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
23	Habib Bank Limited - Term Finance	2,439,295	1,974,686	1,437,412	20 equal quarterly installments starting from September 25, 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'		---------------			
24	Allied Bank Limited -Term Finance	518,575	365,473	118,969	Repayment will made in following tranches. Tranche 1 24 equal quarterly installments starting from August 30, 2023. Tranche 2 22 equal quarterly installments starting from August 24, 2023. Tranche 3 24 equal quarterly installments starting from December 19, 2023.	3-Month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Pari Passu charge of Rs 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
25	Allied Bank Limited - LTFF	121,425	111,306	121,425	22 equal quarterly installments starting from August 22, 2023.	SBP + 100 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge of Rs 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
26	Faysal Bank Limited - Diminishing Musharakah	2,000,000	1,428,036	986,594	21 equal quarterly installments starting from August 31, 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over all present & future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel).
27	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	331,528	350,000	Repayment will made in following tranches. Tranche 1 10 equal quarterly installments starting from July 01, 2023. Tranche 2 10 equal quarterly installments starting from June 30, 2023. Tranche 3 12 equal quarterly installments starting from July 26,2023.	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over fixed assets of Company including land, building and plant & machinery with 25% margin.
28	MCB Bank Limited - Demand Finance	500,000	333,278	480,816	16 equal quarterly installments starting from May 28, 2025.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Ranking charge of Rs. 667 million over present and future fixed assets of the Company, inclusive of 25% margin.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'	----------------				
29	Askari Bank Limited - Term Finance	1,000,000	816,931	816,931	32 equal quarterly installments starting from September 09, 2024	3-Month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below (same charged in serial no 9): - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
30	Allied Bank Limited -Term Finance	1,000,000	1,000,000	-	Repayment will made in following tranches. Tranche 1 16 equal quarterly installments starting from November 04, 2023. Tranche 2 16 equal quarterly installments starting from March 12, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
	Total	33,428,887	18,618,430	20,339,002			
	Accrued mark up on long term loans		743,232	490,860			
	Amortized Cost of long term loans		19,361,662	20,829,862			
	Less:						
	Impact of deferred government grant		(785,692)	(971,334)			
	Current portion of long term loans from financial institutions (principal portion) - secured		(2,599,401)	(2,619,800)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(743,232)	(490,860)			
	Long term portion of loans from financial institutions		15,233,337	16,747,868			

9. DEFERRED GRANT

	Note	2023	2022
		(Rupees in thousand)	
Balance as at 01 July	9.1 & 9.2	971,334	99,566
Recognized during the year		-	950,467
Amortization during the year		(185,642)	(78,699)
Balance as at 30 June		785,692	971,334
Current portion		(179,766)	(184,576
Non - current portion		605,926	786,758

9.1 This represents deferred grant related to loans obtained, during 2021, under "SBP refinance scheme for payment of wages and salaries" and "SBP Temporary Economic Refinance Facility Scheme" for setting of waste heat recovery plant. These facilities carry mark-up at the rate specified by State Bank of Pakistan plus spread of 0.5% to 2% per annum. The loans were initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds was recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), circular number 11 of 2020 issued by the Institute of Chartered Accountant of Pakistan and selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

9.2 The Company has obtained loans amounting to Rs 2,727 million under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of cement production line (Line - IV) and for setting up Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 1.50% to 2% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

10. LONG TERM LOAN FROM SUBSIDIARY COMPANY

	Note	2023	2022
		(Rupees in thousand)	
Long term loan	10.1	2,000,000	2,000,000

10.1 This represents agreement dated June 01, 2019 for the conversion of outstanding balance payable into long term loan from Maple Leaf Power Limited, the Subsidiary Company, in lieu of electricity purchased during the current and prior years to long term loan. On June 30, 2023, addendum to agreement was signed. As per the addendum, Rs. 2,000 million which was payable from April 01, 2024 has been rescheduled and the total loan of Rs. 2,000 million is now payable in eight equal quarterly instalments starting from October 01, 2025 . This loan carries mark-up at 3 month KIBOR plus 1% per annum, payable quarterly in arears. The effective rate during the year ranges from 15.32% to 22.08% per annum (2022: 8.45% to 12.95%).

11. LIABILITY AGAINST RIGHT OF USE ASSET

	2023	2022
	(Rupees in thousand)	
Liability against right of use asset	33,973	-
Addition during the year	17,666	44,021
Interest on lease liabilities	5,038	2,377
Payments made during the year	(14,611)	(12,425)
Leases terminated during the year	(401)	-
	41,665	33,973
Current portion of liability against right of use asset	(10,257)	(6,837)
	31,408	27,136
Maturity analysis of liability against right of use asset is as follows:		
Less than one year	14,325	9,138
One to five years	26,498	19,715
More than five years	30,226	31,924
	71,049	60,777
Future finance charge	(29,384)	(26,804)
Present value of liability against right of use asset	41,665	33,973

12. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Company in accordance with the terms of dealership agreements.

13. DEFERRED TAXATION

	Note	2023	2022
		(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:			
- Accelerated tax depreciation on fixed assets		9,849,033	6,147,342
- Surplus on revaluation of fixed assets		882,322	996,181
- Investment at FV - OCI		65,859	-
		10,797,214	7,143,523
Deferred tax asset on deductible temporary differences arising in respect of:			
- Provision against expected credit loss		(89,719)	(16,155)
- Unused tax losses	13.2	(479,209)	(974,863)
- Minimum tax	13.3	(493,792)	(180,758)
- Alternative corporate tax	13.4	(1,013,692)	(277,270)
- Employees' retirement benefits		(51,591)	(37,978)
		(2,128,003)	(1,487,024)
	13.1	8,669,211	5,656,499

13.1 Movement in deferred tax balances is as follows:

	2023	2022
	(Rupees in thousand)	
At beginning of the year	5,656,499	3,889,907
Recognized in statement of profit or loss:		
- Accelerated tax depreciation on fixed assets	3,701,691	925,223
- Surplus on revaluation of fixed assets	(261,144)	(204,084)
- Unused tax losses	495,654	1,016,378
- Employees' retirement benefits	(6,636)	26,582
- Minimum tax	(313,034)	-
- Alternative corporate tax	(736,422)	(181,599)
- Provision for expected credit loss	(73,564)	68,929
	2,806,545	1,651,429
Recognized in surplus on revaluation of fixed assets		
Effect of change in proportion of local and export sales	147,285	114,606
Recognized in other comprehensive income:		
- Employees' retirement benefits	(6,977)	557
- Investment at fair value through OCI	65,859	-
	8,669,211	5,656,499

13.2 This represents deferred tax asset on unused tax losses amounting to Rs. 1,652 million (2022: Rs. 3,362 million) recognized on the basis of future expected taxable profits. As at June 30, 2023, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of Income Tax Ordinance, 2001.

13.3 Deferred tax asset on minimum tax available for carry forward u/s 113 of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Company has recognised deferred tax assets of Rs.493.792 million (2022: Rs. 180.029) in respect of minimum tax available for carry forward u/s 113 of the Income Tax Ordinance, 2001, as sufficient tax profits would be available to set these off in the foreseeable future. Minimum tax amounting to Rs. 180.76 million and Rs. 313.03 million will expire in year 2024 and 2026 respectively.

13.4 Deferred tax asset on alternate corporate tax available for carry forward u/s 113(c) of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Company has recognised deferred tax assets of Rs. 1,013.692 million (2022: Rs. 277.999 million) in respect of alternate corporate tax available for carry forward u/s 113(c) of the Income Tax Ordinance, 2001, as sufficient tax profits would be available to set these off in the foreseeable future. Alternate Corporate Tax amounting to Rs 90.11 million, Rs 277.03 million and Rs 646.55 million will expire in year 2031, 2032 and 2033 respectively.

14. RETENTION MONEY PAYABLE

This represented retention money payable to M/s Chengdu Design & Research Institute Of Building Materials Industry Co., Ltd amounting to CNY 38.41 million (equivalent to Rs. 1,535.635 million) against line-IV after 18 months of last major shipment and remaining amount is payable to M/s Sinoma Energy Conservation Ltd against line-IV WHRP amounting to CNY 5.43 million (equivalent to Rs. 217.353 million). This amount will be payable on issuance of certificate of performance test acceptance by the Company.

15. RETIREMENT BENEFITS

	Note	2023	2022
		(Rupees in thousand)	
Accumulated compensated absences	15.1	213,284	165,416
Gratuity	15.2	65,208	69,913
		278,492	235,329

15.1 Accumulated compensated absences

The actuarial valuation of the Company's accumulated compensated absences was conducted on June 30, 2023 using projected unit credit method. Details of obligation for accumulated compensated absences is as follows:

15.1.1 Movement in the present value of defined benefit obligations is as follows:

	2023	2022
	(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year	165,416	137,775
Current service cost for the year	11,103	11,110
Interest cost for the year	20,729	12,990
Remeasurements:		
Actuarial (gains) / losses from changes in demographic assumptions	-	-
Actuarial (gains) / losses from changes in financial assumptions	-	-
Experience adjustments	33,974	19,283
Benefits paid during the year	(17,938)	(15,742)
Present value of defined benefit obligation	213,284	165,416

15.1.2 Charge for the year

In statement of profit or loss

	2023	2022
Current service cost for the year	11,103	11,110
Interest cost for the year	20,729	12,990
Actuarial losses on present value of defined benefit obligations	33,974	19,283
	65,806	43,383

15.1.3 Sensitivity analysis

Significant actuarial assumptions used to estimate the liability are discount rate and future salary increases. If such assumptions had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at June 30, 2023 would have been as follows:

	Compensated absences	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	194,020	235,773
Future salary increase + 100 bps	235,427	194,021

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the unconsolidated statement of financial position.

15.1.4 At June 30, 2023, the average duration of the defined benefit obligation was 10 years.

15.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at June 30:

	2023	2022
	(Percentage)	
Discount rate used for interest cost	13.25%	10.00%
Discount rate used for year end obligations	16.25%	13.25%
Expected rate of growth per annum in future salaries	15.25%	12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumption	60 Years	60 Years

15.2 Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted on June 30, 2023 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

The amounts recognized in the unconsolidated statement of financial position are as follows:

	Note	2023	2022
		(Rupees in thousand)	
Present value of defined benefit obligation	15.2.1	162,625	153,729
Less: Fair value of plan assets	15.2.2	(99,816)	(83,816)
Add: Payable to ex-employees		2,399	-
Net liability at end of the year		65,208	69,913
Net liability at beginning of the year		69,913	90,491
Charge to statement of profit or loss for the year	15.2.3	12,405	13,957
Charge to other comprehensive income for the year	15.2.3	18,830	(1,726)
Contribution made during the year	15.2.4	(35,940)	(27,577)
Gratuity due but not paid		-	(5,232)
Net liability at end of the year		65,208	69,913

15.2.1 Movement in the present value of defined benefit obligations is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year		153,729	168,575
Current service cost for the year		6,029	6,547
Interest cost for the year		17,829	15,218
Benefits due but not paid		(2,399)	(5,232)
Remeasurements:		-	-
Actuarial (gains) / losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		183	195
Experience adjustments		23,194	(3,996)
Benefits paid during the year		(35,940)	(27,577)
Present value of defined benefit obligation at end of the year		162,625	153,729

15.2.2 Movement in the fair value of plan assets is as follows:

	Note	2023	2022
Fair value of plan assets at beginning of the year		83,816	78,084
Contributions made during the year		41,171	27,577
Expected return on plan assets for the year		11,453	7,808
Actuarial loss / (gain) on plan assets		4,547	(2,076)
Benefits paid during the year	15.2.4	(41,171)	(27,577)
Fair value of plan assets at end of the year		99,816	83,816
Fair value of plan assets are as follows:			
NAFA Government Securities Liquid Fund		98,859	23,743
Special saving certificates		-	58,560
Cash at bank		957	1,513
		99,816	83,816

	2023	2022
	Percentage	
Plan assets comprise of:		
Equity	99.04%	28.32%
Special saving certificates	0.00%	69.87%
Cash at bank	0.96%	1.81%
	100.00%	100.00%

15.2.3 Charge for the year

	2023	2022
	(Rupees in thousand)	
In unconsolidated statement of profit or loss		
Current service cost for the year	6,029	6,547
Interest cost for the year	17,829	15,218
Expected return on plan assets for the year	(11,453)	(7,808)
	12,405	13,957
In unconsolidated statement of comprehensive income		
Actuarial losses / (gains) on retirement benefits - net	18,830	(1,726)
	31,235	12,231

Actuarial assumptions

The following are the principal actuarial assumptions at 30 June:

	2023	2022
	Percentage	
Discount rate used for year end obligations	16.25%	13.25%
Discount rate used for interest cost in profit or loss	13.25%	10.00%
Expected rate of growth per annum in future salaries	15.25%	12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

15.2.4 This also includes payments made to employees with respect to gratuity due but not paid in 2022 amounting to Rs 5.23 million.

15.3 The Company expects to charge Rs. 12.405 million to unconsolidated statement of profit or loss on account of defined benefit plan in the year ending June 30, 2023.

15.4 Sensitivity analysis

Significant actuarial assumptions used to estimate the liability are discount rate and future salary increases. If such assumptions had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at June 30, 2023 would have been as follows:

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	156,035	161,490
Future salary increase + 100 bps	169,774	155,925

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

15.5 At June 30, 2023, the average duration of the defined benefit obligation was 4 years.

15.6 Compensated absence and gratuity charge to profit or loss for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	36	41,000	34,380
Administrative expenses	37	22,680	13,731
Distribution expenses	38	14,531	9,229
		78,211	57,340

16. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in thousand)	
Trade creditors		3,390,287	3,651,546
Due to related party	16.1	1,871,865	132,595
Bills payable - secured		1,414,069	324,166
Accrued liabilities		1,837,690	1,341,074
Contract liabilities	16.2	445,838	345,495
Payable to Workers' Profit Participation Fund	16.3	1,564,031	1,613,792
Payable to Workers' Welfare Fund	16.4	280,436	155,344
Payable to Provident Fund Trust		-	17,786
		10,804,216	7,581,798
Payable to Government on account of:			
Federal Excise duty payable		374,455	511,547
Sales Tax payable - net		770,490	17,378
Royalty and Excise Duty payable		35,059	80,435
Other Taxes payable		87,253	260,602
		1,267,257	869,962
Contractors' retention money	16.5	359,096	554,577
Security deposits repayable on demand	16.6	76,723	75,214
Payable against redemption of preference shares		1,005	1,010
Other payables		9,883	34,853
		446,707	665,654
		12,518,180	9,117,414

16.1 Due to related party

	2023	2022
Due to Subsidiary company	1,871,865	132,595

16.2 This represents advances received from customers for future sale of goods. During the year, the Company has recognized revenue amounting to Rs. 219.027 million, out of the contract liability as at July 01, 2022.

	Note	2023	2022
		(Rupees in thousand)	
16.3 Payable to Workers' Profit Participation Fund			
At beginning of the year		1,613,792	1,325,693
Allocation for the year	39	56,319	376,250
Less: Paid during the year		(106,080)	(88,151)
At end of the year		1,564,031	1,613,792
16.4 Workers' Welfare Fund			
At the beginning of the year		155,344	86,043
Charge for the year	39	189,936	150,500
Prior year charge		-	(58,014)
		189,936	92,486
Paid during the year		(64,844)	(23,185)
At end of the year		280,436	155,344

16.5 This represents retention money withheld from contractors and are repayable after satisfactory completion of contracts.

16.6 This represents security deposits received from distributors and contractors of the Company. Distributors and contractors have given the Company a right to utilize deposits in ordinary course of business.

17. MARK-UP ACCRUED ON BORROWINGS

	Note	2023	2022
		(Rupees in thousand)	
Accrued mark-up on:			
- Long term loans	17.1	743,232	490,860
- Long term loan from Subsidiary Company	10	115,084	32,286
- Short term borrowings	17.2	21,723	141,976
		880,039	665,122

17.1 Accrued mark-up on all loans includes Rs. 62.011 million (2022: Rs. 60.547 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

17.2 Accrued mark-up on short term loans includes Rs. nil (2022: Rs. 62.331 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

18. SHORT TERM BORROWINGS

	Note	2023	2022
		(Rupees in thousand)	
Banking and financial institutions:			
- Cash finance and others facilities availed	18.1	-	808,521
- Running finance	18.2	-	1,396,990
- Islamic mode of financing	18.3	-	1,366,057
Temporary bank overdrafts - unsecured	18.4	-	505
		-	3,572,073

18.1 The Company has un-availed cash finance and other funded facilities aggregating to Rs. 2,000 million (2022: Rs.1,938 million) at the year end and un-availed facilities for opening letters of credit / guarantee aggregating to Rs. 8,685 million (2022: Rs. 7,935 million) at the year end.

The cash finance and other facilities carry mark-up at the rates ranging from 3.00% to 22.70% (2022: 3.00% to 21.00%) per annum payable quarterly in arrears.

18.2 The Company has un-availed running finance funded facilities aggregating to Rs. 950 million (2022: Rs. 448 million) at the year end. These are secured against same securities as mentioned in note 18.1 above.

The running finance carries mark-up at the rates ranging from 14.80% to 23.58% (2022: 7.92% to 15.18%) per annum, payable quarterly in arrears.

18.3 The Company has un-availed Islamic financing facilities aggregating to Rs. 2,000 million (2022: 601million) at the year end.

The Islamic financing facilities carried profit expense at : 8.05% to 11.26% per annum payable in arrears during 2022.

18.4 This represents temporary overdraft in the preceding financial year due to cheques issued by the Company at the statement of financial position date June 30, 2022.

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Company filed writ petitions before the Honourable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal in 2004 whereby the Company was held liable on account of wrongful adjustment of input sales tax on raw materials. The amount involved pending adjudication before the Honourable Lahore High Court is Rs.10.01 million out of which Rs. 3 million had already been paid during previous years. Lahore High Court remanded the case back to Appellate Tribunal for Decision afresh. However, hearing of the appeals by the Appellate Tribunal is yet to be fixed. No further provision has been made in these unconsolidated financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.2 The Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rs. 12.35 million was rejected and the Company was held liable to pay an amount of Rs. 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated July 01, 1995. The impugned demand was raised by the department on the alleged ground that the Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated April 02, 1994.

The Honourable Lahore High Court, upon the Company's appeal, vide its order dated November 06, 2001 has decided the matter in favour of the Company; however, the Collector of Customs has preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these unconsolidated financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.3 A show cause notice was issued to the Company on December 04, 1999 and demand was raised by the Central Board of Revenue (now the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by the Company (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rs.1,386.72 million was raised by the Excise Department out of which an amount of Rs. 449.328 million was deposited by the Company (initially the Company deposited Rs. 269.328 million and subsequently deposited further amount of Rs. 180.00 million). Initially, the matter was decided in favour of the Company as per the judgment of the Lahore High Court in writ petition no. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgment dated December 21, 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Company has filed its reply before the Collector of Customs, Faisalabad who decided the same against the Company vide order no. 6/2014 dated July 09, 2014. The said order was challenged by the Company by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to the Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006.

However, the Collector of Customs instead of making fresh calculations, through a demand notice CA-1946/2000(Pt-I)/8169 dated October 23, 2019 restored the original demand raised by the earlier order no. 06/2014 and directed the Company to pay the amount of Rs. 933.81 million within a period of seven days. The said demand of tax was challenged by the Company before the Honourable Lahore High Court, wherein stay against recovery was granted to it by the Honourable Lahore High Court vide order dated November 04, 2019. This matter is still pending before the Honourable Lahore High Court, Lahore and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these unconsolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.4 The Company has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, by judgment dated September 15, 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to December 28, 2006 was illegal and ultra vires and after December 28, 2006, it was legal and the same was collected by the Excise Department in accordance with the law. The appeal has been filed against the declaration that after December 28, 2006, the Excise Department has collected the infrastructure cess / fee in accordance with law. The Province of Sindh and Excise and Taxation Department has also preferred an appeal against the judgment decided against them. The Honourable Supreme Court unconsolidated both the appeals and were set aside. Thereafter, law has been challenged in constitution petition in the Honourable Sindh High Court Karachi. Stay has been granted by the Honourable Lahore High Court on May 31, 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The matter is pending adjudication before the Honourable court, till that time, the stay order remains in effect.

19.1.5 Competition Commission of Pakistan, vide order dated August 27 ,2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission has imposed penalty amounting to Rs. 586.19 million on the Company. The Commission has alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honourable Islamabad High Court pursuant to the judgment of Honourable Supreme Court of Pakistan dated July 31, 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these unconsolidated financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.6 The Additional Collector, Karachi has issued show cause notice alleging therein that the Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated June 05, 2006 on the import of pre-fabricated buildings structure. Consequently, the Company is liable to pay Government dues amounting to Rs. 5.55 million. The Company has submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these unconsolidated financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.7 The customs department has filed an appeal against the judgment dated May 19, 2009, passed in favour of the Company pursuant to which the Company is not liable to pay custom duty amounting to Rs. 0.81 million relating to import of some machinery vide L/C No. 0176-01-46-518-1201 in terms of SRO 484(1)/92 dated May 14, 1992, and SRO 978(1)/95 dated October 04, 1995. The appeal is pending before the Honourable Lahore High Court. No provision has been made in these unconsolidated financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.8 Surcharge of Rs. 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Company has filed writ petition against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition and remanded the case back to the department since the matter was being reviewed by the relevant authority. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.9 The FBR selected the company's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated February 10, 2021 issued by the office of the CIR. Subsequently, the DCIR issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated March 31, 2021 through which an aggregate sales tax demand of Rs 1,399.89 million was created against the company.

The company preferred an appeal against the above referred order which was disposed of by the CIR vide appellate order dated July 15, 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of the company. Regarding the issues decided against the company, the company is in the process of preferring an appeal before the ATIR and on the basis of evidence shared by the company, we consider that the company is likely to obtain relief from the appellate authorities.

19.1.10 Through notices dated March 3, 2021, the CIR selected company's case for audit of its sales tax affairs for tax periods from July 2015 to June 2017 and July 2018 to June 2020. The company challenged the vires of selection by the CIR before the Honourable Lahore High Court, and the Honourable Lahore High Court, vide interim order dated March 30, 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Following the directions of the Honourable Lahore High Court, the company joined the audit proceedings by responding to issues arising out of audit reports Subsequently, the tax authorities issued show cause notices under section 11 of the Act dated May 31, 2021, for the subject tax periods which are yet to be responded to. Since the matter is pending before the Honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal of writ petitions.

19.1.11 The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated March 22, 2018 raised demand of Rs. 256 million against the Company, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by the Company. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition no. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Company and the tax/legal advisor of the Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

19.1.12 The Company was selected for audit under section 42B of Sales tax for tax period July 2017 to June 2018 intimated by letter dated December 8, 2020. The DCIR finalized the audit and created a demand of Rs. 690.52 million along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Company preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of the Company are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.13 The Company received show cause notice, dated April 17, 2022 as per which it was alleged that the Company's claim of input sales tax amounting to Rs 85.98 million, for the tax periods January 2017 to August 2019, was illegal. The Company responded to the notice vide letter dated April 25, 2022. The proceedings were concluded by the DCIR and demand of Rs 85.98 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.14 The Company received show cause notice dated April 7, 2022 as per which it was alleged that the Company's claim of input sales tax, amounting to Rs 620.98 million, for the tax periods July 2019 to November 2021 was illegal. The Company responded to the notice vide letter dated March 25, 2022. The proceedings were concluded by the DCIR and demand of Rs 580.06 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022 passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these unconsolidated financial statements.

19.1.15 The Company received show cause notice, dated April 26, 2021 in which it was confronted that the Company has disposed of its fixed assets during the tax periods July 2015 to June 2017 without charging sales tax, aggregating to Rs 42.76 million. The Company responded to the notice vide letter dated May 7, 2021. The proceedings were concluded and the DCIR vide assessment dated August 23, 2021 passed under section 11 of the Sales Tax Act 1990 raised sales tax demand amounting to Rs. 42.76 million along with default surcharge and penalty. Being aggrieved, the Company preferred an appeal before the CIR(A), which was disposed of by the CIR(A) vide appellate order dated February 10, 2022. Through such appellate order, entire sales tax demand along with penalty and default surcharge has been annulled by the CIR(A). It was held that the disposal of land, buildings and vehicles did not warrant the imposition of sales tax and accordingly, the demand on account of these disposals has been deleted whereas sales tax demand on account of disposal of remaining fixed assets, amounting to Rs 23 million, has been remanded back to the taxation officer to decide the matter after examination of underlying record. No further correspondence has been received from tax department in this regard. The management is expecting favourable outcome of the case, therefore, no provision has been booked in these unconsolidated financial statements.

19.1.16 Contingencies relating to tax matters are disclosed in note 33 to these unconsolidated financial statements.

Based on the advice of the taxation / legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the unconsolidated financial statements.

19.2 Commitments

19.2.1 In respect of:

	2023	2022
	(Rupees in thousand)	
- capital expenditure	3,257,391	5,623,145
- irrevocable letters of credit for spare parts	400,478	397,877
- coal	1,992,761	1,972,000
	5,650,630	7,993,022

19.2.2 Guarantees given by banks on behalf of the Company are Rs. 1,101.35 million (2022: 1,037.04 million) in favour of Sui Northern Gas Pipeline Limited and Government Institutions.

19.2.3 Corporate guarantee given by the Company to the financial institutions related to credit facilities amounting to Rs. 1,000 million (2022: Rs. 1,500 million) available to the Subsidiary Company.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in thousand)	
Operating fixed assets	20.1	60,439,573	41,151,385
Capital work in progress - at cost	20.2	1,676,796	15,352,800
Major spare parts and stand-by equipments	20.3	238,239	280,655
		62,354,608	56,784,840

20.1 Operating fixed assets

	Cost / Revalued amount					Depreciation				
	At July 01, 2022	Additions	Disposals	At June 30, 2023	Rate	At July 01, 2022	For the year	Disposals	At June 30, 2023	Net book value at June 30, 2023
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	2,450	-	824,604	-	-	-	-	-	824,604
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	2,450	-	1,194,487		-	-	-	-	1,194,487
Buildings on freehold land										
- cost	14,057,169	5,722,076	-	19,779,245	5 - 20	4,412,727	681,929	-	5,094,656	14,684,589
- surplus on revaluation	343,724	-	-	343,724	5 - 20	205,360	28,323	-	233,683	110,041
	14,400,893	5,722,076	-	20,122,969		4,618,087	710,252	-	5,328,339	14,794,630
Roads, bridges and railway sidings										
- cost	457,157	11,895	-	469,052	5 - 10	166,663	30,403	-	197,066	271,986
- surplus on revaluation	4,429	-	-	4,429	5 - 10	4,321	24	-	4,345	84
	461,586	11,895	-	473,481		170,984	30,427	-	201,411	272,070
Plant and machinery										
- cost	48,925,183	16,580,806	(42,771)	65,463,218	5 - 20	22,349,438	1,953,361	(16,368)	24,286,431	41,176,787
- surplus on revaluation	7,479,329	-	(1,540)	7,477,789	5 - 20	4,531,523	675,885	(929)	5,206,479	2,271,310
	56,404,512	16,580,806	(44,311)	72,941,007		26,880,961	2,629,246	(17,297)	29,492,910	43,448,097
Furniture, fixtures and equipment	524,964	58,403	(476)	582,891	10 - 30	418,348	27,560	(310)	445,598	137,293
Quarry Equipment	183,104	1,900	-	185,004	20	172,735	2,207	-	174,942	10,062
Vehicles	413,595	411,614	(66,532)	758,677	20	204,288	61,536	(46,969)	218,855	539,822
Share of Joint assets	6,000	-	-	6,000	10	6,000	-	-	6,000	-
	1,127,663	471,917	(67,008)	1,532,572		801,371	91,303	(47,279)	845,395	687,177
Right of use asset										
- leasehold land	29,001	566	-	29,567	5.88 - 50	1,113	2,287	-	3,400	26,167
- leasehold building	15,020	17,100	(401)	31,719	33	6,810	8,365	(401)	14,774	16,945
	44,021	17,666	(401)	61,286		7,923	10,652	(401)	18,174	43,112
Total	73,630,712	22,806,810	(111,720)	96,325,802		32,479,326	3,471,880	(64,977)	35,886,229	60,439,573

	Cost / Revalued amount					Depreciation				
	At July 01, 2021	Additions	Disposals	At June 30, 2022	Rate	At July 01, 2021	For the year	Disposals	At June 30, 2022	Net book value at June 30, 2022
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	13,474,727	618,970	(36,528)	14,057,169	5 - 10	3,834,667	611,441	(33,381)	4,412,727	9,644,442
- surplus on revaluation	343,968	-	(244)	343,724	5 - 10	175,298	30,217	(155)	205,360	138,364
	13,818,695	618,970	(36,772)	14,400,893		4,009,965	641,658	(33,536)	4,618,087	9,782,806
Roads, bridges and railway sidings										
- cost	455,040	2,117	-	457,157	5 - 10	133,126	33,537	-	166,663	290,494
- surplus on revaluation	4,429	-	-	4,429	5 - 10	4,312	9	-	4,321	108
	459,469	2,117	-	461,586		137,438	33,546	-	170,984	290,602
Plant and machinery										
- cost	46,612,762	2,375,603	(63,182)	48,925,183	5 - 20	20,595,076	1,800,156	(45,794)	22,349,438	26,575,745
- surplus on revaluation	7,485,566	-	(6,237)	7,479,329	5 - 20	3,848,588	686,490	(3,554)	4,531,524	2,947,805
	54,098,328	2,375,603	(69,419)	56,404,512		24,443,664	2,486,646	(49,348)	26,880,962	29,523,550
Furniture, fixtures and equipment	499,440	29,394	(3,870)	524,964	10 - 30	399,180	22,587	(3,419)	418,348	106,616
Quarry equipment	183,104	-	-	183,104	20	170,138	2,597	-	172,735	10,369
Vehicles	346,292	93,190	(25,887)	413,595	20	183,678	36,630	(16,020)	204,288	209,307
Share of joint assets	6,000	-	-	6,000	10	5,998	2	-	6,000	-
	1,034,836	122,584	(29,757)	1,127,663		758,994	61,816	(19,439)	801,371	326,292
Right of use asset										
- leasehold land	-	29,001	-	29,001	5.88 - 50	-	1,113	-	1,113	27,888
- leasehold building	-	15,020	-	15,020	33	-	6,810	-	6,810	8,210
	-	44,021	-	44,021		-	7,923	-	7,923	36,098
	70,603,365	3,163,295	(135,948)	73,630,712		29,350,061	3,231,589	(102,323)	32,479,327	41,151,385

20.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	36	3,378,526	3,163,345
Administrative expenses	38	64,996	50,347
Distribution expenses	37	28,358	17,897
		3,471,880	3,231,589

20.1.2 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	Rupees in thousand						
Plant and Machinery							
Feed Screw Conveyor Complete, Sketches No. 20 & 21	2,478	1,657	821	212	(609)	Auction	M/S.Muhammad Hayat Contractor
Centre Cone Of Cost Steel 760	344	264	80	1,078	998	Auction	M/S.Muhammad Hayat Contractor
Tyre Dwg.No. N6222-0402 For White Cement Kiln	781	593	188	6,000	5,812	Return to Store	Return to Store
Shell Kiln Drg.No. 6222-04	2,907	2,208	699	7,000	6,301	Return to Store	Return to Store
Encoder , Model : Rhi 503 , Power Supply: 5 Vdc	102	78	24	63	39	Auction	M/S.Muhammad Hayat Contractor
Load Cell (For Scd Pfister Coal Bin),Type: V335K	39	30	9	24	15	Auction	M/S.Muhammad Hayat Contractor
Flow Control Switch, Type: Mk301-F21-St31-1-15	50	44	6	31	25	Auction	M/S.Muhammad Hayat Contractor
Clamp For Wear Segment, Spl No : 50008582	1,871	283	1,588	1,142	(446)	Auction	M/S Ghulam Akbar
Pull Rod, Drg. # 2.229334,Pn:839335,Spl # 50008582	2,045	313	1,732	10	(1,722)	Return to Store	Return to Store
Incremental Encoder, Type : Ma324-6-1024-Al2	345	60	285	7	(278)	Return to Store	Return to Store
Slip Ring Assembly For 4600Kw Motor, For Line 3	1,605	281	1,324	300	(1,024)	Return to Store	Return to Store
Controller Intecont Tursus Type Vbw 20650	111	98	13	68	55	Auction	M/S.Muhammad Hayat Contractor
Sealing Plate Upper Specification: (Type: Drw 4.12)	919	827	92	25	(67)	Return to Store	Return to Store
Sealing Plate Lower Specification: (Type: Drw 4.14)	1,066	959	107	25	(82)	Return to Store	Return to Store
Bearing Housing Sofn-230 Bl	739	665	74	200	126	Return to Store	Return to Store
Kiln Burner For 500Tpd(Clinker)	214	68	146	221	75	Return to Store	Return to Store
Ep Unit Power Control For Gac-Ix B Of Nigata Engine	202	181	21	125	104	Auction	M/S.Muhammad Hayat Contractor
Gear Box Assembly Type - Zk-128-K4-200	433	261	172	100	(72)	Return to Store	Return to Store
Turbine/Generator - WHRP	525	234	291	438	147	Auction	M/S Ghulam Akbar
Centrifugal Pump Cap+170M3/H At6Bar	697	628	69	91	22	Auction	M/S.Muhammad Hayat Contractor
Fuzes Detonating For Is Limiter	3,102	1,588	1,514	-	(1,514)	Return to Store	Return to Store
Fuzes Detonating For Is Limiter	1,034	751	283	-	(283)	Return to Store	Return to Store
Gas Analyzer Uras26, Art. No.: 04526644/1010	1,086	977	109	393	284	Return to Store	Return to Store
Profibus Card Ptq Module, Type: Ptq-Pdpmv1	209	188	21	104	83	Return to Store	Return to Store
Auma Actuator ,Type: Sa 10.1-F10 , Comm: 691153	1,204	1,084	120	88	(32)	Return to Store	Return to Store
P&M Packing Plant	582	107	475	359	(116)	Auction	M/S.Muhammad Hayat Contractor
Tyre Dwg.No. N6222-0401 For White Cement Kiln	7,680	2,371	5,309	4,500	(809)	Return to Store	Return to Store
Solar Pv Modules High Efficiency 540-660 Watt	11,254	419	10,835	11,254	419	Return to Store	Return to Store
Auma Actuator, G 80.3, Com No:13007302,Am 01.1	688	79	609	688	79	Return to Store	Return to Store
Total	44,312	17,296	27,016	34,546	7,530		

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	---------------------------- Rupees in thousand ----------------------------						
Vehicles							
Honda Civic	2,936	1,608	1,328	3,600	2,272	Buy Back	Nauman Ahmed
Suzuki Cultus	1,040	908	132	750	618	Buy Back	Aamir Shahbaza Maseh
Suzuki Cultus	1,063	863	200	700	500	Buy Back	Sajid Chauhdry
Suzuki Cultus	1,063	857	206	750	544	Buy Back	Manzar Mehdi
Suzuki Cultus	1,063	858	205	700	495	Buy Back	Muhammad Ashraf
Suzuki Cultus	1,063	863	200	700	500	Buy Back	Waqas Chaudhry
Suzuki Cultus	1,063	862	201	710	509	Buy Back	Imran Butt
Suzuki Cultus	1,063	831	232	825	593	Buy Back	Muzaffar Hussain
Suzuki Cultus	1,124	870	254	760	506	Buy Back	Babar Iqbal
Suzuki Cultus	1,124	864	260	730	470	Buy Back	Mehmood Ali
Suzuki Cultus	1,124	861	263	780	517	Buy Back	Hassan Raza
Suzuki Cultus	1,119	835	284	780	496	Buy Back	Umair Saeed
Suzuki Cultus	1,124	841	283	780	497	Buy Back	Umair Ikram
Suzuki Cultus	1,124	837	287	740	453	Buy Back	Mutnazzam Nazir
Suzuki Cultus	1,124	839	285	770	485	Buy Back	Rashid Khan
Suzuki Cultus	1,154	854	300	730	430	Buy Back	Younas Bhatti
Suzuki Cultus	1,152	846	306	750	444	Buy Back	Inamulah Khan
Suzuki Cultus	1,423	980	443	1,100	657	Buy Back	Moeen Hasan Kazmi
Suzuki Cultus	1,419	975	444	1,200	756	Buy Back	Saleh Muhammad
Suzuki Cultus	1,419	981	438	1,281	843	Buy Back	Ali Haider
Suzuki Cultus	1,152	857	295	740	445	Buy Back	Imran Malik
Toyota Yaris	2,815	592	2,223	2,250	27	Buy Back	Miss Amna Nauman
Suzuki Cultus	1,419	967	452	1,350	898	Buy Back	Ijaz Ahmad
Suzuki Cultus	1,063	876	187	730	543	Buy Back	Usman Ghani
Yamaha Bikes	60	57	3	25	22	Auction	Niaz ur Rehman
Yamaha Bikes	89	76	13	25	12	Auction	Niaz ur Rehman
Yamaha Bikes	89	76	13	25	12	Auction	Niaz ur Rehman
Yamaha Bikes	75	63	12	25	13	Auction	Niaz ur Rehman
Yamaha Bikes	71	69	2	25	23	Auction	Niaz ur Rehman
Yamaha Bikes	151	131	20	50	30	Auction	Niaz ur Rehman
Yamaha Bikes	77	69	8	25	17	Auction	Niaz ur Rehman
Honda Bikes	60	60	-	8	8	Auction	M/S. Muhammad Idrees
C/F	**31,905**	**22,126**	**9,779**	**24,414**	**14,635**		

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	---------------------------- Rupees in thousand ----------------------------						
B/F	31,905	22,126	9,779	24,414	14,635		
Yamaha Bikes	77	71	6	8	2	Auction	M/S. Muhammad Idrees
Yamaha Bikes	82	74	8	5	(3)	Auction	M/S. Muhammad Idrees
Yamaha Bikes	71	63	8	5	(3)	Auction	M/S. Muhammad Idrees
Suzuki Cultus	1,419	1,027	392	1,569	1,177	Auction	M/S Saad Traders
Suzuki Cultus	1,419	1,026	393	949	556	Auction	M/S Al Haj dealers
Suzuki Cultus	1,419	973	446	1,529	1,083	Buy Back	Aamir Akbar
Corolla	2,381	1,934	447	1,920	1,473	Auction	M/S Saad Traders
Suzuki Cultus	1,063	887	176	725	549	Buy Back	Wahab-Ur-Rehman
Suzuki Cultus	1,063	883	180	730	550	Buy Back	Javaid Iqbal
Suzuki Cultus	1,063	883	180	745	565	Buy Back	Sibt-e-Hassan
Suzuki Cultus	1,063	883	180	730	550	Buy Back	Mumtaz Hussain
Suzuki Cultus	1,063	873	190	740	550	Buy Back	Saqib Ali
Suzuki Cultus	1,119	865	254	735	481	Buy Back	Ahmed Alam
Suzuki Cultus	1,124	868	256	735	479	Buy Back	Mohammad Nadeem Jameel
Suzuki Cultus	1,124	868	256	735	479	Buy Back	Sultan Sikander
Honda Civic	3,640	2,816	824	3,040	2,216	Buy Back	Sohail Sadiq EDF
Suzuki Cultus	1,419	1,023	396	1,510	1,114	Buy Back	Mohammad Irfan Tahir Sr
Suzuki Cultus	1,419	971	448	1,520	1,072	Buy Back	Gulzar Ahmed
Suzuki Cultus	1,419	958	461	1,530	1,069	Buy Back	Hafiz Mohammad Umer Butt
Suzuki Cultus	1,419	944	475	1,530	1,055	Buy Back	Shakeel Ahmed
Suzuki Cultus	1,603	997	606	1,565	959	Buy Back	Mohammad Tahir
Suzuki Cultus	1,603	1,001	602	1,540	938	Buy Back	Shabi ul Hassan
Suzuki Cultus	1,643	998	645	1,500	855	Buy Back	Omer Farooq
Suzuki Cultus	1,674	976	698	1,570	872	Buy Back	Shaukat Nadeem
Suzuki Cultus	1,558	999	559	1,450	891	Auction	M/S Dewan Enterprises
Suzuki Cultus	1,672	976	696	1,540	844	Buy Back	Waqas Hassan
Total	**66,524**	**46,963**	**19,561**	**54,569**	**35,008**		
Office Equipments							
SPLIT AIR CONDITIONER, 4 TON, 400V	476	310	166	10	(156)	Return to Store	Return to Store
Right of Use Asset							
Leasehold building	401	401	-	-	-	Retired	Retired
2023	**111,713**	**64,970**	**46,743**	**89,125**	**42,382**		
2022	**135,948**	**102,323**	**33,626**	**30,583**	**(3,043)**		

20.1.3 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 22,593 million (2022: Rs. 2,833.5 million).

20.1.4 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Company jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

20.1.5 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,148 kanals located at Iskandrabad District Mianwali.

20.1.6 The Company has leased land measuring 127 kanals located at Iskandrabad District Mianwali to Maple Leaf Power Limited, a wholly owned subsidiary of the Company. The lease is classified as operating lease in these unconsolidated financial statements.

20.1.7 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2023	2022
	(Rupees in thousand)	
Freehold land	824,604	822,154
Buildings on freehold land	14,684,589	9,644,442
Roads, bridges and railway sidings	271,986	290,494
Plant and machinery	41,176,787	26,575,745)
	56,957,966	37,332,835

20.1.8 The latest valuation of Company's assets was carried as at June 30, 2020 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	953,630
Buildings on freehold land	8,099,496
Roads, bridges and railway sidings	39,842
Plant and machinery	25,342,737
	34,435,705

20.1.9 All assets of the Company as at June 30, 2023 are located in Pakistan and are in the name of the Company.

	Note	2023	2022
		(Rupees in thousand)	
20.2 Movement in capital work-in-progress - at cost			
At beginning of the year		15,352,800	2,854,293
Additions during the year		8,916,977	15,332,007
Less: Transfers during the year	20.1.3	(22,592,981)	(2,833,500)
At end of the year		1,676,796	15,352,800
20.2.1 Capital work-in-progress - at cost			
Civil Works		372,317	3,347,313
Plant and machinery		588,012	10,691,775
Roads and bridges		12,952	-
Land		10,083	-
Intangible Assets - Oracle Finance / PXP System		47,661	-
Un Allocated capital expenditure		84,517	-
Vehicles		266	-
Advances to suppliers against:			
- civil works		130,188	449,900
- plant and machinery		409,274	861,860
- intangible Assets		19,575	-
- vehicles		1,951	1,952
		1,676,796	15,352,800

20.3 This represents stores held for capital expenditure related to Company's expansion project.

20.4 During the year, borrowing costs of Rs. 1,083 million (2022: Rs. 343 million) were capitalized.

Average effective rate of borrowing cost was 2.50% to 23.69% (2022: 2.50% to 16.27%).

21. INTANGIBLE ASSETS - COST

	Note	2023	2022
		(Rupees in thousand)	
At beginning of the year		90,671	83,885
Additions during the year		-	6,786
At end of the year		90,671	90,671
Accumulated Amortization			
At beginning of the year		80,256	77,868
Amortization for the year		3,469	2,388
At end of the year		83,725	80,256
Net book value		6,946	10,415
Amortization rate - % per annum		33%	33%

21.1 Amortization charge for the year has been allocated as follows:

	Note	2023	2022
Cost of sales	36	493	740
Administrative expenses	38	2,976	1,648
		3,469	2,388

22. LONG TERM INVESTMENT

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Investment in Maple Leaf Power Limited - Unquoted	22.1	5,020,000	5,020,000
Investment in Maple Leaf Industries Limited - Unquoted	22.2	10,000	-
		5,030,000	5,020,000

22.1 The Company holds 100% (2022: 100%) shares in Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

22.2 The Company holds 100% (2022: nil%) shares in Maple Leaf Industries Limited, a wholly owned subsidiary of the Company.

23. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
House building		3,610	4,677
Vehicles		1,761	1,395
Others		23,637	24,162
		29,008	30,234
Less: Current portion presented under current assets	28	(10,919)	(10,868)
		18,089	19,366

23.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2022: 6% per annum). These loans are recoverable in 30 to 60 monthly instalments.

23.2 This includes loans to executives amounting to Rs. 2.46 million (2022: Rs.4.24 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is nil (2022: Rs. 2.2 million). Further, no amount is due from Directors and the Chief Executive Officer as at June 30, 2023 (2022: nil).

24. LONG TERM DEPOSITS

This includes deposits with various utility companies, regulatory authorities and others.

25. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Stores	25.1	5,462,153	8,912,932
Spare parts		4,439,644	3,910,227
Loose tools		24,055	30,446
		9,925,852	12,853,605

25.1 This include items in transit amounting to 187.63 million (2022: Rs. 95.82 million).

26. STOCK-IN-TRADE

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Raw material		121,609	108,905
Packing material		1,160,641	258,414
Work-in-process		1,898,084	1,814,046
Finished goods		694,271	514,256
		3,874,605	2,695,621

27. TRADE DEBTS

	Note	2023	2022
Export debtors		25,313	26,995
Local debtors			
Considered good - unsecured		2,575,675	2,039,217
Considered doubtful - unsecured	27.1	230,049	50,049
		2,831,037	2,116,261
Less: Provision for expected credit loss		(230,049)	(50,049)
		2,600,988	2,066,212

27.1 The movement in provision for impairment of receivables is as follows:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
At beginning of the year	50,049	293,392
Expected credit loss charge for the year	191,421	209,920
Debtors written off	(11,421)	(453,263)
At end of the year	230,049	50,049

27.2 Trade debts are non-interest bearing and ageing analysis of trade debts is as follows:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Not past due	1,170,261	1,342,565
Past due:		
1-90 days	1,269,257	568,615
91-180 days	153,260	83,753
181-270 days	36,071	72,081
271-365 days	41,690	16,419
366-above	160,498	32,828
	2,831,037	2,116,261
Less: provision for doubtful balances	(230,049)	(50,049)
	2,600,988	2,066,212

28. LOANS AND ADVANCES

	Note	2023	2022
		(Rupees in thousand)	
Advances - unsecured, considered good			
- Employees	28.1	35,241	28,740
- Suppliers	28.2	641,849	367,167
- Government Authorities	28.3	172,807	180,543
		849,897	576,450
Current portion of long term loans to employees	23	10,919	10,868
Refunds due from government	28.3	7,588	7,588
		868,404	594,906

28.1 This includes loans to executives amounting to Rs. 3.03 million (2022: Rs. 4.00 million) including loans to key management personnel (Mr. Amir Feroze and Mr. Yahya Hamid) amounting to Rs.2.97 million (2022: Rs.3.25 million). The maximum aggregate amount outstanding from key management personnel (Mr. Amir Feroze and Mr. Yahya Hamid) at any time during the year calculated with reference to month end balances is Rs. 3.37 million (2022: Rs. 3.25 million). Further, no amount is due from other directors at the year end (2022: Rs. Nil)

28.2 This includes an amount of Rs. 17.95 million (2022: Rs. 121.58 million) advanced to the Ministry of Railways for transportation of coal and cement.

28.3 This represents amount paid to Government under protest for various cases which have been decided in favour of the Company.

29. SHORT TERM INVESTMENT

	Note	2023	2022
		(Rupees in thousand)	
Investment at fair value through profit or loss			
Next Capital Limited:			
4,269,375 (2022: 3,712,500) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.50% (2022: 7.50%)			
Cost of Investment		30,000	30,000
Mutual Funds:			
CDC-Trustee MCB Cash Management Optimizer		900,000	-
Alfalah GHP Money Market Fund		100,000	-
CDC-Trustee NBP Cash Plan - II		902,461	-
		1,902,461	-
Investment at fair value through other comprehensive income - Listed securities			
Pioneer Cement Limited			
17,321,046 (2022: Nil) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.63% (2022: Nil)			
Cost of Investment		1,237,085	-
		3,169,546	30,000
Unrealized fair value gain / (loss)			
Unrealized fair value gain / (loss)			
At beginning of the year		(1,154)	24,648
Fair value loss for the year - P&L	39	(6,773)	(25,802)
Fair value gain for the year - OCI		263,437	-
At end of the year		255,510	(1,154)
Closing balance		3,425,056	28,846
Investment at Amortised cost - debt instrument			
Term deposit receipts	29.1	264,500	169,500
		3,689,556	198,346

29.1 This represents term deposits having a one-year maturity from April 03, 2023 till June 05, 2024 carrying mark-up at the rate ranging from 8.50% to 15.80% per annum (2022: 8.50% to 15.80%).

29.2 There has been no investment in any foreign company during the year (2022: Nil).

30. SHORT TERM DEPOSITS AND PREPAYMENTS

	2023	2022
	(Rupees in thousand)	
Margin against:		
- letters of credit	18,078	69,316
- bank guarantees	446,907	421,955
Prepayments	17,850	17,211
Short term deposits	95	34,106
	482,930	542,588

31. ACCRUED PROFIT

This represents profit accrued on deposits, saving accounts and term deposit receipts at rates ranging from 12.25% to 19.50% (2022: 8.50% to 12.25%).

32. OTHER RECEIVABLES

	Note	2023	2022
		(Rupees in thousand)	
Due from related party - unsecured	32.1	12,419	38,402
Others	32.2	10,112	13,859
		22,531	52,261

32.1 This represents balance receivable from Kohinoor Textile Mills Limited (The “Holding Company”) amounting to Rs. 11,664 thousand (2022: Rs. 38,402 thousand) and Maple Leaf Industries Limited (The “Subsidiary Company”) amounting to Rs. 755 thousand (2022: Rs.nil).

The maximum aggregate amount outstanding from the Holding Company and the Subsidiary Company at any time during the year calculated with reference to month end balances is Rs. 43.93 million (2022: 154.90 million) and Rs. 755 thousand (2022: Rs. nil) respectively.

32.2 This incudes Rs. 9.77 million (2022: Rs. 11.02 million) receivable against export rebate.

33. ADVANCE INCOME TAX - NET OF PROVISION

	2023	2022
	(Rupees in thousand)	
At beginning of the year	517,799	1,836,907
Tax deducted / deposited at source	715,727	561,635
Income tax paid	1,156,806	365,366
Tax refunds received	(412,576)	(340,366)
	1,977,756	2,423,542
Provision during the year:		
- current	(1,952,454)	(1,905,743)
- prior	-	-
	(1,952,454)	(1,905,743)
	25,302	517,799

33.1 Through order no.18/2009 dated December 24, 2009, the tax department finalized the adjudication proceeding in respect of audit conducted by the department auditors for tax year 2009 and raised a demand of principal sales tax and FED aggregating to Rs. 336.74 million along with applicable default surcharges and penalties. The Company preferred appeal against such order under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the ATIR. During the year, the Company's appeal has been disposed of through appellate order dated March 24, 2020. Through the said appellate order, the ATIR has decided the matter in favour of the Company on legal grounds.

33.2 Deputy Commissioner Inland Revenue through order dated July 31, 2017 raised a demand of Rs. 2.46 million under section 122(5A) for the tax year 2011 of the Income Tax Ordinance, 2001. The demand was later reduced to Rs. 2.06 million on March 14, 2018. The Company has preferred an appeal before CIR(A). During the year, CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible / inadmissible deductions against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, the management and tax advisor of the Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these unconsolidated financial statements.

33.3 The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated March 13, 2019 against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The notice was duly responded by tax advisor of the Company. The proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.36 million through amendment order dated January 27, 2020 passed under section 122(5A) of the Ordinance. The Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) - CIR(A). The CIR(A) through his order dated May 6, 2020, decided all the matters in favour of the Company except for issues relating to claim of depreciation and initial allowance without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. The Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication at the year end.

However, being prudent the Company has recorded the provision of Rs. 46.88 million in these unconsolidated financial statements. Management of the Company is confident of favourable outcome of the case. Therefore, no further provision has been incorporated in these unconsolidated financial statements.

33.4 The Deputy Commissioner Inland Revenue (DCIR) passed an appeal effect order dated July 31, 2017 under section 124/129 of the Ordinance, giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these unconsolidated financial statements.

33.5 Through notices dated February 26, 2021, the Commissioner Inland Revenue (CIR) selected the company's case for audit of its income tax affairs for the tax years 2015, 2016, 2017, 2018 & 2019. The company challenged the vires of selection by the CIR before the Honourable Lahore High Court and the Honourable Lahore High Court, vide interim order dated April 1, 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Subsequently, the tax authorities issued show cause notices under section 122(9) & section 111 of the Ordinance dated June 11, 2021 and June 25, 2021 respectively, for all five tax years which are yet to be responded to. Since the matter is pending before the Honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal.

33.6 Through notice dated October 9, 2020, the Additional Commissioner Inland Revenue (ACIR) initiated proceedings against the company under section 122(9) read with section 122(5A) of the Ordinance for tax year 2019.

The company requested ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to the company through audit proceedings. There has been no further correspondence from the department on this score.

33.7 Through notice dated May 21, 2020, the Additional Commissioner Inland Revenue initiated proceedings against the company under section 122(9) read with section 122(5A) of the Ordinance. The notice was duly responded dated August 25, 2020.

The above proceedings were concluded by the ACIR through amendment order dated September 2, 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rs 376.182 million was created against the company. The company preferred an appeal against the amendment order before the Commissioner Inland Revenue.

The CIR(A), through appellate order dated December 30, 2020, decided all the matters in favour of the company except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. The company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication. On the basis of available valid precedents, we consider that the company is likely to obtain relief from the appellate authorities.

33.8 The Deputy Commissioner Inland Revenue (DCIR) passed an appeal effect order dated July 31, 2017 related to tax year 2015 under section 124/129 of the Income Tax Ordinance 2001 giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. During the year 2020, CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions, aggregating to Rs. 180 million, against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these unconsolidated financial statements.

33.9 The Additional Commissioner of Inland Revenue (ACIR), vide order dated May 3, 2017 raised income tax demand amounting to Rs. 1,001.38 million related to the tax year 2016 primarily on account of inadmissibility of tax credit under section 113(2)(c) of the Income Tax Ordinance 2001. Being aggrieved, the Company filed a writ petition in the Honourable Lahore High Court (LHC) in May 2017 which is pending adjudication. The Company and the tax / legal advisor of the Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

33.10 For tax year 2021, the Company received the notice dated January 20, 2022 where the Additional Commissioner Inland Revenue (ACIR) initiated proceedings against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Company responded to the notice vide letter dated June 23, 2022. The ACIR concluded the proceedings vide amendment order dated August 5, 2022, through which the income tax refund has been curtailed to Rs 862.51 million. Being aggrieved, the Company is in the process of filing an appeal against the amendment order before the CIR(A). The Company and the tax advisor of the Company are expecting favourable outcome of the case, therefore, no provision has been booked in these unconsolidated financial statements.

33.11 With respect to the tax year 2012, the Company received the notice dated March 7, 2014 from tax department for furnishing books of accounts / details / documents for audit under section 177 of the Income Tax Ordinance 2001. In response, the Company filed reply/explanation, which the Officer Inland Revenue (OIR) found unsatisfactory to the extent of some points which were confronted through notice, dated April 23, 2019 under section 122(4)/122(5)/122(9) of the Income Tax Ordinance 2001. Subsequently, during the year 2014, the OIR amended the assessment under section 122(4) /122(5) of the Income Tax Ordinance 2001, in the light of record available with him vide order dated April 30, 2019 and reduced the losses by making additions of Rs. 256 million. Being aggrieved, the Company filed an appeal before CIR(A) dated August 7, 2019. The case was heard before CIR(A) dated December 14, 2012 in which the CIR(A) upheld the additions of Rs. 116 million, remand back total additions of Rs. 113 million and delete total additions of Rs. 27 million vide order dated December 31, 2021. Being aggrieved with the treatment of CIR(A) the Company filed an appeal before ATIR dated March 15, 2022 which is pending for adjudication at the year end. The Company and the tax advisor of the Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

33.12 The Company filed writ petition challenging the legality and validity of amendments made in the Section 65B of the Income Tax Ordinance, 2001 through Finance Act, 2019 whereby rate of tax credit under Section 65-B of the Ordinance for the tax year 2019 was reduced from 10% to 5%. Total amount of tax credit involved in the tilted petition is Rs. 1,757,292,581/-. The said petition is pending before Lahore High Court and next date is yet to be fixed for hearing.

Based on the advice of the taxation/legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the unconsolidated financial statements.

34. CASH AND BANK BALANCES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
- Cash in hand in local currency		2,626	2,179
- Cash in hand in foreign currency		2,527	1,791
		5,153	3,970
Cash at bank			
Current accounts:			
- foreign currency		29,912	15,597
- local currency	34.1	328,931	464,976
		358,843	480,573
Deposit accounts	34.2	376,711	309,033
		735,554	789,606
		740,707	793,576

34.1 These include balances of aggregate amount of Rs. 19.32 million (2022: Rs. 16.59 million) placed under an arrangement permissible under Shariah.

34.2 These carry return ranging between 16.50% to 19.50% (2022: 6.00% to 12.50%) per annum. These include deposits amounting to Rs. 1.80 million (2022: Rs. 12.39 million) placed under an arrangement permissible under Shariah. Remaining balances represent deposits with conventional banks.

35. SALES - NET

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Gross local sales	82,063,434	66,251,395
Less:		
Federal Excise duty	(6,911,333)	(6,973,716)
Sales Tax	(13,494,564)	(10,631,729)
Discount and others	(952,544)	(726,418)
Commission	(355,675)	(275,582)
	(21,714,116)	(18,607,445)
Net local sales	60,349,318	47,643,950
Export sales	1,725,941	875,672
	62,075,259	48,519,622

35.1 Disaggregation of Revenue (Gross sales)

	2023	2022
	(Rupees in thousand)	
Type of Customers		
Government Customers	25,796	14,683
Non-Government Customers	83,763,579	67,112,384
	83,789,375	67,127,067
Primary Geographical Markets		
Pakistan	82,063,434	66,251,395
Afghanistan	1,596,388	787,476
Mozambique	2,553	1,540
Nigeria	-	1,358
Ethiopia	2,741	1,658
Oman	11,553	25,356
Qatar	4,320	5,075
Seychelles	6,935	-
Sri Lanka	36,674	32,685
Tanzania	64,777	20,524
	83,789,375	67,127,067

35.2 Break up of export sales

	Category	2023	2022
Afghanistan	Advance	1,596,388	787,476
Mozambique	Advance	2,553	1,540
Nigeria	Advance	-	1,358
Ethiopia	L/C	2,741	1,658
Oman	Advance	11,553	25,356
Qatar	Advance	4,320	5,075
Seychelles	Advance	6,935	-
Sri Lanka	Advance	36,674	32,685
Tanzania	Advance	64,777	20,524
		1,725,941	875,672

36. COST OF SALES

	Note	2023	2022
		(Rupees in thousand)	
Raw materials consumed	36.1	2,904,016	2,413,914
Packing materials consumed		3,376,679	3,065,308
Fuel and power		30,774,898	23,986,931
Stores, spare parts and loose tools consumed		1,028,692	1,315,004
Salaries, wages and other benefits	36.2	1,466,675	1,274,160
Rent, rates and taxes		9,219	1,673
Insurance		120,941	83,713
Repairs and maintenance		535,939	407,350
Depreciation	20.1.1	3,378,526	3,163,345
Amortization	21.1	493	740
Vehicles running and maintenance		417,276	212,461
Freight and forwarding		1,749,597	699,664
Other expenses	36.3	152,605	139,073
		45,915,556	36,763,336
Work in process:			
At beginning of the year		1,814,046	1,421,319
At end of the year		(1,898,084)	(1,814,046)
		(84,038)	(392,727)
Cost of goods manufactured		45,831,518	36,370,609
Finished goods:			
At beginning of the year		514,256	387,803
At end of the year		(694,271)	(514,256)
		(180,015)	(126,453)
Cost of sales		45,651,503	36,244,156

36.1 Raw materials consumed

	2023	2022
At beginning of the year	108,905	109,758
Add: Purchases made during the year	2,916,720	2,413,061
	3,025,625	2,522,819
Less: At end of the year	(121,609)	(108,905)
	2,904,016	2,413,914

36.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 67.17 million (2022: Rs. 57.72 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

36.3 Other expenses include housing colony expenses aggregating to Rs. 99.016 million (2022: Rs. 77.72 million).

37. DISTRIBUTION COST

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Salaries, wages and other benefits	37.1	396,714	288,873
Travelling and conveyance		281,716	209,953
Vehicle running and maintenance		111,336	52,990
Postage, telephone and fax		10,086	7,831
Printing, stationery and office supplies		6,650	5,060
Entertainment		15,847	14,300
Repair and maintenance		10,873	10,565
Depreciation	20.1.1	28,358	17,897
Legal and professional charges		12,675	1,949
Advertisement and sale promotions		1,044,615	812,020
Fee and subscription		64,328	48,438
Other expenses		18,301	14,000
		2,001,499	1,483,876

37.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 15.74 million (2022: Rs. 13.52 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

38. ADMINISTRATIVE EXPENSES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Salaries, wages and other benefits	38.1	730,016	485,524
Travelling		136,536	74,235
Vehicle running and maintenance		103,953	54,594
Postage, telephone and fax		18,777	15,835
Printing, stationery and office supplies		57,256	37,350
Entertainment		45,586	32,499
Utilities expenses		49,794	44,245
Repair and maintenance		23,159	46,049
Legal and professional charges	38.2	55,993	38,794
Consultancy fee and subscription		60,378	55,049
Depreciation	20.1.1	64,996	50,347
Amortization	21.1	2,976	1,648
Advances / Receivable written off		2,509	9,209
Rent, rates and taxes		8,447	12,711
Other expenses		20,231	13,364
		1,380,607	971,453

38.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 30.19 million (2022: Rs. 20.67 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

38.2 Legal and professional charges include the following in respect of Auditors' remuneration for:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Annual statutory audit	1,900	1,850
Interim review	650	650
Other certification	900	1,440
Out of pocket expenses	600	620
	4,050	4,560

38.3 The Company has shared expenses aggregating Rs. 36.49 million (2022: Rs. 21.57 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

39. OTHER CHARGES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Donation	39.1	42,355	6,605
Workers' Profit Participation Fund (WPPF)		56,319	376,250
Workers' Welfare Fund (WWF)		189,936	92,486
Un-realised loss on investments	29	6,773	25,802
Exchange loss- net		700,077	238,094
Loss on disposal of property, plant and equipment		-	3,043
		995,460	742,280

39.1 Donations for the year have been given to:

	2023	2022
Maple CSR Initiative as per DC Office requirement	3,476	-
Daud Khel Police Station	248	-
Sunshine Trust	5,000	-
Earth Quick in Turkey & Syria	1,410	-
MAYO Hospital (Baby Incubator)	-	1,319
Dialysis center in AGL hospital	-	1,000
Daud Khel Water Supply Project	365	726
Beaconhouse National University (Scholarship)	782	1,358
Akhuwat Islamic Micro Finance	15,000	-
Financial assistance for the deceased worker	-	600
Shafaullah	270	120
Local schools at Daud Khel	100	1,482
Kinnaird College Lahore	112	-
Aga Khan Planning , Building Service	15,000	-
Miscellaneous Donations in the form of cement	592	-
	42,355	6,605

39.1.1 None of the Directors of the Company or their spouses have any interest in donees.

40. OTHER INCOME

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Income from financial assets			
Profit on bank deposits	40.1	53,781	23,391
Interest on loans to employees		279	319
Gain on investment from mutual fund		8,429	-
Gain on disposal of property, plant and equipment		42,382	-
		104,871	23,710
Income from non-financial assets			
Sale of scrap		2,738	634
Rental income		-	1,584
Miscellaneous		39,037	30,673
		41,775	32,891
		146,646	56,601

40.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 0.59 million (2022: Rs. 0.64 million). The remaining profit relates to interest / mark-up based arrangements from conventional banks.

41. FINANCE COST

	Note	2023	2022
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances	8	1,960,526	1,114,050
- Long term loans from Subsidiary Company	10	370,756	104,170
- Short term borrowings	18	343,849	431,729
		2,675,131	1,649,949
Notional interest on unwinding of retention money payable		2,790	27,828
Notional interest on unwinding of payable to government authority		216	9,871
Interest on lease liabilities		5,038	2,377
Bank and other charges		67,573	51,001
		2,750,748	1,741,026

42. TAXATION

	2023	2022
Income tax		
- current	1,952,454	1,905,743
- prior	-	-
	1,952,454	1,905,743
Deferred	2,806,544	1,651,429
	4,758,998	3,557,172

42.1 Tax charge reconciliation

42.1.1 Numerical reconciliation between tax expense and accounting profit:

	2023	2022
Profit before taxation	9,250,667	7,183,512
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	2,682,693	2,083,218
Impact of super tax under section 4E	403,649	702,332
Effect of final tax regime	(12,192)	(24,169)
Change in tax rate and proportion of local and export sales	1,684,848	860,054
Other	-	(64,263)
	4,758,998	3,557,172

43. EARNINGS PER SHARE - BASIC AND DILUTED

43.1 Basic earnings per share

	Unit	2023	2022
Profit after taxation	Rupees in '000	4,491,669	3,626,340
Weighted average number of ordinary shares	No. of shares in '000	1,073,405	1,097,524
	Rupees	4.18	3.30

43.2 Weighted average number of ordinary shares

	2023	2022
	(Rupees in thousand)	
Outstanding number of shares before right issue	1,097,524	1,098,346
Less: Impact of own shares purchased	(24,119)	(822)
	1,073,405	1,097,524

43.3 There is no dilution effect on the basic earnings per share.

44. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in thousand)	
Short term running finance	18.2	-	(1,396,990)
Temporary bank overdrafts - unsecured	18.4	-	(505)
Cash and bank	34	740,707	793,576
		740,707	(603,919)

45. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a subsidiary of Kohinoor Textile Mills Limited (the "Holding Company"), accordingly all the subsidiaries and associated companies of the Holding Company are related party of the Company. In addition Company's related parties comprises of the Subsidiary Company, directors of the Company key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

Name of parties	Relationship	Transactions	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
a) **Kohinoor Textile Mills Limited**	Holding Company (56.51% equity held 2022: 55.22% equity held)	Sale of goods to related party		2,142	101,341
		Purchase of fixed assets		6,022	-
		Expenses paid by related party on behalf of the Company		36,489	21,666
		Expenses paid by the Company on behalf of related party		-	1,948
		Due from related party		11,664	38,402
b) **Maple Leaf Power Limited**	Subsidiary Company (100% equity held)	Coal provided to Subsidiary Company		5,035,036	3,819,160
		Coal received from Subsidiary Company		-	572,642
		Long term loan from subsidiary	10	-	1,000,000
		Rent charged to subsidiary Company		436	435
		Purchase of goods and services (inclusive of taxes)		7,142,166	6,174,121
		Payments made by related party on behalf of the Company		5,011	109,211
		Markup paid during the year to related party		287,958	93,301
		Expenses paid on the behalf of related party		157,356	134,307
		Sale proceed from sale of vehicle		-	1,890
c) **Maple Leaf Industries Limited**	Subsidiary Company (100% equity held)	Investment in subsidiary		10,000	-
d) **Maple Leaf Capital Limited**	Associated Company (Common management)	None		-	-
e) **TRG Pakistan Limited**	Associated Company (Common management)	None		-	-
f) **Key management personnel**	Key management personnel	Remuneration and other benefits		456,046	255,683
g) **Employee benefits**					
Gratuity	Post employment benefit plan	Contribution		41,171	27,577
Provident Fund Trust	Employees benefit fund	Contribution		281,503	211,461

45.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below.

Name	Relationship	% of shareholding in the Company
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0031%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0011%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0015%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

46. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVE, DIRECTORS, NON-EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the unconsolidated financial statements for the year for remuneration, including all benefits to the Chairman, Chief Executive, Directors and Executives of the Company are as follows:

	2023			
	Directors			
	Chief Executive	Executive	Non-Executives	Executives
	(Rupees in thousand)			
Short term benefits				
Managerial remuneration	150,048	29,759	-	454,358
House rent	5,850	1,630	-	86,403
Medical	5,850	2,237	-	38,105
Conveyance	2,338	1,961	-	81,943
Utilities	5,175	1,746	-	57,930
Advisory arrangement	-	-	96,000	-
	169,261	37,333	96,000	718,739
Post employment benefits				
Contribution to Provident Fund Trust	5,850	2,237	6,240	38,014
	175,111	39,570	102,240	756,753
Numbers	1	1	7	153

	2022			
	Directors			
	Chief Executive	Executive	Non-Executives	Executives
	(Rupees in thousand)			
Short term benefits				
Managerial remuneration	36,199	24,947	-	300,821
House rent	4,433	-	-	60,644
Medical	2,726	1,676	-	23,854
Conveyance	1,632	1,188	-	34,664
Utilities	4,942	2,361	-	49,084
Advisory arrangement	-	-	52,501	-
	49,932	30,172	52,501	469,067
Post employment benefits				
Contribution to Provident Fund Trust	2,726	1,676	2,963	23,854
	52,658	31,848	55,464	492,921
Numbers	1	1	7	101

46.1 The Chief Executive, Directors and some Executives are also provided with company maintained cars in accordance with the respective policies.

46.2 Aggregate amount charged in these unconsolidated financial statements in respect of meeting fee paid to Directors is Rs. 0.58 million (2022: Rs. 0.34 million).

47. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2023	2022	2023	2022
	---- Metric tons ----			
Clinker	7,100,000	5,700,000	3,928,830	4,528,651

48. OPERATING SEGMENT

Information about operating segment

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Currently the Company is functioning as a single operating segment.

Geographical information

The Company operates in two principal geographical areas, Asia and Africa other than Pakistan and revenue from continuing operations from external customers based on geographical areas is as follows:

	2023	2022
	Percentage	
Geographical area		
Asia	99.91%	99.96%
Africa	0.09%	0.04%
	100.00%	100.00%

All assets of the Company as at June 30, 2023 are located in Pakistan.

49. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

49.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

49.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	(Rupees in thousand)	
Financial asset at amortized cost		
Long term deposits	58,401	57,600
Trade debts	2,600,988	2,066,212
Long term loans to employees	29,008	30,234
Short term loan / advance to employees	35,241	28,740
Short term investment	264,500	169,500
Margin and short term deposits	465,080	525,377
Accrued profit	8,792	7,075
Other receivables	22,531	52,261
Cash at Bank	735,554	789,606
	4,220,095	3,726,605

49.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2023	2022
	(Rupees in thousand)	
Customers	2,600,988	2,066,212
Banking companies and financial institutions	1,473,831	1,457,452
Others	145,276	202,941
	4,220,095	3,726,605

49.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

49.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margin against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating			2023	2022
	Short term	Long term	Agency	(Rupees in thousand)	
Bank balances					
Allied Bank Limited	A1+	AAA	PACRA	35,931	5,256
Askari Bank Limited	A1+	AA+	PACRA	32,381	15,709
Bank Al-Habib Limited	A1+	AA+	PACRA	69,523	145,032
Bank Alfalah Limited	A1+	AA+	VIS- PACRA	3,618	6,928
Bank Islami Pakistan Limited	A1+	A	PACRA	13,643	13,492
The Bank of Punjab	A1+	AA+	PACRA	2,604	12,591
AlBaraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	2,580	2,580
Faysal Bank Limited	A1+	AA	PACRA - VIS	1,161	4,687
Finca Microfinance Bank Limited	A1	A	PACRA - VIS	3,148	5,082
Habib Bank Limited	A1+	AAA	PACRA	105,806	195,064
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20,808	31,780
MCB Bank Limited	A1+	A1+	PACRA	368,658	304,198
National Bank of Pakistan	A1+	AAA	PACRA - VIS	5,839	4,708
Samba Bank Limited	A1+	AAA	VIS	1,525	1,485
Silk Bank Limited	A-2	A-	VIS	14	13
Soneri Bank Limited	A1+	AA-	PACRA	104	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,853	2,820
Summit Bank Limited	A3	BBB-	VIS	25	25
United Bank Limited	A1+	AAA	VIS	65,324	38,045
				735,554	789,606
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	264,500	169,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	8,792	7,075
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	14,000	1,700
Askari Bank Limited	A1+	AA+	PACRA	260,000	260,000
United Bank Limited	A1+	AAA	VIS	31,214	31,214
Summit Bank Limited	A3	BBB-	VIS	44,788	32,135
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,941	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	50,000	50,000
				446,907	421,955
Margin against letters of credit					
Faysal Bank Limited	A1+	AA	PACRA - VIS	8,321	5,120
The Bank of Punjab	A1+	AA+	PACRA	8,008	-
Habib Bank Limited	A1+	AAA	PACRA	-	62,734
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,749	1,462
				18,078	69,316
Total				1,473,831	1,457,452

49.1.3(b) Counterparties without external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts against sale of cement. As explained in note 3.10, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. On adoption of IFRS 9, management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2023 was determined as follows:

	2023		2022	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	(Rupees in thousand)			
The ageing of trade debts at the reporting date is:				
Not past due	1,170,261	9,404	1,342,565	4,687
Past due:				
1- 90 days	1,269,257	14,021	568,615	1,985
91 - 180 days	153,260	22,401	83,753	3,616
181 - 270 days	36,071	10,006	72,081	7,156
271 - 365 days	41,690	13,719	16,419	2,816
366 - above days	160,498	160,498	32,828	29,789
	2,831,037	230,049	2,116,261	50,049

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

49.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 8 and 18 to these unconsolidated financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

49.2.1 Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	2023				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	---------------------- (Rupees in thousand)				---------------------
Non-derivative financial liabilities					
Long term loans from financial institution - secured	18,618,431	28,397,322	5,974,273	19,881,580	2,541,468
Long term loan from Subsidiary Company	2,000,000	3,496,504	478,200	3,018,304	-
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	1,752,988	1,752,988	-	1,752,988	-
Trade and other payables	8,960,618	8,960,618	8,960,618	-	-
Unclaimed dividend	27,378	27,378	27,378	-	-
Mark-up accrued on borrowings	880,039	880,039	880,039	-	-
	32,247,668	43,523,063	16,320,508	24,661,086	2,541,468

	2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	-------------------- (Rupees in thousand)				---------------------
Non-derivative financial liabilities					
Long term loans from financial institutions - secured	20,339,002	29,694,914	5,279,292	19,257,595	5,158,027
Long term loan from Subsidiary Company	2,000,000	2,849,839	323,200	2,526,639	-
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	6,115,035	6,115,035	6,115,035	-	-
Unclaimed dividend	27,569	27,569	27,569	-	-
Mark-up accrued on borrowings	665,122	665,122	665,122	-	-
Short term borrowings	3,572,073	3,572,073	3,572,073	-	-
	32,727,015	42,932,766	15,982,291	21,792,448	5,158,027

49.3 Market risk

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

49.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, US dollars and Chinese Yuan.

49.3.1(a) Exposure to currency risk

	2023					
	Rupees	GBP	AED	RMB	EURO	USD
	------------------------------- in thousand					-------------------------------
Assets						
- Trade debts	25,313	-	-	-	-	129
- Cash and bank balances	32,439	2	-	-	-	111
	57,752	2	-	-	-	240
Liabilities						
- Trade creditors and bills payable	(843,721)	-		-	-	(2,939)
	(843,721)	-	-	-	-	(2,939)
Net Statement of financial position exposure	(785,969)	2	-	-	-	(2,699)
Off statement of financial position items						
- Outstanding letters of credit	(13,903,404)	-	-	(39,475)	(1,050)	(922)
Net exposure	(14,689,373)	2	-	(39,475)	(1,050)	(3,621)

	2022					
	Rupees	GBP	AED	RMB	EURO	USD
	------------------------------ in thousand					------------------------------
Assets						
- Trade debts	26,995	-	-	-	-	129
- Cash at bank	17,388	2	-	-	-	82
	44,383	2	-	-	-	211
Liabilities						
- Trade creditors and bills payable	(69,371)	-	(22)	(471)	(47)	(210)
	(69,371)	-	(22)	(471)	(47)	(210)
Net Statement of financial position exposure	(24,988)	2	(22)	(471)	(47)	1
Off statement of financial position items						
- Outstanding letters of credit	(3,922,077)	-	(170)	(109,402)	(864)	(1,708)
Net exposure	(3,947,065)	2	(192)	(109,873)	(911)	(1,707)

49.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date spot rate			
	2023	2022	2023		2022	
			Buying	Selling	Buying	Selling
GBP	304.25	236.36	364.77	365.40	249.31	249.92
CHF	271.22	190.84	320.34	320.90	215.43	215.96
EURO	267.16	200.16	313.72	314.27	215.23	215.75
USD	253.08	178.01	286.60	287.10	205.5	206
YEN	1.84	1.52	2.00	2.00	1.50	1.51
AED	69.39	48.46	78.59	78.72	56.35	56.48
RMB	36.38	27.57	39.91	39.98	30.85	30.93
SGD	186.09	130.87	212.36	212.73	147.69	148.05

49.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected statement of profit or loss by the amounts shown below at the statement of financial position date . The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit	
	2023	2022
	(Rupees in thousand)	
USD	(103,967)	(35,164)
EURO	(32,998)	(19,655)
RMB	(157,823)	(339,837)
GBP	67	50
AED	-	(124)
	(294,721)	(394,730)

49.3.1(d) Currency risk management

Since the amount exposed to currency risk is very insignificant as compared to total assets or total liabilities of the Company therefore any adverse / favourable movement in functional currency with respect to US dollar , GBP and Euro will not have any material impact on the Company's operational results.

49.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

49.3.2(a) Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	-------------- (Rupees in thousand) --------------			
Non-derivative financial instruments				
Short term investment - term deposit receipt	264,500	-	169,500	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect the unconsolidated statement of profit or loss.

49.3.2(b) Variable rate financial instruments

	Note	2023		2022	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
		-------------- (Rupees in thousand) --------------			
Non-derivative financial instruments					
Long term loans from financial institutions-secured	8	-	18,618,431	-	20,339,002
Long term loan from Subsidiary Company	10	-	2,000,000	-	2,000,000
Short term borrowings - Running Finance	18	-	-	-	3,571,568
Bank balances at deposit accounts	34	376,711	-	309,033	-
		376,711	20,618,431	309,033	25,910,570

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2023

	Profit	
	2023	2022
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(202,417)	(256,015)
Decrease of 100 basis points		
Variable rate instruments	202,417	256,015

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

49.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

49.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

49.3.3(a) Investments exposed to price risk

At the balance sheet date, the Company's investment in quoted equity securities and investments in money market mutual funds is as follows:

	2023	2022
	(Rupees in thousand)	
Investment in equity securities	3,425,056	28,846

49.3.3(b) Sensitivity analysis

A 10.00% increase / (decrease) share prices at year end would have increased / (decreased) the Company's fair value gain on investment as follows:

	Equity	
	2023	2022
	(Rupees in thousand)	
Short term investment at fair value through statement of profit or loss		
Effect of increase	342,506	2,885
Effect of decrease	(342,506)	(2,885)

49.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

50. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy:

		Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	(Rupees in thousand)						
June 30, 2023								
Financial assets at fair value								
Short term investments		3,425,056	-	-	3,425,056	3,425,056	-	-
Financial assets at amortised cost								
Cash and bank balances		-	740,707	-	740,707	-	-	-
Long term loans to employees		-	29,008	-	29,008	-	-	-
Short term investment - term deposit receipt		-	264,500	-	264,500	-	-	-
Margin and short term deposits		-	465,080	-	465,080	-	-	-
Other receivables			22,531	-	22,531	-	-	-
Accrued profit		-	8,792	-	8,792	-	-	-
Long term deposits		-	58,401	-	58,401	-	-	-
Trade debts		-	2,600,988	-	2,600,988	-	-	-
	50.1	3,425,056	4,190,007	-	7,615,063	3,425,056	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured	-	-	-	18,618,431	18,618,431	-	-	-
Long term loan from Subsidiary Company		-	-	2,000,000	2,000,000	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	1,752,988	1,752,988	-	-	-
Trade and other payables		-	-	3,390,287	3,390,287	-	-	-
Unclaimed dividend		-	-	27,378	27,378	-	-	-
Mark-up accrued on borrowings		-	-	880,039	880,039	-	-	-
	50.1	-	-	26,677,337	26,677,337	-	-	-

		Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	(Rupees in thousand)						
June 30, 2022								
Financial assets measured at fair value								
Short term investments		28,846	-	-	28,846	28,846	-	-
		28,846	-	-	28,846	28,846	-	-
Financial assets at amortised cost								
Cash and bank balances		-	793,576	-	793,576	-	-	-
Long term loans to employees		-	30,234	-	30,234	-	-	-
Short term investment - term deposit receipt		-	169,500	-	169,500			
Short term loan / advance to employees		-	28,740	-	28,740			
Margin and short term deposits		-	525,377	-	525,377	-	-	-
Other receivables		-	52,261	-	52,261	-	-	-
Accrued profit		-	7,075	-	7,075	-	-	-
Long term deposits		-	57,600	-	57,600	-	-	-
Trade debts		-	2,066,212	-	2,066,212	-	-	-
	50.1	-	3,730,575	-	3,730,575	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured	-	-	-	20,339,002	20,339,002	-	-	-
Long term loan from Subsidiary Company		-	-	2,000,000	2,000,000	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	6,115,035	6,115,035	-	-	-
Unclaimed dividend		-	-	27,569	27,569	-	-	-
Mark-up accrued on borrowings		-	-	665,122	665,122	-	-	-
Short term borrowings		-	-	3,572,073	3,572,073	-	-	-
	50.1	-	-	32,727,015	32,727,015	-	-	-

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

50.2 Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 7.1. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

51. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2023								
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)								
As at July 01, 2022	(496,429)	27,569	33,973	1,010	19,367,668	2,000,000	3,572,073	665,122	25,170,986
Changes from financing cash flows									
Dividend paid	-	(191)	-	-	-	-	-	-	(191)
Proceeds from short term borrowings - net	-	-	-	-	-	-	(2,174,578)	-	(2,174,578)
Financial charges paid	-	-	-	-	-	-	-	(2,527,786)	(2,527,786)
Lease rentals paid during the year	-	-	(14,611)	-	-	-	-	-	(14,611)
Redemption of preference shares	-	-	-	(5)	-	-	-	-	(5)
Own share purchased for cancellation	(194,661)	-	-	-	-	-	-	-	(194,661)
Repayments of long term loans from financial institutions - secured - net	-	-	-	-	(1,720,571)	-	-	-	(1,720,571)
Total changes from financing cash flows	(194,661)	(191)	(14,611)	(5)	(1,720,571)	-	(2,174,578)	(2,527,786)	(6,632,403)
Other changes									
Deferred grant	-	-	-	-	185,642	-	-	-	185,642
Change in running finances and over draft balances	-	-	-	-	-	-	(1,397,495)	-	(1,397,495)
Recognized during the year	-	-	17,265	-	-	-	-	-	17,265
Cancelled during the year	691,090	-	-	-	-	-	-	-	691,090
Finance cost	-	-	5,038	-	-	-	-	2,742,703	2,747,741
Total liability related other changes	691,090	-	22,303	-	185,642	-	(1,397,495)	2,742,703	2,244,243
As at June 30, 2023	-	27,378	41,665	1,005	17,832,739	2,000,000	-	880,039	20,782,826

	2022								
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)								
As at July 01, 2021	-	28,134	-	-	13,341,361	1,000,000	1,894,115	260,953	16,524,563
Changes from financing cash flows									
Dividend paid	-	(565)	-	-	-	-	-	-	(565)
Long term loan received by subsidiary company	-	-	-	-	-	1,000,000	-	-	1,000,000
Payment of short term borrowings - net	-	-	-	-	-	-	490,990		490,990
Financial charges paid	-	-	-	-	-	-	-	(1,296,781)	(1,296,781)
Lease rentals paid during the year	-	-	(12,425)	-	-	-	-	-	(12,425)
Own share purchased for cancellation	(477,778)	-	-	-	-	-	-	-	(477,778)
Long term loans from financial institutions - secured - net	-	-	-	-	6,898,075	-	-	-	6,898,075
Total changes from financing cash flows	(477,778)	(565)	(12,425)	-	6,898,075	1,000,000	490,990	(1,296,781)	6,601,516
Other changes									
Deferred grant	-	-	-	-	(871,768)	-	-	-	(871,768)
Change in running finances and over draft balances	-	-	-	-	-	-	1,186,968	-	1,186,968
Payable against purchase of shares	(18,651)	-	-	-	-	-	-	-	(18,651)
Recognized during the year	-	-	44,021	-	-	-	-	-	44,021
Finance cost	-	-	2,377	-	-	-	-	1,700,950	1,703,327
Total liability related other changes	(18,651)	-	46,398	-	(871,768)	-	1,186,968	1,700,950	2,043,897
As at June 30, 2022	(496,429)	27,569	33,973	-	19,367,668	2,000,000	3,572,073	665,122	25,169,976

52. CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

ii. to provide an adequate return to shareholders.

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

	Unit	2023	2022
Total debt	Rupees in '000	21,498,469	26,576,197
Less: Cash and bank balances		(740,707)	(793,576)
Net debt		20,757,762	25,782,621
Total Equity	Rupees in '000	44,913,114	40,559,015
Total capital employed	Rupees in '000	65,670,876	66,341,636
Gearing	Percentage	31.61%	38.86%

Total debt comprises of long term loans from banking companies, long term loan from Subsidiary Company, accrued markup on borrowings and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, capital reserves, accumulated profits and surplus on revaluation of fixed assets.

There were no changes in the Company's approach to capital management during the year.

53. PROVIDENT FUND TRUST

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

	Un-audited 2023	Audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	1,312,121	1,114,648
Cost of investments made	1,113,860	1,009,704
Percentage of investments made	92.80%	97.13%
Fair value of investments	1,217,660	1,082,669

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	174	0.01%	3,734	0.34%
Term deposit receipts	455,713	37.43%	648,057	59.86%
Government securities	-	0.00%	322,274	29.77%
Mutual funds	761,773	62.56%	108,604	10.03%
	1,217,660	100.00%	1,082,669	100.00%

Investments out of Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

54. NUMBER OF EMPLOYEES

The total and average number of employees of the Company during the year and as at June 30, 2023 and 2022 respectively are as follows:

	2023	2022
Total number of employees as on June 30		
- Head office	423	352
- Factory	1,213	1,179
	1,636	1,531
Average number of employees during the year		
- Head office	384	347
- Factory	1,187	1,154
	1,571	1,501

55. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.

56. EVENTS AFTER THE REPORTING DATE

There are no subsequent events after the reporting date other than those mentioned in these unconsolidated financial statements.

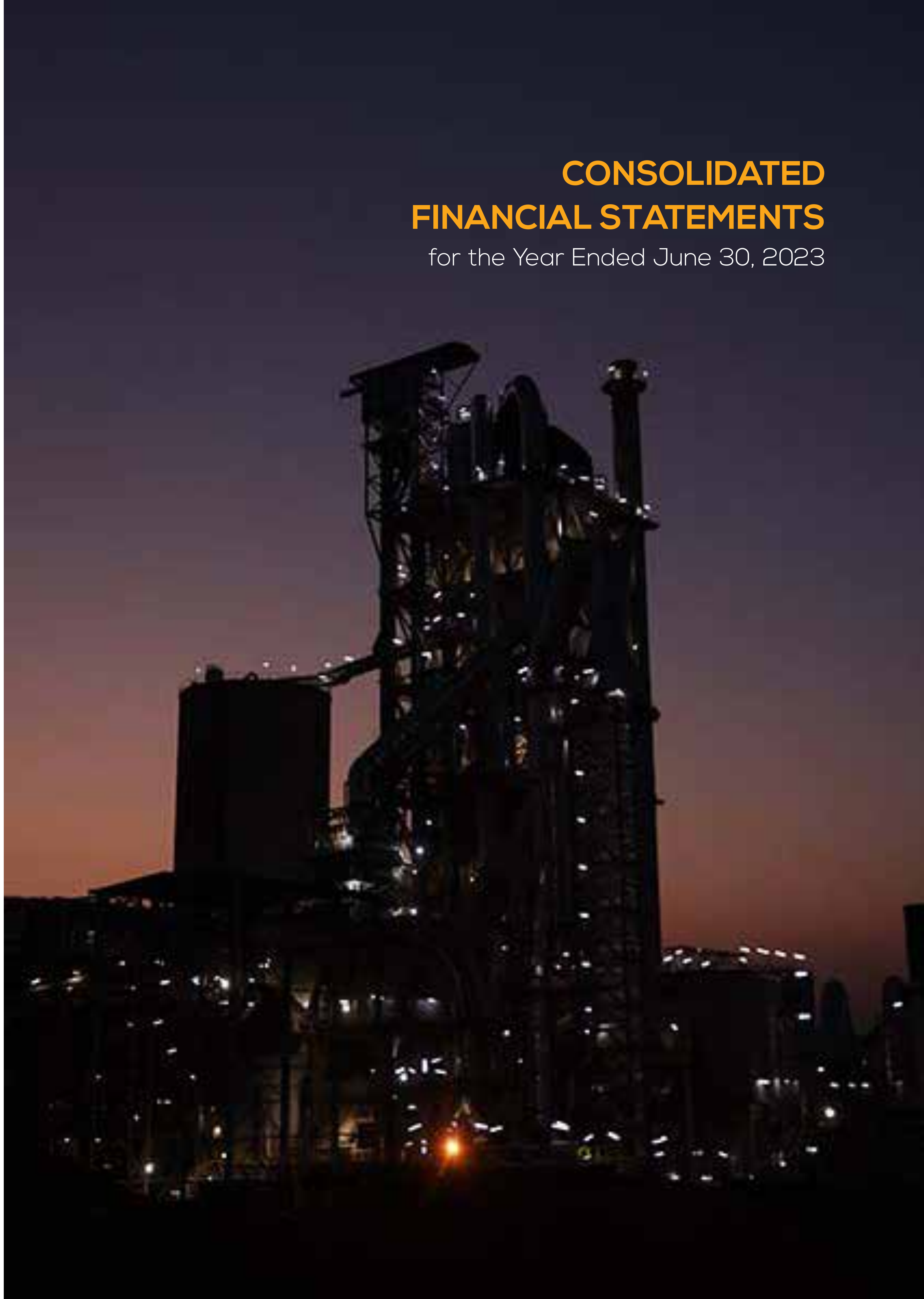
56.1 The Board of Directors, in their meeting held on September 06, 2023 recommended the shareholders towards purchase / buy-back upto a maximum of 100 million issued ordinary shares of face value Rs. 10/- each at the spot / current share price under section 88 of the Companies Act 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019. The reduced capital is expected to consolidate equity which will improve earnings per share, future dividends and break-up value of the Company's share subsequent to the purchase of shares.

57. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 06, 2023.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these unconsolidated financial statements are signed by two directors.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR



DIRECTORS' REPORT ON AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the audited consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary companies Maple Leaf Power Limited and Maple Leaf Industries Limited (collectively referred to as group) for the year ended June 30, 2023.

GROUP RESULTS

The Group has earned a gross profit of Rupees 17,614 million as compared to Rupees 13,239 million of the corresponding year. The Group made an after-tax profit of Rupees 5,771 million during this period as compared to a profit of Rupees 4,553 million during the corresponding year.

The overall group financial results are as follows:

	June 30, 2023	June 30, 2022
	(Rupees in million)	
Sales	62,075	48,520
Gross Profit	17,614	13,239
Profit from operations	13,074	9,798
Financial charges	2,381	1,658
Profit after tax	5,771	4,553
	------------- (Rupees) -------------	
Earnings per share – basic and diluted	5.38	4.15

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Cement Factory Limited has formed a subsidiary company namely "Maple Leaf Power Limited (MLPL).("the Subsidiary") was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 (Now the Companies Act, 2017) as a public limited company. The principal objective of MLPL is to develop, design, operate and maintain an electric power generation plant in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

MAPLE LEAF INDUSTRIES LIMITED - (MLIL)

Maple Leaf Industries Limited ("the Subsidiary Company") is a Limited Company incorporated in Pakistan on September 21, 2022, as a public limited company under the Companies Act, 2017. The Company is a wholly owned subsidiary of Maple Leaf Cement Factory Limited ("the Company") whereas its ultimate parent is Kohinoor Textile Mills Limited ("the Holding Company"). The Company's objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of the Company is situated at 42 Lawrence Road, Lahore, Pakistan. The Company has not yet commenced its commercial operations. The financial statements of the Company are for the period from 21 September 2022 to June 30, 2023.

In compliance with the Companies Act, 2017, all relevant matters of Section 227 have been placed in our Standalone Directors' Report to the shareholders.

ACKNOWLEDGEMENT

The Directors are grateful to the group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working in different roles.

For and on behalf of the Board

CHIEF FINANCIAL OFFICER

DIRECTOR

Tariq Sayeed Saigol on behalf of CEO

Lahore: September 06, 2023

The Chief Executive Officer is for the time being not available in Pakistan so the Board has authorized Mr. Tariq Sayeed Saigol - Director to sign the Directors' Report for the year ended 30th June 2023.

INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Maple Leaf Cement Factory Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

A. F. FERGUSON & Co., Chartered Accountants, A Member Firm of the PwC network
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Karachi Lahore Islamabad

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	**Capital expenditure** (Refer to note 20 to the consolidated financial statements) During the current year, the Group has incurred a significant amount of expenditure that has been capitalised. We consider the above as a key audit matter being significant transaction and event for the Group during the year.	Our audit procedures included the following: • Assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Assessed whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. • Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industry. • Checked the date of transfer of capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis. • Assessed whether the disclosures are made in accordance with the financial reporting framework.
2	**Contingent taxation liabilities** (Refer to note 19.1 and 33 to the consolidated financial statements) The Group has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter.	Our audit procedures included the following: • Obtained and examined details of the pending tax matters and discussed the same with the Group's management. • Circularized confirmations to the Group's external legal / tax advisors for their views on open tax assessments and matters. • Examined correspondence of the Group with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external legal / tax advisors engaged by the Group. • Assessed the adequacy and appropriateness of disclosures made in respect of such income and sales tax matters.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

  We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

The consolidated financial statements of the Group for the year ended June 30, 2022, were audited by another firm of auditors whose report, dated September 02, 2022, expressed an unmodified opinion on those consolidated financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 16, 2023
UDIN: AR2023100704Sk2JjT5E

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,733,462	10,983,462
Capital reserves	6	6,363,952	6,092,384
Accumulated profits		28,921,425	22,707,119
Surplus on revaluation of fixed assets - net of tax	7	1,900,302	2,503,583
		47,919,141	42,286,548
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	15,233,337	16,747,868
Deferred grant	9	605,926	786,758
Long term loan from subsidiary company	10	-	-
Long term liability against right of use asset	11	31,408	27,136
Long term deposits	12	8,214	8,214
Deferred taxation	13	8,707,481	5,687,743
Retention money	14	1,752,988	-
Retirement benefits	15	278,492	235,329
		26,617,846	23,493,048
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	2,599,401	2,619,800
- Deferred grant	9	179,766	184,576
- Liability against right of use assets	11	10,257	6,837
Trade and other payables	16	11,445,190	9,643,549
Provision for taxation	33	21,342	-
Unclaimed dividend		27,378	27,569
Mark-up accrued on borrowings	17	764,955	632,836
Short term borrowings	18	-	3,572,073
		15,048,289	16,687,240
CONTINGENCIES AND COMMITMENTS	19		
		89,585,276	82,466,836

	Note	2023	2022
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	66,746,105	61,480,197
Intangible assets	21	6,946	10,415
Long term investment	22	-	-
Long term loans to employees - secured	23	18,089	19,366
Long term deposits	24	58,401	57,600
		66,829,541	61,567,578
CURRENT ASSETS			
Stores, spare parts and loose tools	25	10,462,363	13,325,326
Stock-in-trade	26	3,814,163	2,642,065
Trade debts	27	2,600,988	2,066,212
Loans and advances	28	900,460	605,988
Short term investment	29	3,698,556	198,346
Short term deposits and prepayments	30	497,930	557,615
Accrued profit	31	9,118	7,206
Other receivables	32	21,905	52,261
Advance income tax - net of provision	33	-	626,995
Cash and bank balances	34	750,252	817,244
		22,755,735	20,899,258
		89,585,276	82,466,836

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Sales - net	35	62,075,259	48,519,622
Cost of sales	36	(44,461,714)	(35,280,283)
Gross profit		17,613,545	13,239,339
Distribution cost	37	(2,001,499)	(1,483,876)
Administrative expenses	38	(1,398,611)	(977,472)
Net impairment loss on financial assets	27.1	(191,421)	(209,920)
Other charges	39	(1,094,867)	(830,596)
		(4,686,398)	(3,501,864)
Other income	40	147,320	60,209
Profit from operations		13,074,467	9,797,684
Finance cost	41	(2,380,827)	(1,658,272)
Profit before taxation		10,693,640	8,139,412
Taxation	42	(4,922,878)	(3,586,287)
Profit after taxation		5,770,762	4,553,125
Earnings per share - basic and diluted	43	5.38	4.15

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit after taxation		5,770,762	4,553,125
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of defined benefit liability		(18,830)	1,726
Related tax		6,977	(557)
		(11,853)	1,169
Change in fair value of investment at fair value through OCI	29	263,437	-
Tax effect of change in fair value of investment at fair value through OCI		(65,859)	-
		197,578	-
Surplus on revaluation of fixed assets: Effect on deferred tax due to change in effective tax rate		(147,884)	-
Items that may be subsequently reclassified to statement of profit or loss:		-	-
Other comprehensive income for the year		37,841	1,169
Total comprehensive income for the year		5,808,603	4,554,294

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		10,693,640	8,139,412
Adjustments for:			
Depreciation	20.1.1	3,779,877	3,555,760
Amortization	21.1	3,469	2,388
Provision for expected credit loss	27.1	180,000	50,049
Bad debts written off	27.1	11,421	159,871
Advances written off	38	2,509	9,209
Provision for Workers' Profit Participation Fund	16.2	124,176	427,064
Provision for Workers' Welfare Fund	16.3	220,943	112,811
(Gain) / Loss on disposal of property, plant and equipment	40	(39,568)	3,043
Exchange Gain on cash & cash equivalents		(7,847)	(3,976)
Gain on re-measurement of short term investments at fair value	39	6,773	25,802
Notional interest on unwinding of retention money payable	41	2,790	27,828
Notional interest on unwinding of payable to government authority	41	216	9,871
Retirement benefits	15	78,211	57,340
Profit on bank deposits	40	(55,623)	(24,598)
Finance cost	41	2,377,821	1,620,573
Cash generated from operations before working capital changes		17,378,808	14,172,447
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		2,862,963	(3,277,599)
Stock-in-trade		(1,172,094)	(556,202)
Trade debts		(726,197)	(596,428)
Loans and advances		(296,981)	(123,056)
Short term deposits and prepayments		59,685	(317,554)
Other receivables		30,356	113,574
		757,732	(4,757,265)
Decrease in current liabilities			
Trade and other payables		1,651,913	753,762
		2,409,645	(4,003,503)
Net cash generated from operations		19,788,453	10,168,944
Decrease/(increase) in long term loans to employees		1,277	(2,362)
Increase in long term deposits to suppliers		(801)	(298)
Increase in retention money payable		1,750,198	-
Retirement benefits paid		(53,881)	(43,319)
Decrease in payable to Government Authority		-	(22,965)
Workers' Profit Participation Fund paid		(110,000)	(91,231)
Workers' Welfare Fund paid		(66,952)	(23,185)
Taxes paid - net of refund		(1,461,571)	(600,384)
Net cash generated from operating activities		19,846,723	9,385,200
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(9,080,092)	(15,875,332)
Intangible assets acquired		-	(6,786)
Proceeds from disposal of property, plant and equipment		91,140	30,583
Short term investment	29	(3,243,546)	(75,000)
Profit on bank deposits received		53,712	23,528
Net cash used in investing activities		(12,178,786)	(15,903,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) / Proceeds from long term loans from financial institutions - secured - net		(1,720,571)	6,898,075
Short term borrowings - net	18	(2,174,578)	490,990
Finance cost paid		(2,240,664)	(1,225,521)
Lease rentals paid		(14,611)	(12,425)
Own share purchased for cancellation		(194,661)	(477,778)
Redemption of preference shares		(5)	-
Dividend paid		(191)	(565)
Net cash (used in) / generated from financing activities		(6,345,281)	5,672,776
Net increase / (decrease) in cash and cash equivalents		1,322,656	(845,031)
Cash and cash equivalents at beginning of the year		(580,251)	260,804
Exchange gain on cash & cash equivalents		7,847	3,976
Cash and cash equivalents at end of the year	44	750,252	(580,251)

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Capital Reserves: Share premium	Capital Reserves: Capital redemption reserve	Capital Reserves: Own shares purchase for cancellation	Capital Reserves: FVOCI reserve	Capital Reserves: Sub - total	Capital Reserves: Surplus on revaluation of fixed assets - net of tax	Revenue Reserve: Accumulated profits	Total Equity
	Rupees in thousand								
As at July 01, 2021	**10,983,462**	**6,060,550**	**528,263**	**-**	**-**	**6,588,813**	**3,135,460**	**17,634,595**	**38,342,330**
Total comprehensive income for the year									
Profit for the year ended June 30, 2022	-	-	-	-	-	-	-	4,553,125	4,553,125
Other comprehensive income for the year ended June 30, 2022	-	-	-	-	-	-	-	1,169	1,169
	-	-	-	-	-	-	-	4,554,294	4,554,294
Own shares purchased during the year for cancellation	-	-	-	(496,429)	-	(496,429)	-	-	(496,429)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(516,244)	516,244	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	(1,986)	1,986	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	(113,647)	-	(113,647)
Balance as at June 30, 2022	**10,983,462**	**6,060,550**	**528,263**	**(496,429)**	**-**	**6,092,384**	**2,503,583**	**22,707,119**	**42,286,548**
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	496,429	-	73,990	-	-	(176,010)
Total comprehensive income for the year									
Profit for the year ended June 30, 2023	-	-	-	-	-	-	-	5,770,762	5,770,762
Other comprehensive income for the year ended June 30, 2023	-	-	-	-	197,578	197,578	(147,884)	(11,853)	37,841
	-	-	-	-	197,578	197,578	(147,884)	5,758,909	5,808,603
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(455,012)	455,012	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	(385)	385	-
Balance as at June 30, 2023	**10,733,462**	**6,060,550**	**105,824**	**-**	**197,578**	**6,363,952**	**1,900,302**	**28,921,425**	**47,919,141**

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. REPORTING ENTITY

1.1 Maple Leaf Cement Factory Limited ("the Company") was incorporated in Pakistan on April 13, 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Ultimate Holding Company").

1.2 Maple Leaf Power Limited - ("the Subsidiary Company")

Maple Leaf Power Limited ("the Subsidiary Company") was incorporated in Pakistan on October 15, 2015 as a public limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Subsidiary Company has been established to set up and operate a 40 megawatt coal fired power generation plant located at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity. The Subsidiary Company's registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity.

The Subsidiary Company was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on December 20, 2016. The Subsidiary Company entered into a Power Purchase Agreement ("PPA") and Steam Purchase Agreement with the Holding Company on July 04, 2017 and October 31, 2019, respectively, which are valid for 20 years.

1.3 Maple Leaf Industries Limited - ("the Subsidiary Company")

Maple Leaf Industries Limited ("the Subsidiary Company") is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited under Companies Act, 2017. The Company is wholly owned subsidiary of Maple Leaf Cement Factory Limited ("the Company") whereas its ultimate parent is Kohinoor Textile Mills Limited ("the Holding Company"). The Company's objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The Company has not yet commenced its commercial operations. The financial statements of the Company are for the period from 21 September 2022 to June 30, 2023.

The Holding Company and the Subsidiary Company are collectively referred to as "the Group" in these consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in these consolidated financial statements.

2.3 Functional and presentation currency

These consolidated financial statements have been prepared in Pak Rupees ("Rs.") which is the Group's functional currency.

Figures in the consolidated financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.

2.4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for employee benefits - Note 3.1
- Contingent taxation liabilities - Note 3.2
- Revaluation of property, plant and equipment - Note 3.4
- Useful lives and residual values of property, plant & equipment - Note 3.4.1
- Provision for slow moving stores, spare parts & loose tools - Note 3.6
- Net realisable value of stock-in-trade - Note 3.7
- Expected credit loss against trade debts, deposits, advances and other receivables - Note 3.9
- Recoverable amount of assets and cash generating units - Note 3.9
- Provisions and contingencies - Note 3.21

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements.

3.1 Employee benefits

Defined contribution plan

The Group operates a defined contributory approved Provident Fund Trust for all its employees. Equal monthly contributions are made both by the Group and employees at the rate of 10% of the basic salary to the Provident Fund Trust. Obligation for contributions to defined contribution plan is expensed as the related service is provided.

Defined benefit plan

The Group operates approved funded gratuity scheme for all its full time permanent workers who have completed the minimum qualifying period of service of one year. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to consolidated statement of profit or loss.

The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method for valuation. The latest valuation was carried out at June 30, 2023. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated statement of profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Liability for employees' compensated absences - other long term benefits

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be enchased at the time the employee leaves Group service. The Group uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on June 30, 2023. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the consolidated statement of profit or loss. The amount recognized in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.

3.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in consolidated statement of equity or consolidated statement of comprehensive income as the case may be.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Group considers that the most likely outcome will be in favour of the Group, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the consolidated financial statements.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized 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 utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except in the case of items charged or credited to equity or other comprehensive income, in which case it is included in the consolidated statement of changes in equity or consolidated statement of comprehensive income as the case may be.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date.

3.3 Leases

The Group is the lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.4 Property, plant and equipment

Tangible assets except freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery are stated at cost less accumulated depreciation and impairment in value, if any. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any. Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses, if any. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Group and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in statement of consolidated statement of profit or loss as incurred.

Gains / losses on disposal or retirement of tangible assets, if any, are taken to consolidated statement of profit or loss.

Depreciation is calculated at the rates specified in note 20.1 on reducing balance method except that straight-line method is used for the plant and machinery and buildings relating to dry process plant after deducting residual value. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Increase in the carrying amounts arising on revaluation of land, building, road bridges and railway sidings and plant and machinery is recognised, in consolidated statement of comprehensive income and accumulated in reserves in consolidated statement of changes in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The Group reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Group expects to drive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

3.5 Intangible assets

Intangible asset is stated at cost less accumulated amortization for finite intangible asset and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Finite intangible assets are amortized using straight-line method over a period of usage. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal.

3.6 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

The Group reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

3.7 Stock-in-trade

Stocks are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw material	at weighted average cost
Packing material	at weighted average cost
Work in process	at weighted average manufacturing cost
Finished goods	at weighted average manufacturing cost

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

The Group reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Further, the Group's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

3.8 Financial instruments

3.8.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price. The Group follows settlement date accounting for recognition of financial assets acquired through regular way trade.

3.8.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the consolidated statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan to employees, accrued profit, term deposit receipts, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Group has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss account. Short term investments include listed equities that are classified as fair value through profit or loss account at the reporting date.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the consolidated statement of profit or loss.

Financial liabilities comprise trade and other payables, long term loan from subsidiary, long term loans from financial institutions (including current portion), markup accrued on borrowings, unclaimed dividend, retention money payable, long term deposits and short term borrowings.

3.8.3 Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in consolidated statement of profit or loss.

3.8.4 Trade Debts

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. Trade debts are written off where there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than one year past due (considered as default).

3.9 Impairment

Financial assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

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

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

3.10 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, running finance and cash at banks.

3.12 Revenue recognition

Revenue from contracts with customers is recognised, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

3.12.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are dispatched to customers and in very few cases when goods are delivered to the customers, in case of local sales. Further in case of export sale, control is transferred when goods are shipped to the customers or received at customer's country port.

3.12.2 Dividends

Dividend income is recognized when the Group's right to receive the dividend is established.

3.12.3 Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

3.13 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Group on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.14 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the statement of financial position date. All exchange differences are charged to consolidated statement of profit or loss.

3.15 Borrowings

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to consolidated statement of profit or loss in the period in which these are incurred.

3.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect the current best estimate.

3.17 Earnings per share (EPS)

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

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

3.18 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit and as a liability in the Group's consolidated statement of financial position in the year in which the dividends are approved by the Board of Directors or the Group's shareholders as the case may be.

3.19 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost representing the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the consolidated statement of profit or loss over the period of borrowings on an effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.20 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.21 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

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

3.22 Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director of the Group that makes strategic decisions.

3.23 Government Grant

The Group follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in consolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

3.24 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the consolidated statement of changes in equity as a separate reserve.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

4.1 Initial application of standards, amendments or an interpretation to existing standards

Certain standard amendments and interpretations to approved accounting standards are effective for the accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or to have any significant effect on the Group operations and are, therefore, not detailed in these financial statements.

4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant to the Group's operations and are, therefore, not detailed in these financial statements, except for the following:

4.2.1 Amendments to IAS 1, Classification of liabilities as current or non-current

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2023, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

4.2.2 Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies.

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

4.2.3 Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes, effective for accounting periods beginning on or after January 01, 2023, require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

4.2.4 Amendments to IAS 8, Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

4.2.5 Amendments to IFRS 16, Leases on sale and leaseback

The amendment to IFRS 16 Leases on sale and leaseback, effective for accounting periods beginning on or after January 01, 2023, requires companies to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

4.2.6 Amendment to IAS 1 – Non-current liabilities with covenants

The amendment to IAS 1 Non-current liabilities with covenants, effective for accounting periods beginning on or after January 01, 2024, clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

5. SHARE CAPITAL

	Note	Number of shares	2023 (Rupees in thousand)	2022 (Rupees in thousand)
5.1 Authorised share capital				
(2022: 1,400,000,000) ordinary shares of Rs. 10 each		1,400,000,000	14,000,000	14,000,000
(2022: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		100,000,000	1,000,000	1,000,000
		1,500,000,000	15,000,000	15,000,000
5.2 Issued, subscribed and paid-up share capital				
Number of shares				
(2022: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	835,972,162	8,359,721	8,609,721
(2022: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.2.2	35,834,100	358,341	358,341
(2022: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2022: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.3	153,846,153	1,538,462	1,538,462
(2022: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.4	1,624,417	16,244	16,244
	5.2.5	1,073,346,232	10,733,462	10,983,462

5.2.1 The Company has bought back 25 million shares for the purpose of cancellation from 26th May 2022 to July 05, 2022 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Company in their meeting held on April 19, 2022 and May 17, 2022 respectively, where the company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 25 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from May 26, 2022 to August 15, 2022. These shares were cancelled on July 15, 2022.

5.2.2 During the financial year 1992, pursuant to merger of White Cement Industries Limited and Pak Cement Capital Limited with and into the Company, the Company issued 3,503,000 ordinary shares at the rate of Rs. 10 each to the shareholders of White Cement Industries Limited and 6,487,100 ordinary shares at the rate of Rs. 10 each to the shareholders of Pak Cement Company Limited respectively. Further, during financial year 2001, pursuant to merger of Maple Leaf Electric Company Limited with and into the Company, the Company issued 25,844,000 ordinary shares at the rate of Rs. 10 each to the shareholders of Maple Leaf Electric Company Limited. The shares were issued in accordance with the schemes of merger approved by the share holders of the Company.

5.2.3 During the financial year ended June 30, 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

5.2.4 During the financial years ended June 30, 2011 and June 30, 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

5.2.5 Movement of Issued, subscribed and paid-up share capital	Number of shares	2023 (Rupees in thousand)	2022 (Rupees in thousand)
At beginning of the year	1,098,346,232	10,983,462	10,983,462
Own shares purchased during the year	(25,000,000)	(250,000)	-
At end of the year	1,073,346,232	10,733,462	10,983,462

5.3 The Holding Company holds 606,497,944 (2022: 606,497,944) ordinary shares, which represents 56.51% (2022: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.4 Directors of the Company hold 96,706 (2022: 98,730) ordinary shares of Rs. 10 each of the Company.

6. CAPITAL RESERVES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Capital redemption reserve	6.1	105,824	528,263
Share premium reserve	6.2	6,060,550	6,060,550
Own share purchased for cancellation	5.2.1	-	(496,429)
FVOCI reserve	6.3	197,578	-
		6,363,952	6,092,384

6.1 This reserve has been created under section 85 of the repealed Companies Ordinance, 1984 for redemption of preference shares.

6.2 This reserve can be utilized by the Company only for the purpose specified in section 81(2) of the Companies Act, 2017.

6.3 This represents the unrealised gain on remeasurement of equity investments at FVOCI and is not available for distribution.

7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	2023	2022
	(Rupees in thousand)	
At beginning of the year	3,501,994	4,224,458
Surplus on disposal of fixed assets during the year - net of deferred tax	(385)	(1,986)
Related deferred tax liability	(226)	(786)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(455,012)	(516,244)
Related deferred tax liability	(261,105)	(203,448)
At end of the year	2,785,266	3,501,994
Deferred tax liability on revaluation surplus		
At beginning of the year	998,411	1,088,998
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(226)	(786)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(261,105)	(203,448)
Effect of change in effective tax rate due to proportion of local and export sales	147,884	113,647
At end of the year	884,964	998,411
	1,900,302	2,503,583

7.1 The Company's freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery were revalued by Arif Evaluators, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) in "any amount" category, at June 30, 2020. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Buildings on freehold land, roads, bridges and railway sidings

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000'		--------			
1	Askari Bank Limited - Term Finance	707,130	459,634	636,416	13 equal quarterly installments starting from December 28, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Holding Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
2	Bank of Punjab - Demand Finance	1,253,119	814,528	1,190,463	13 equal quarterly installments starting from Feburary 27, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
3	MCB Bank Limited - Demand Finance	1,451,920	775,650	889,149	11 equal quarterly instalments starting from June 24, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Holding Company.
4	National Bank of Pakistan - Demand Finance	5,500,000	1,280,001	2,565,714	09 equal quarterly installments starting from September 30, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	1st Joint pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	450,000	262,500	412,500	07 equal quarterly installments starting from July 01, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	Joint Pari Passu charge of Rs. 600 million on all present and future fixed assets of the Company including land.
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	-	962,878	This loan has been fully repaid during the year.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on the first working day of every calendar quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.
7	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	822,807	1,045,285	Repayment will made in following tranches. Tranche 1 12 equal quarterly installments starting from August 23, 2023. Tranche 2 12 equal quarterly installments starting from August 30, 2023. Tranche 3 13 equal quarterly installments starting from June 28, 2023. Tranche 4 13 equal quarterly installments starting from September 14, 2023. Tranche 5 13 equal quarterly installments starting from September 17, 2023. Tranche 6 15 equal quarterly installments starting from June 28, 2023.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 2,000 million over all present and future fixed assets of the Company including land and building and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
8	Askari Bank Limited - Term Finance	125,000	-	75,000	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs 667 million over fixed assets of the Holding Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it. - Personal Guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel).
9	The Bank of Punjab - Demand Finance	374,339	-	299,471	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million, with 25% margin, over all present and future fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	National Bank of Pakistan - Demand Finance	1,000,000	-	200,000	This loan has been fully repaid during the year.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and to be reset on the first working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
11	MCB Islamic Bank - Diminishing Musharakah	500,000	-	166,667	This loan has been fully repaid during the year.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and subsequently at the beginning of each quarter.	1st Joint Pari Passu charge of Rs. 666.67million over all present and future fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
12	Allied Bank Limited- SBP refinance for Wages and Salaries	933,000	-	213,315	This loan has been fully repaid during the year.	SBP rate + 50 bps to 100 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge over all fixed assets of the Holding Company with 25% margin.
13	Pair Investment Company Limited - Term Finance	300,000	-	75,000	This loan has been fully repaid during the year.	3 months KIBOR + 100 bps p.a, payable quarterly, with the first payment falling due at the end of the 3rd month from the first disbursement date and subsequently every three months thereafter.	1st Joint Pari Passu charge over present and future fixed assets of the Holding Company with 25% margin.
14	Askari Bank Limited - TERF	756,000	448,448	586,433	13 equal quarterly installments starting from August 17, 2023.	SBP Rate + 200 bps p.a, payable quarterly in arrears.	Ranking hypothecation charge of PKR 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of the Holding Company (to be upgraded to 1st Joint Pari Passu charge). 'Cushion available against existing registered 1st Joint Pari Passu charge of Rs 2,000 million, to the extent of Rs. 890.493 million, over fixed assets of the Holding Company with 25% margin over fixed assets of the Company as below: - Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
15	Bank of Punjab - Demand Finance	600,000	243,157	297,192	18 equal quarterly installments starting from September 14, 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
16	National Bank of Pakistan - Demand Finance	1,220,497	714,106	360,751	32 equal quarterly installments starting from September 18, 2023.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
17	National Bank of Pakistan - TERF	1,779,503	1,730,090	1,779,503	32 equal quarterly installments starting from September 18, 2023.	SBP rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
18	Bank of Punjab - Demand Finance	2,500,000	2,222,753	1,965,331	32 equal quarterly installments starting from September 19, 2023.	3-Month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	Cushion available against existing registered 1st Joint Pari Passu charge of Rs 7,903 million, over fixed assets of the Holding Company inclusive of 25% margin and initial ranking charge of Rs. 3,236.1 million with 25% margin, over all present and future fixed assets of the Company (upgraded to First Joint Pari Passu charge).
19	Bank of Punjab - TERF	500,000	500,000	500,000	32 equal quarterly installments starting from September 19, 2023.	SBP Rate + 150 bps p.a payable quarterly in arrears.	1st Joint Pari Passu Charge of Rs 7,903 million over all present and future fixed assets of the Holding Company, with 25% margin.
20	MCB Bank Limited - LTFF	805,806	805,806	805,806	32 equal quarterly installments starting from September 18, 2023.	SBP LTFF Rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Holding Company.
21	MCB Bank Limited - Demand Finance	1,194,194	617,007	439,276	32 equal quarterly installments starting from September 18, 2023.	3-Month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of 38,051 million (MCB Share Rs 4,500 million) over all present and future fixed assets of the Holding Company.
22	Habib Bank Limited. - LTFF	560,705	560,705	560,705	20 equal quarterly installments starting from September 25, 2023.	SBP + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
23	Habib Bank Limited - Term Finance	2,439,295	1,974,686	1,437,412	20 equal quarterly installments starting from September 25, 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
24	Allied Bank Limited -Term Finance	518,575	365,473	118,969	Repayment will made in following tranches. Tranche 1 24 equal quarterly installments starting from August 30, 2023. Tranche 2 22 equal quarterly installments starting from August 24, 2023. Tranche 3 24 equal quarterly installments starting from December 19, 2023.	3-Month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Pari Passu charge of Rs 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
25	Allied Bank Limited - LTFF	121,425	111,306	121,425	22 equal quarterly installments starting from August 22, 2023.	SBP + 100 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge of Rs 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
26	Faysal Bank Limited - Diminishing Musharakah	2,000,000	1,428,036	986,594	21 equal quarterly installments starting from August 31, 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over all present & future fixed assets of the Holding Company with 25% margin and personal guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel).
27	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	331,528	350,000	Repayment will made in following tranches. Tranche 1 10 equal quarterly installments starting from July 01, 2023. Tranche 2 10 equal quarterly installments starting from June 30, 2023. Tranche 3 12 equal quarterly installments starting from July 26, 2023.	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over fixed assets of Company including land, building and plant and machinery with 25% margin.
28	MCB Bank Limited - Demand Finance	500,000	333,278	480,816	16 equal quarterly installments starting from May 28, 2025.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Ranking charge of Rs. 667 million over present and future fixed assets of the Holding Company, inclusive of 25% margin.
29	Askari Bank Limited - Term Finance	1,000,000	816,931	816,931	32 equal quarterly installments starting from September 09, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs 1,333.33 million over fixed assets of the Holding Company inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.

	Lender	Sanctioned Limit	2023	2022	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
30	Allied Bank Limited -Term Finance	1,000,000	1,000,000	-	Repayment will made in following tranches. Tranche 1 16 equal quarterly installments starting from November 04, 2023. Tranche 2 16 equal quarterly installments starting from March 12, 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
	Total	33,428,887	18,618,430	20,339,002			
	Accrued mark up on long term loans		743,232	490,860			
	Amortized Cost of long term loans		19,361,662	20,829,862			
	Less: **Impact of deferred government grant**		(785,692)	(971,334)			
	Current portion of long term loans from financial institutions - secured (principal portion)		(2,599,401)	(2,619,800)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(743,232)	(490,860)			
	Long term portion of loans from financial institutions		15,233,337	16,747,868			

9. DEFERRED GRANT

	Note	2023	2022
		(Rupees in thousand)	
Balance as at 01 July	9.1 & 9.2	971,334	99,566
Recognized during the year		-	950,467
Amortization during the year		(185,642)	(78,699)
Balance as at 30 June		785,692	971,334
Current portion		(179,766)	(184,576)
Non - current portion		605,926	786,758

9.1 This represents deferred grant related to loans obtained, during last year, under "SBP refinance scheme for payment of wages and salaries" and "SBP Temporary Economic Refinance Facility Scheme" for setting of waste heat recovery plant. These facilities carry mark-up at the rate specified by State Bank of Pakistan plus spread of 0.5% to 2% per annum. The loans were initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds was recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), circular number 11 of 2020 issued by the Institute of Chartered Accountant of Pakistan and selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

9.2 The Company has obtained loans amounting to Rs. 2,727 million under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of cement production line (Line - IV) and for setting up Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 1.50% to 2% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

10. LONG TERM LOAN FROM SUBSIDIARY COMPANY

	Note	2023	2022
		(Rupees in thousand)	
Long term loan	10.1	-	-

10.1 This represents conversion of balance payable to Maple Leaf Power Limited, the Subsidiary Company, in lieu of electricity purchased during the current and prior years to long term loan. On June 30, 2023, addendum to agreement dated June 01, 2019 for conversion of outstanding balance into long term loan was signed between the Company and the Subsidiary Company. As per the addendum, Rs. 2,000 million which was payable from April 01, 2024 has been rescheduled and current payable balance of due to Subsidiary Company. The total loan of Rs. 2,000 million is now payable in eight equal quarterly instalments starting from October 01, 2025 . This loan carries mark-up at 3 month KIBOR plus 1% per annum, payable quarterly in arears. The effective rate during the year ranges from 15.32% to 22.08% per annum (2022: 8.45% to 12.95%).

11. LIABILITY AGAINST RIGHT OF USE ASSET

	2023	2022
	(Rupees in thousand)	
Liability against right of use asset	33,973	-
Addition during the year	17,666	44,021
Interest Expense	5,038	2,377
Payment during the year	(14,611)	(12,425)
Lease terminated during the year	(401)	-
	41,665	33,973
Current portion of liability against right of use asset	(10,257)	(6,837)
	31,408	27,136
Maturity analysis of liability against right of use asset is as follows:		
Less than one year	14,325	9,138
One to five years	26,498	19,715
More than five years	30,226	31,924
Total undiscounted liability against right of use asset as at June 30	71,049	60,777
Impact of discounting on liability against right of use asset	(29,384)	(26,804)
	41,665	33,973

12. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Group in accordance with the terms of dealership agreements.

13. DEFERRED TAXATION

	Note	2023	2022
		(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:			
- Accelerated tax depreciation on fixed assets		9,884,656	6,176,356
- Surplus on revaluation of fixed assets		884,969	998,411
- Investment at FV - OCI		65,859	-
		10,835,484	7,174,767
Deferred tax asset on deductible temporary differences arising in respect of:			
- Provision against expected credit loss		(89,719)	(16,155)
- Unused tax losses	13.2	(479,209)	(974,863)
- Minimum tax	13.3	(493,792)	(180,758)
- Alternative corporate tax	13.4	(1,013,692)	(277,270)
- Employees' retirement benefits		(51,591)	(37,978)
		(2,128,003)	(1,487,024)
	13.1	8,707,481	5,687,743

13.1 Movement in deferred tax balances is as follows:

	2023	2022
	(Rupees in thousand)	
At beginning of the year	5,687,743	3,931,540
Recognized in profit and loss account:		
- Accelerated tax depreciation on fixed assets	3,708,300	915,943
- Surplus on revaluation of fixed assets	(261,326)	(204,234)
- Unused tax losses	495,654	1,016,378
- Employees' retirement benefits	(6,636)	26,582
- Minimum tax	(313,034)	-
- Alternative corporate tax	(736,422)	(181,599)
- Provision for expected credit loss	(73,564)	68,929
	2,812,972	1,641,999
Recognized in surplus on revaluation of fixed assets		
Effect of change in proportion of local and export sales	147,884	113,647
Recognized in other comprehensive income:		
- Employees' retirement benefits	(6,977)	557
- Investment at fair value through OCI	65,859	-
	8,707,481	5,687,743

13.2 This represents deferred tax asset on unused tax losses amounting to Rs. 1,652 million (2022: Rs. 3,527 million) recognized on the basis of future expected taxable profits. As at June 30, 2023, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of Income Tax Ordinance, 2001.

13.3 Deferred tax asset on minimum tax available for carry forward u/s 113 of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Company has recognised deferred tax assets of Rs. 493.792 million (2022: Rs. 180.029) in respect of minimum tax available for carry forward u/s 113 of the Income Tax Ordinance, 2001, as sufficient tax profits would be available to set these off in the foreseeable future. Minimum tax amounting to Rs. 180.76 million and Rs. 313.03 million will expire in year 2024 and 2026 respectively.

13.4 Deferred tax asset on alternate corporate tax available for carry forward u/s 113(c) of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Company has recognised deferred tax assets of Rs. 1,013.692 million (2022: Rs. 277.999 million) in respect of alternate corporate tax available for carry forward u/s 113(c) of the Income Tax Ordinance, 2001, as sufficient tax profits would be available to set these off in the foreseeable future. Alternate Corporate Tax amounting to Rs 90.11 million, Rs 277.03 million and Rs 646.55 million will expire in year 2031, 2032 and 2033 respectively.

14. RETENTION MONEY PAYABLE

This represented retention money payable to M/s Chengdu Design & Research Institute Of Building Materials Industry Co., Ltd amounting to CNY 38.41 million (equivalent to Rs. 1,535.635 million) against line-IV after 18 months of last major shipment and remaining amount will be payable to M/s Sinoma Energy Conservation Ltd against line-IV WHRP amounting to CNY 5.43 million (equivalent to Rs. 217.353 million). This amount will be payable on issuance of certificate of performance test acceptance by the Company.

15. RETIREMENT BENEFITS

	Note	2023	2022
		(Rupees in thousand)	
Accumulated compensated absences	15.1	213,284	165,416
Gratuity	15.2	65,208	69,913
		278,492	235,329

15.1 Accumulated compensated absences

The actuarial valuation of the Group's accumulated compensated absences was conducted on June 30, 2023 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

15.1.1 Movement in the present value of defined benefit obligations is as follows:

	2023	2022
	(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year	165,416	137,775
Current service cost for the year	11,103	11,110
Interest cost for the year	20,729	12,990
Remeasurements:		
Actuarial (gains) / losses from changes in demographic assumptions	-	-
Actuarial (gains) / losses from changes in financial assumptions	-	-
Experience adjustments	33,974	19,283
Benefits paid during the year	(17,938)	(15,742)
Present value of defined benefit obligation	213,284	165,416

15.1.2 Charge for the year

	2023	2022
In statement of profit or loss		
Current service cost for the year	11,103	11,110
Interest cost for the year	20,729	12,990
Actuarial losses on present value of defined benefit obligations	33,974	19,283
	65,806	43,383

15.1.3 Sensitivity analysis

Significant actuarial assumptions used to estimate the liability are discount rate and future salary increases. If such assumptions had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at June 30, 2023 would have been as follows:

	Compensated absences – Present value of defined benefit obligation – Increase in assumption	Compensated absences – Present value of defined benefit obligation – Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	194,020	235,773
Future salary increase + 100 bps	235,427	194,021

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the consolidated statement of financial position.

15.1.4 At June 30, 2023, the average duration of the defined benefit obligation was 10 years.

15.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at June 30:

	2023	2022
	(Percentage)	
Discount rate used for interest cost	13.25%	10.00%
Discount rate used for year end obligations	16.25%	13.25%
Expected rate of growth per annum in future salaries	15.25%	12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

15.2 Gratuity

The latest actuarial valuation of the Group's defined benefit plan, was conducted on June 30, 2023 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

The amounts recognized in the statement of consolidated financial position are as follows:

	Note	2023	2022
		(Rupees in thousand)	
Present value of defined benefit obligation	15.2.1	162,625	153,729
Less: Fair value of plan assets	15.2.2	(99,816)	(83,816)
Add: Payable to ex-employees		2,399	-
Net liability at end of the year		65,208	69,913
Net liability at beginning of the year		69,913	90,491
Charge to profit and loss account for the year	15.2.3	12,406	13,957
Charge to other comprehensive income for the year	15.2.3	18,830	(1,726)
Contribution made during the year		(35,940)	(27,577)
Gratuity due but not paid		-	(5,232)
Net liability at end of the year		65,208	69,913

15.2.1 Movement in the present value of defined benefit obligations is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year		153,729	168,575
Current service cost for the year		6,029	6,547
Interest cost for the year		17,829	15,218
Benefits due but not paid		(2,399)	(5,232)
Remeasurements:			
Actuarial (gains) / losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		183	194
Experience adjustments		23,194	(3,996)
Benefits paid during the year		(35,940)	(27,577)
Present value of defined benefit obligation at end of the year		162,625	153,729

15.2.2 Movement in the fair value of plan assets is as follows:

	Note	2023	2022
Fair value of plan assets at beginning of the year		83,816	78,084
Contributions made during the year		41,171	27,577
Expected return on plan assets for the year		11,452	7,808
Actuarial loss / (gain) on plan assets		4,547	(2,076)
Benefits paid during the year	15.2.4	(41,170)	(27,577)
Fair value of plan assets at end of the year		99,816	83,816
Fair value of plan assets are as follows:			
NAFA Government Securities Liquid Fund		98,859	23,743
Special saving certificates		-	58,560
Cash at bank		957	1,513
		99,816	83,816

	2023	2022
	Percentage	
Plan assets comprise of:		
Equity	99.04%	28.32%
Special saving certificates	0.00%	69.87%
Cash at bank	0.96%	1.81%
	100.00%	100.00%

15.2.3 Charge for the year

	2023	2022
	(Rupees in thousand)	
In consolidated statement of profit or loss		
Current service cost for the year	6,029	6,547
Interest cost for the year	17,829	15,218
Expected return on plan assets for the year	(11,452)	(7,808)
	12,405	13,957
In consolidated statement of comprehensive income		
Actuarial losses / (gains) on retirement benefits - net	18,830	(1,726)
	31,236	12,231

Actuarial assumptions	2023	2022
	Percentage	
The following are the principal actuarial assumptions at June 30:		
Discount rate used for year end obligations	16.25%	13.25%
Discount rate used for interest cost in profit or loss	13.25%	10.00%
Expected rate of growth per annum in future salaries	15.25%	12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

15.2.4 This also includes payments made to employees with respect to gratuity due but not paid in 2022 amounting to Rs. 5.23 million.

15.3 The Group expects to charge Rs. 12.405 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending June 30, 2023.

15.4 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at June 30, 2023 would have been as follows:

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	156,035	161,490
Future salary increase + 100 bps	169,774	155,925

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

15.5 At June 30, 2023, the average duration of the defined benefit obligation was 4 years.

15.6 Compensated absence and gratuity charge to profit or loss for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	36.2	41,000	34,380
Administrative expenses	38.1	22,680	13,731
Distribution expenses	37.1	14,531	9,229
		78,211	57,340

16. TRADE AND OTHER PAYABLES

	Note	2023	2022
Trade creditors		3,412,227	3,670,091
Bills payable - secured		1,416,937	329,630
Accrued liabilities		1,879,568	1,378,847
Contract liabilities	16.1	445,838	345,495
Payable to Workers' Profit Participation Fund	16.2	1,903,611	1,889,435
Payable to Workers' Welfare Fund	16.3	329,660	175,669
Payable to Provident Fund Trust		-	17,786
		9,387,841	7,806,953
Payable to Government on account of:			
Federal Excise duty payable		374,455	511,547
Sales Tax payable - net		783,157	39,473
Royalty and Excise Duty payable		35,059	80,435
Provision for electricity duty		230,656	180,652
Other Taxes payable		183,622	356,679
		1,606,949	1,168,786
Contractors' retention money	16.4	360,396	555,864
Security deposits repayable on demand	16.5	76,723	75,214
Payable against redemption of preference shares		1,005	1,010
Other payables		12,276	35,722
		450,400	667,810
		11,445,190	9,643,549

16.1 This represents advances received from customers for future sale of goods. During the year, the Group has recognized revenue amounting to Rs. 219.027 million, out of the contract liability as at July 01, 2022.

	Note	2023	2022
		(Rupees in thousand)	
16.2 Payable to Workers' Profit Participation Fund			
At beginning of the year		1,889,435	1,553,602
Allocation for the year	39	124,176	427,064
Less: Paid during the year		(110,000)	(91,231)
At end of the year		1,903,611	1,889,435
16.3 Workers' Welfare Fund			
At the beginning of the year		175,669	86,043
Charge for the year	39	220,943	170,825
Prior year charge		-	(58,014)
		220,943	112,811
Paid during the year		(66,952)	(23,185)
At end of the year		329,660	175,669

16.4 This represents retention money withheld from contractors and are repayable after satisfactory completion of contracts.

16.5 This represents security deposits received from distributors and contractors of the Company. Distributors and contractors have given the Company a right to utilize deposits in ordinary course of business.

17. MARK-UP ACCRUED ON BORROWINGS

	Note	2023	2022
		(Rupees in thousand)	
Accrued mark-up on:			
- Long term loans	17.1	743,232	490,860
- Short term borrowings	17.2	21,723	141,976
		764,955	632,836

17.1 Accrued mark-up on all loans includes Rs. 62.011 million (2022: Rs. 60.547 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

17.2 Accrued mark-up on short term loans includes Rs. Nil (2022: Rs. 62.331 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

18. SHORT TERM BORROWINGS

	Note	2023	2022
		(Rupees in thousand)	
Banking and financial institutions:			
- Cash finance and others facilities availed	18.1	-	808,521
- Running finance	18.2	-	1,396,990
- Islamic mode of financing	18.3	-	1,366,057
Temporary bank overdrafts - unsecured	18.4	-	505
		-	3,572,073

18.1 The Company has un-availed cash finance and other funded facilities aggregating to Rs. 2,000 million (2022: Rs.1,938 million) at the year end and un-availed facilities for opening letters of credit / guarantee aggregating to Rs. 8,685 million (2022: Rs. 7,935 million) at the year end.

The cash finance and other facilities carry mark-up at the rates ranging from 3.00% to 22.70% (2022: 3.00% to 21.00%) per annum payable quarterly in arrears.

18.2 The Company has un-availed running finance funded facilities aggregating to Rs. 950 million (2022: Rs. 448 million) at the year end. These are secured against same securities as mentioned in note 18.1 above.

The running finance carries mark-up at the rates ranging from 14.80% to 23.58 (2022: 7.92% to 15.18%) per annum, payable quarterly in arrears.

18.3 The Company has un-availed Islamic financing facilities aggregating to Rs. 2,000 million (2022: 601million) at the year end.

The Islamic financing facilities carried profit expense at : 8.05% to 11.26% per annum payable in arrears during 2022.

18.4 This represents temporary overdraft in the preceding financial year due to cheques issued by the Company at the statement of financial position date June 30, 2022.

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Holding Company filed writ petitions before the Honourable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal in 2004 whereby the Company was held liable on account of wrongful adjustment of input sales tax on raw materials. The amount involved pending adjudication before the Honourable Lahore High Court is Rs.10.01 million out of which Rs. 3 million had already been paid during previous years. Lahore High Court remanded the case back to Appellate Tribunal for Decision afresh. However, hearing of the appeals by the Appellate Tribunal is yet to be fixed. No further provision has been made in these consolidated financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.2 The Holding Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rs. 12.35 million was rejected and the Holding Company was held liable to pay an amount of Rs. 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated July 01, 1995. The impugned demand was raised by the department on the alleged ground that the Holding Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated April 02, 1994.

The Honourable Lahore High Court, upon the Holding Company's appeal, vide its order dated November 06, 2001 has decided the matter in favour of the Company; however, the Collector of Customs has preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.3 A show cause notice was issued to the Holding Company on December 04, 1999 and demand was raised by the Central Board of Revenue (now the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by the Company (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rs.1,386.72 million was raised by the Central Board of Revenue out of which an amount of Rs. 449.328 million was deposited by the Holding Company (initially the Holding Company deposited Rs. 269.328 million and subsequently deposited further amount of Rs. 180.00 million). Initially, the matter was decided in favour of the Holding Company as per the judgment of the Lahore High Court in writ petition no. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgment dated December 21, 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Holding Company has filed its reply before the Collector of Customs, Faisalabad who decided the same against the Holding Company vide order no. 6/2014 dated July 09, 2014. The said order was challenged by the Holding Company by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to the Holding Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006.

However, the Collector of Customs instead of making fresh calculations, through a demand notice CA-1946/2000(Pt-I)/8169 dated October 23, 2019 restored the original demand raised by the earlier order no. 06/2014 and directed the Holding Company to pay the amount of Rs. 933.81 million within a period of seven days. The said demand of tax was challenged by the Holding Company before the Honourable Lahore High Court, wherein stay against recovery was granted to it by the Honourable Lahore High Court vide order dated November 04, 2019. This matter is still pending before the Honourable Lahore High Court, Lahore and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.4 The Holding Company has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, by judgment dated September 15, 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to December 28, 2006 was illegal and ultra vires and after December 28, 2006, it was legal and the same was collected by the Excise Department in accordance with the law. The appeal has been filed against the declaration that after December 28, 2006, the Excise Department has collected the infrastructure cess / fee in accordance with law. The Province of Sindh and Excise and Taxation Department has also preferred an appeal against the judgment decided against them. The Honourable Supreme Court consolidated both the appeals and were set aside. Thereafter, law has been challenged in constitution petition in the Honourable Sindh High Court Karachi. Stay has been granted by the Honourable High Court on May 31, 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The matter is pending adjudication before the Honourable court, till that time, the stay order remains in effect.

19.1.5 Competition Commission of Pakistan, vide order dated August 27 ,2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission has imposed penalty amounting to Rs. 586.19 million on the Holding Company. The Commission has alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honourable Islamabad High Court pursuant to the judgment of Honourable Supreme Court of Pakistan dated July 31, 2009, the titled petition has become infructuous and the Holding Company has filed a writ petition no. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.6 The Additional Collector, Karachi has issued show cause notice alleging therein that the Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated June 05, 2006 on the import of pre-fabricated buildings structure. Consequently, the Company is liable to pay Government dues amounting to Rs. 5.55 million. The Company has submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these consolidated financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.7 The customs department has filed an appeal against the judgment dated May 19, 2009, passed in favour of the Holding Company pursuant to which the Holding Company is not liable to pay custom duty amounting to Rs. 0.81 million relating to import of some machinery vide L/C No. 0176-01-46-518-1201 in terms of SRO 484(1)/92 dated May 14, 1992, and SRO 978(1)/95 dated October 04, 1995. The appeal is pending before the Honourable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.8 Surcharge of Rs. 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Holding Company has filed writ petition against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition and remanded the case back to the department since the matter was being reviewed by the relevant authority. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Holding Company.

19.1.9 The FBR selected the company's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated February 10, 2021 issued by the office of the CIR. Subsequently, the DCIR issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated March 31, 2021 through which an aggregate sales tax demand of Rs 1,399.89 million was created against the Holding Company.

The Holding Company preferred an appeal against the above referred order which was disposed of by the CIR vide appellate order dated July 15, 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of the Holding Company. Regarding the issues decided against the Holding Company, the Holding Company is in the process of preferring an appeal before the ATIR and on the basis of evidence shared by the Holding Company, we consider that the Holding Company is likely to obtain relief from the appellate authorities.

19.1.10 Through notices dated March 3, 2021, the CIR selected company's case for audit of its sales tax affairs for tax periods from July 2015 to June 2017 and July 2018 to June 2020. The company challenged the vires of selection by the CIR before the Honourable Lahore High Court, and the Honourable Lahore High Court, vide interim order dated March 30, 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Following the directions of the Honourable Lahore High Court, the company joined the audit proceedings by responding to issues arising out of audit reports Subsequently, the tax authorities issued show cause notices under section 11 of the Act dated May 31, 2021, for the subject tax periods which are yet to be responded to. Since the matter is pending before the Honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal of writ petitions.

19.1.11 The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated March 22, 2018 raised demand of Rs. 256 million against the Company, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by the Company. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition no. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Company and the tax/legal advisor of the Holding Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

19.1.12 The Holding Company was selected for audit under section 42B of Sales tax for tax period July 2017 to June 2018 intimated by letter dated December 8, 2020. The DCIR finalized the audit and created a demand of Rs. 690.52 million along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Company preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of the Company are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

19.1.13 The Holding Company received show cause notice, dated April 17, 2022 as per which it was alleged that the Holding Company's claim of input sales tax amounting to Rs 85.98 million, for the tax periods January 2017 to August 2019, was illegal. The Holding Company responded to the notice vide letter dated April 25, 2022. The proceedings were concluded by the DCIR and demand of Rs 85.98 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Holding Company preferred an appeal before the CIR(A), which is pending adjudication. The management of the Holding Company is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

19.1.14 The Holding Company received show cause notice dated April 7, 2022 as per which it was alleged that the Holding Company's claim of input sales tax, amounting to Rs 620.98 million, for the tax periods July 2019 to November 2021 was illegal. The Holding Company responded to the notice vide letter dated March 25, 2022. The proceedings were concluded by the DCIR and demand of Rs 580.06 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022 passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Holding Company preferred an appeal before the CIR(A), which is pending adjudication. The management of the Holding Company is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these consolidated financial statements.

19.1.15 The Holding Company received show cause notice, dated April 26, 2021 in which it was confronted that the Holding Company has disposed of its fixed assets during the tax periods July 2015 to June 2017 without charging sales tax, aggregating to Rs 42.76 million. The Holding Company responded to the notice vide letter dated May 7, 2021. The proceedings were concluded and the DCIR vide assessment dated August 23, 2021 passed under section 11 of the Sales Tax Act 1990 raised sales tax demand amounting to Rs. 42.76 million along with default surcharge and penalty. Being aggrieved, the Holding Company preferred an appeal before the CIR(A), which was disposed of by the CIR(A) vide appellate order dated February 10, 2022. Through such appellate order, entire sales tax demand along with penalty and default surcharge has been annulled by the CIR(A). It was held that the disposal of land, buildings and vehicles did not warrant the imposition of sales tax and accordingly, the demand on account of these disposals has been deleted whereas sales tax demand on account of disposal of remaining fixed assets, amounting to Rs 23 million, has been remanded back to the taxation officer to decide the matter after examination of underlying record. No further correspondence has been received from tax department in this regard. The management is expecting favourable outcome of the case, therefore, no provision has been booked in these consolidated financial statements.

The Subsidiary Company

19.1.16 During the year, the Deputy Commissioner Inland Revenue (DCIR) show caused Maple Leaf Power Limited vide notice dated November 29, 2022, wherein requiring Subsidiary Company to provide details / clarification of adjustment of various inputs under section 8 of the Sales tax Act, 1990 (the Act) relating to tax period July 2019 to June 2020. Subsidiary Company fully complied with the said notice and the assessing officer finalised the proceeding and passed an order by creating a demand to the tune of Rs. 474.67 million. Being aggrieved with the said order, Subsidiary Company filed an appeal before Commissioner Inland Revenue- Appeals (CIR-A). The CIR-A has not decided the case yet.

19.1.17 During the year, the Deputy Commissioner Inland Revenue (DCIR) show caused Subsidiary Company vide notice dated November 29, 2022, wherein requiring Subsidiary Company to provide details / clarification of adjustment of various inputs under section 8 of the Sales tax Act, 1990 (the Act) relating to tax period July 2020 to June 2021. Subsidiary Company fully complied with the said notice and the assessing officer finalised the proceeding and passed an order by creating a demand to the tune of Rs. 477.27 million. Being aggrieved with the said order, Subsidiary Company filed an appeal before Commissioner Inland Revenue- Appeals (CIR-A). The CIR-A has not decided the case yet.

19.1.18 The Deputy Commissioner Inland Revenue (DCIR) show caused Subsidiary Company vide notice dated February 9, 2021, wherein requiring Subsidiary Company to provide details / clarification of adjustment of various inputs under section 8 of the Act relating to tax period July 2016 to June 2018. Subsidiary Company fully complied with the said notice and the assessing officer finalised the proceeding and passed an order by creating a demand to the tune of Rs. 367.62 million. Being aggrieved with the said order, Subsidiary Company filed an appeal before Commissioner Inland Revenue-Appeals (CIR-A). The case of Subsidiary Company was heard, and the Honourable Commissioner confirmed the department treatment to the tune of Rs. 216.19 million and annulled and remanded the remaining demand for reverification by the department. The Subsidiary Company has contested the CIR-A appeal before ATIR. The case of Subsidiary Company had been heard by the Honourable bench however, the final order is still pending.

19.1.19 The Deputy Commissioner Inland Revenue (DCIR) show caused Subsidiary Company vide notice dated March 16, 2021, wherein requiring Subsidiary Company to provide details/ clarification of adjustment of various inputs under section 8 of the Sales tax Act, 1990 (the Act) relating tax period July 2017 to December 2020. Subsidiary Company fully complied with the said notice and the assessing officer finalised the proceeding and passed an order by creating a demand to the tune of Rs. 843.58 million. Being aggrieved with the said order, Subsidiary Company filed an appeal before Commissioner Inland Revenue- Appeals (CIR-A). The case of Subsidiary Company was heard, and the Honourable Commissioner confirmed the department treatment to the tune of Rs. 580.29 million and annulled the remaining demand. The company has contested the CIR-A appeal before Appellate Tribunal Inland Revenue (ATIR). The case of Subsidiary Company had been heard by the Honourable bench however, the final order is still pending.

19.1.20 The Deputy Commissioner Inland Revenue (DCIR) show caused Subsidiary Company vide notice dated March 18, 2021, wherein requiring Subsidiary Company to provide details/ clarification of adjustment of various inputs under section 8 of the Act relating to tax period July

2016 to July 2017. Subsidiary Company fully complied with the said notice and the assessing officer finalised the proceeding and passed an order by creating a demand to the tune of Rs. 182.83 million. Being aggrieved with the said order, Subsidiary Company filed an appeal before CIR-A. The case of Subsidiary Company was heard, and the Honourable Commissioner confirmed the department treatment to the tune of Rs. 96.35 million and annulled the remaining demand. The company has contested the CIR-A appeal before ATIR. The case of Subsidiary Company had been heard by the Honourable bench however, the final order is still pending.

19.1.21 Contingencies relating to tax matters are disclosed in note 33 to these consolidated financial statements.

Based on the advice of the taxation / legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

19.2 Commitments

19.2.1 In respect of:

	2023	2022
	(Rupees in thousand)	
- capital expenditure	3,257,391	5,623,145
- irrevocable letters of credit for spare parts	400,478	423,764
- coal	1,992,761	1,972,000
	5,650,630	8,018,909

19.2.2 Guarantees given by banks on behalf of the Company are Rs. 1,101.35 million (2022: 1,037.04 million) in favour of Sui Northern Gas Pipeline Limited and Government Institutions.

19.2.3 Corporate guarantee given by the Company to the financial institutions related to credit facilities amounting to Rs. 1,000 million (2022: Rs. 1,500 million) available to the Subsidiary Company.

19.2.4 The Subsidiary Company has arranged guarantees from different banks aggregating to Rs. 25 million (2022: Rs. 25 million) which comprises of a guarantee from Askari Bank Limited worth Rs.15 million (secured with 100% margin) and a guarantee from MCB Bank Limited worth Rs.10 million in favour of Director Excise and Taxation Karachi.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in thousand)	
Operating fixed assets	20.1	64,831,070	45,846,742
Capital work in progress - at cost	20.2	1,676,796	15,352,800
Major spare parts and stand-by equipments	20.3	238,239	280,655
		66,746,105	61,480,197

20.1 Operating fixed assets

	Cost / Revalued amount				Rate	Depreciation				Net book value at June 30, 2023
	At July 01, 2022	Additions	Disposals	At June 30, 2023		At July 01, 2022	For the year	Disposals	At June 30, 2023	
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	2,450	-	824,604	-	-	-	-	-	824,604
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	2,450	-	1,194,487	-	-	-	-	-	1,194,487
Buildings on freehold land										
- cost	15,573,804	5,722,077	-	21,295,881	5-20	4,762,004	748,836	-	5,510,840	15,785,041
- surplus on revaluation	357,840	-	-	357,840	5-20	208,516	30,939	-	239,455	118,385
	15,931,644	5,722,077	-	21,653,721		4,970,520	779,775	-	5,750,295	15,903,426
Roads, bridges and railway sidings										
- cost	457,157	11,895	-	469,052	5-10	166,663	30,403	-	197,066	271,986
- surplus on revaluation	4,429	-	-	4,429	5-10	4,321	24	-	4,345	84
	461,586	11,895	-	473,481		170,984	30,427	-	201,411	272,070
Plant and machinery										
- cost	53,465,264	16,589,772	(49,067)	70,005,969	5-20	23,411,418	2,184,502	(18,014)	25,577,906	44,428,063
- surplus on revaluation	7,525,014	-	(1,782)	7,523,232	5-20	4,542,185	684,976	(992)	5,226,169	2,297,063
	60,990,278	16,589,772	(50,849)	77,529,201		27,953,603	2,869,478	(19,006)	30,804,075	46,725,126
Furniture, fixtures and equipment	533,336	58,403	(476)	591,263	10-30	427,890	27,061	(310)	454,641	136,622
Quarry equipment	192,244	1,900	-	194,144	20	184,528	2,207	-	186,735	7,409
Vehicles	420,176	411,614	(66,532)	765,258	20	203,131	60,278	(46,969)	216,440	548,818
Share of joint assets	6,000	-	-	6,000	10	6,000	-	-	6,000	-
	1,151,756	471,917	(67,008)	1,556,665		821,549	89,546	(47,279)	863,816	692,849
Right of use asset										
- leasehold land	29,001	566	-	29,567	5.88-50	1,113	2,287	-	3,400	26,167
- leasehold building	15,020	17,100	(401)	31,719	33	6,810	8,365	(401)	14,774	16,945
	44,021	17,666	(401)	61,286		7,923	10,652	(401)	18,174	43,112
Total	79,771,322	22,815,777	(118,258)	102,468,841		33,924,579	3,779,878	(66,686)	37,637,771	64,831,070

	Cost / Revalued amount					Depreciation				
	At July 01, 2021	Additions	Disposals	At June 30, 2022	Rate	At July 01, 2021	For the year	Disposals	At June 30, 2022	Net book value at June 30, 2022
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	14,991,362	618,970	(36,528)	15,573,804	5-20	4,098,993	696,392	(33,381)	4,762,004	10,811,800
- surplus on revaluation	358,084	-	(244)	357,840	5-20	177,779	30,892	(155)	208,516	149,324
	15,349,446	618,970	(36,772)	15,931,644		4,276,772	727,284	(33,536)	4,970,520	10,961,124
Roads, bridges and railway sidings										
- cost	455,040	2,117	-	457,157	5-10	133,126	33,537	-	166,663	290,494
- surplus on revaluation	4,429	-	-	4,429	5-10	4,312	9	-	4,321	108
	459,469	2,117	-	461,586		137,438	33,546	-	170,984	290,602
Plant and machinery										
- cost	51,068,005	2,460,441	(63,182)	53,465,264	5-20	21,427,992	2,029,220	(45,794)	23,411,418	30,053,846
- surplus on revaluation	7,531,251	-	(6,237)	7,525,014	5-20	3,857,097	688,642	(3,554)	4,542,185	2,982,829
	58,599,256	2,460,441	(69,419)	60,990,278		25,285,089	2,717,862	(49,348)	27,953,603	33,036,675
Furniture, fixtures and equipment	507,812	29,393	(3,870)	533,335	10-30	403,730	27,579	(3,419)	427,890	105,445
Quarry equipment	192,244	-	-	192,244	20	181,931	2,597	-	184,528	7,716
Vehicles	352,873	93,190	(25,887)	420,176	20	180,185	38,966	(16,020)	203,131	217,045
Share of joint assets	6,000	-	-	6,000	10	5,998	2	-	6,000	-
	1,058,929	122,583	(29,757)	1,151,755		771,844	69,144	(19,439)	821,549	330,206
Right of use asset										
- leasehold land	-	29,001	-	29,001	5.88-50	-	1,113	-	1,113	27,888
- leasehold building	-	15,020	-	15,020	33	-	6,810	-	6,810	8,210
	-	44,021	-	44,021		-	7,923	-	7,923	36,098
	76,659,137	3,248,132	(135,948)	79,771,321		30,471,143	3,555,759	(102,323)	33,924,579	45,846,742

20.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	36	3,686,523	3,487,516
Administrative expenses	38	64,996	50,347
Distribution expenses	37	28,359	17,897
		3,779,878	3,555,760

20.1.2 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	Rupees in thousand						
Plant and Machinery							
Feed Screw Conveyor Complete, Sketches No. 20 & 21	2,478	1,657	821	212	(609)	Auction	M/S.Muhammad Hayat Contractor
Centre Cone Of Cost Steel 760	344	264	80	1,078	998	Auction	M/S.Muhammad Hayat Contractor
Tyre Dwg.No. N6222-0402 For White Cement Kiln	781	593	188	6,000	5,812	Return to Store	Return to Store
Shell Kiln Drg.No. 6222-04	2,907	2,208	699	7,000	6,301	Return to Store	Return to Store
Encoder , Model : Rhi 503 , Power Supply: 5 Vdc	102	78	24	63	39	Auction	M/S.Muhammad Hayat Contractor
Load Cell (For Scd Pfister Coal Bin),Type: V335K	39	30	9	24	15	Auction	M/S.Muhammad Hayat Contractor
Flow Control Switch, Type: Mk301-F21-St31-1-15	50	44	6	31	25	Auction	M/S.Muhammad Hayat Contractor
Clamp For Wear Segment, Spl No : 50008582	1,871	283	1,588	1,142	(446)	Auction	M/S Ghulam Akbar
Pull Rod ,Drg. # 2.229334,Pn:839335,Spl # 50008582	2,045	313	1,732	10	(1,722)	Return to Store	Return to Store
Incremental Encoder, Type : Ma324-6-1024-Al2	345	60	285	7	(278)	Return to Store	Return to Store
Slip Ring Assembly For 4600Kw Motor, For Line 3	1,605	281	1,324	300	(1,024)	Return to Store	Return to Store
Controller Intecont Tursus Type Vbw 20650	111	98	13	68	55	Auction	M/S.Muhammad Hayat Contractor
Sealing Plate Upper Specification: (Type:Drw 4.12)	919	827	92	25	(67)	Return to Store	Return to Store
Sealing Plate Lower Specification: (Type:Drw 4.14)	1,066	959	107	25	(82)	Return to Store	Return to Store
Bearing Housing Sofn-230 Bl	739	665	74	200	126	Return to Store	Return to Store
Kiln Burner For 500Tpd(Clinker)	214	68	146	221	75	Return to Store	Return to Store
Ep Unit Power Control For Gac-Ix B Of Nigata Engine	202	181	21	125	104	Auction	M/S.Muhammad Hayat Contractor
Gear Box Assembly Type - Zk-128-K4-200	433	261	172	100	(72)	Return to Store	Return to Store
Turbine/Generator - WHRP	525	234	291	438	147	Auction	M/S Ghulam Akbar
Centrifugal Pump Cap+170M3/H At6 Bar	697	628	69	91	22	Auction	M/S.Muhammad Hayat Contractor
Fuzes Detonating For Is Limiter	3,102	1,588	1,514	-	(1,514)	Return to Store	Return to Store
Fuzes Detonating For Is Limiter	1,034	751	283	-	(283)	Return to Store	Return to Store
Gas Analyzer Uras26, Art. No.: 04526644/1010	1,086	977	109	393	284	Return to Store	Return to Store
Profibus Card Ptq Module, Type: Ptq-Pdpmv1	209	188	21	104	83	Return to Store	Return to Store
Auma Actuator ,Type: Sa 10.1-F10 , Comm: 691153	1,204	1,084	120	88	(32)	Return to Store	Return to Store
P&M Packing Plant	582	107	475	359	(116)	Auction	M/S.Muhammad Hayat Contractor
Tyre Dwg.No. N6222-0401 For White Cement Kiln	7,680	2,371	5,309	4,500	(809)	Return to Store	Return to Store
Solar Pv Modules High Efficiency 540-660 Watt	11,254	419	10,835	11,254	419	Return to Store	Return to Store
Auma Actuator, G 80.3, Com No:13007302,Am 01.1	688	79	609	688	79	Return to Store	Return to Store
CFPP	6,538	1,709	4,829	2,015	(2,814)		
Total	50,850	19,005	31,845	36,561	4,716		

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	---------------------------- Rupees in thousand ----------------------------						
Vehicles							
Honda Civic	2,936	1,608	1,328	3,600	2,272	Buy Back	Nauman Ahmed
Suzuki Cultus	1,040	908	132	750	618	Buy Back	Aamir Shahbaza Maseh
Suzuki Cultus	1,063	863	200	700	500	Buy Back	Sajid Chauhdry
Suzuki Cultus	1,063	857	206	750	544	Buy Back	Manzar Mehdi
Suzuki Cultus	1,063	858	205	700	495	Buy Back	Muhammad Ashraf
Suzuki Cultus	1,063	863	200	700	500	Buy Back	Waqas Chaudhry
Suzuki Cultus	1,063	862	201	710	509	Buy Back	Imran Butt
Suzuki Cultus	1,063	831	232	825	593	Buy Back	Muzaffar Hussain
Suzuki Cultus	1,124	870	254	760	506	Buy Back	Babar Iqbal
Suzuki Cultus	1,124	864	260	730	470	Buy Back	Mehmood Ali
Suzuki Cultus	1,124	861	263	780	517	Buy Back	Hassan Raza
Suzuki Cultus	1,119	835	284	780	496	Buy Back	Umair Saeed
Suzuki Cultus	1,124	841	283	780	497	Buy Back	Umair Ikram
Suzuki Cultus	1,124	837	287	740	453	Buy Back	Mutnazzam Nazir
Suzuki Cultus	1,124	839	285	770	485	Buy Back	Rashid Khan
Suzuki Cultus	1,154	854	300	730	430	Buy Back	Younas Bhatti
Suzuki Cultus	1,152	846	306	750	444	Buy Back	Inamulah Khan
Suzuki Cultus	1,423	980	443	1,100	657	Buy Back	Moeen Hasan Kazmi
Suzuki Cultus	1,419	975	444	1,200	756	Buy Back	Saleh Muhammad
Suzuki Cultus	1,419	982	437	1,280	843	Buy Back	Ali Haider
Suzuki Cultus	1,152	857	295	740	445	Buy Back	Imran Malik
Toyota Yaris	2,815	592	2,223	2,250	27	Buy Back	Miss Amna Nauman
Suzuki Cultus	1,419	967	452	1,350	898	Buy Back	Ijaz Ahmad
Suzuki Cultus	1,063	876	187	730	543	Buy Back	Usman Ghani
Yamaha Bikes	60	57	3	25	22	Auction	Niaz ur Rehman
Yamaha Bikes	89	76	13	25	12	Auction	Niaz ur Rehman
Yamaha Bikes	89	76	13	25	12	Auction	Niaz ur Rehman
Yamaha Bikes	75	63	12	25	13	Auction	Niaz ur Rehman
Yamaha Bikes	71	70	1	25	24	Auction	Niaz ur Rehman
Yamaha Bikes	151	131	20	50	30	Auction	Niaz ur Rehman
Yamaha Bikes	77	69	8	25	17	Auction	Niaz ur Rehman
Honda Bikes	60	60	-	8	8	Auction	M/S. Muhammad Idrees
C/F	31,905	22,128	9,777	24,413	14,636		

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	---------------------------- Rupees in thousand ----------------------------						
B/F	31,905	22,128	9,777	24,413	14,636		
Yamaha Bikes	77	71	6	8	2	Auction	M/S. Muhammad Idrees
Yamaha Bikes	82	74	8	5	(3)	Auction	M/S. Muhammad Idrees
Yamaha Bikes	71	63	8	5	(3)	Auction	M/S. Muhammad Idrees
Suzuki Cultus	1,419	1,027	392	1,570	1,178	Auction	M/S Saad Traders
Suzuki Cultus	1,419	1,026	393	950	557	Auction	M/S Al Haj dealers
Suzuki Cultus	1,419	973	446	1,530	1,084	Buy Back	Aamir Akbar
Corolla	2,381	1,934	447	1,920	1,473	Auction	M/S Saad Traders
Suzuki Cultus	1,063	887	176	725	549	Buy Back	Wahab-Ur-Rehman
Suzuki Cultus	1,063	883	180	730	550	Buy Back	Javaid Iqbal
Suzuki Cultus	1,063	883	180	745	565	Buy Back	Sibt-e-Hassan
Suzuki Cultus	1,063	883	180	730	550	Buy Back	Mumtaz Hussain
Suzuki Cultus	1,063	873	190	740	550	Buy Back	Saqib Ali
Suzuki Cultus	1,119	865	254	734	480	Buy Back	Ahmed Alam
Suzuki Cultus	1,124	867	257	734	477	Buy Back	Mohammad Nadeem Jameel
Suzuki Cultus	1,124	867	257	735	478	Buy Back	Sultan Sikander
Honda Civic	3,640	2,816	824	3,040	2,216	Buy Back	Sohail Sadiq EDF
Suzuki Cultus	1,419	1,023	396	1,510	1,114	Buy Back	Mohammad Irfan Tahir Sr
Suzuki Cultus	1,419	971	448	1,520	1,072	Buy Back	Gulzar Ahmed
Suzuki Cultus	1,419	958	461	1,530	1,069	Buy Back	Hafiz Mohammad Umer Butt
Suzuki Cultus	1,419	944	475	1,530	1,055	Buy Back	Shakeel Ahmed
Suzuki Cultus	1,603	997	606	1,565	959	Buy Back	Mohammad Tahir
Suzuki Cultus	1,603	1,001	602	1,540	938	Buy Back	Shabi ul Hassan
Suzuki Cultus	1,643	998	645	1,500	855	Buy Back	Omer Farooq
Suzuki Cultus	1,674	976	698	1,570	872	Buy Back	Shaukat Nadeem
Suzuki Cultus	1,558	999	559	1,450	891	Auction	M/S Dewan Enterprises
Suzuki Cultus	1,672	976	696	1,540	844	Buy Back	Waqas Hassan
Total	66,524	46,963	19,561	54,569	35,008		
Office Equipments							
SPLIT AIR CONDITIONER, 4 TON, 400V	476	310	166	10	(156)	Return to Store	Return to Store
Right of Use Asset							
Leasehold building	401	401	-	-	-	Retired	Retired
2023	118,251	66,679	51,572	91,140	39,568		
2022	135,948	102,323	33,626	30,583	(3,043)		

20.1.3 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 22,593 million (2022: Rs. 2,833.5 million).

20.1.4 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Company jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

20.1.5 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,148 kanals located at Iskandrabad District Mianwali.

20.1.6 The Company has leased land measuring 127 kanals located at Iskandrabad District Mianwali to Maple Leaf Power Limited, a wholly owned subsidiary of the Company. The lease is classified as operating lease in these consolidated financial statements.

20.1.7 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2023	2022
	(Rupees in thousand)	
Freehold land	824,604	822,154
Buildings on freehold land	15,785,041	10,811,800
Roads, bridges and railway sidings	271,986	290,494
Plant and machinery	44,428,063	30,053,846
	61,309,694	41,978,294

20.1.8 The latest valuation of Group assets was carried as at 30 June 2020 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	953,630
Buildings on freehold land	8,099,496
Roads, bridges and railway sidings	39,842
Plant and machinery	25,342,737
	34,435,705

20.1.9 All assets of the Group as at June 30, 2023 are located in Pakistan and are in the name of the Group.

	Note	2023	2022
		(Rupees in thousand)	
20.2 Movement in capital work-in-progress - at cost			
At beginning of the year		15,352,800	2,854,293
Additions during the year		8,916,978	15,332,007
Less: Transfers during the year	20.1.3	(22,592,981)	(2,833,500)
At end of the year		1,676,797	15,352,800
20.2.1 Capital work-in-progress - at cost			
Civil Works		372,317	3,347,313
Plant and machinery		588,012	10,691,775
Roads and bridges		12,952	-
Land		10,083	-
Intangible Assets - Oracle Finance / PXP System		47,661	-
Un Allocated capital expenditure		84,517	-
Vehicles		266	-
Advances to suppliers against:			
- civil works		130,188	449,900
- plant and machinery		409,275	861,860
- intangible Assets		19,575	-
- vehicles		1,951	1,952
		1,676,797	15,352,800

20.3 This represents stores held for capital expenditure related to Company's expansion project.

20.4 During the year, borrowing costs of Rs. 1,083 million (2022: Rs. 343 million) were capitalized.

20.5 Average effective rate of borrowing cost was 2.50% to 23.69% (2022: 2.50% to 16.27%).

21. INTANGIBLE ASSETS - COST

	Note	2023	2022
		(Rupees in thousand)	
At beginning of the year		90,671	83,885
Additions during the year		-	6,786
At end of the year		90,671	90,671
Accumulated Amortization			
At beginning of the year		80,256	77,868
Amortization for the year	21.1	3,469	2,388
At end of the year		83,725	80,256
Net book value		6,946	10,415
Amortization rate - % per annum		33%	33%

21.1 Amortization charge for the year has been allocated as follows:

	Note	2023	2022
Cost of sales	36	493	740
Administrative expenses	38	2,976	1,648
		3,469	2,388

22. LONG TERM INVESTMENT

	Note	2023	2022
		(Rupees in thousand)	
Investment in Maple Leaf Power Limited - Unquoted	22.1	-	-
Investment in Maple Leaf Industries Limited - Unquoted	22.2	-	-
		-	-

22.1 The Company holds 100% (2022: 100%) shares in Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

22.2 The Company holds 100% (2022: Nil %) shares in Maple Leaf Industries Limited, a wholly owned subsidiary of the Company.

23. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2023	2022
		(Rupees in thousand)	
House building		3,610	4,677
Vehicles		1,761	1,395
Others		23,637	24,162
	23.1	29,008	30,234
Less: Current portion presented under current assets	28	(10,919)	(10,868)
		18,089	19,366

23.1 These loans are secured against employees' retirement benefits and carry interest at the rates ranging from 6% per annum (2022: 6% per annum). These loans are recoverable in 30 to 60 monthly instalments.

23.2 This includes loans to executives amounting to Rs. 2.46 million (2022: Rs.4.24 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is Nil (2022: Rs. 2.2 million). Further, no amount is due from Directors and the Chief Executive Officer as at June 30, 2023 (2022: Nil).

24. LONG TERM DEPOSITS

This includes deposits with various utility companies, regulatory authorities and others.

25. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023	2022
		(Rupees in thousand)	
Stores	25.1	5,766,047	9,165,462
Spare parts		4,671,192	4,128,303
Loose tools		25,124	31,561
		10,462,363	13,325,326

25.1 This include items in transit amounting to 187.63 million (2022: Rs. 98.4 million).

26. STOCK-IN-TRADE

	Note	2023	2022
		(Rupees in thousand)	
Raw material		121,609	108,905
Packing material		1,160,640	258,414
Work-in-process		1,856,763	1,775,210
Finished goods		675,151	499,536
		3,814,163	2,642,065

27. TRADE DEBTS

	Note	2023	2022
Export debtors		25,313	26,995
Local debtors			
Considered good - unsecured		2,575,675	2,039,217
Considered doubtful - unsecured	27.1	230,049	50,049
		2,831,037	2,116,261
Less: Provision for expected credit loss		(230,049)	(50,049)
		2,600,988	2,066,212

27.1 The movement in provision for impairment of receivables is as follows:

	2023	2022
	(Rupees in thousand)	
At beginning of the year	50,049	293,392
Expected credit loss charge for the year	191,421	209,920
Debtors written off	(11,421)	(453,263)
At end of the year	230,049	50,049

27.2 Trade debts are non-interest bearing and ageing analysis of trade debts is as follows:

	2023	2022
	(Rupees in thousand)	
Not past due	1,170,261	1,342,565
Past due:		
1-90 days	1,269,257	568,615
91-180 days	153,260	83,753
181-270 days	36,071	72,081
271-365 days	41,690	16,419
366-above	160,498	32,828
	2,831,037	2,116,261
Less: provision for doubtful balances	(230,049)	(50,049)
	2,600,988	2,066,212

28. LOANS AND ADVANCES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Advances - unsecured, considered good			
- Employees	28.1	35,242	28,740
- Suppliers	28.2	673,904	378,249
- Government Authorities	28.3	172,807	180,543
		881,953	587,532
Current portion of long term loans to employees	23	10,919	10,868
Refunds due from government	28.3	7,588	7,588
		900,460	605,988

28.1 This includes loans to executives amounting to Rs. 3.03 million (2022: Rs. 4.00 million) including loans to key management personnel (Mr. Amir Feroze and Mr. Yahya Hamid) amounting to Rs. 2.97 million (2022: Rs.3.25 million). The maximum aggregate amount outstanding from key management personnel (Mr. Amir Feroze and Mr. Yahya Hamid) at any time during the year calculated with reference to month end balances is Rs. 3.37 million (2022: Rs. 3.25 million). Further, no amount is due from other directors at the year end (2022: Rs. Nil).

28.2 This includes an amount of Rs. 17.95 million (2022: Rs. 121.58 million) advanced to the Ministry of Railways for transportation of coal and cement.

28.3 This represents amount paid to Government under protest for various cases which have been decided in favour of the Holding Company.

29. SHORT TERM INVESTMENT

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Investment at fair value through profit or loss			
Next Capital Limited:			
4,269,375 (2022: 3,712,500) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.50% (2022: 7.50%)			
Cost of Investment		30,000	30,000
Mutual Funds:			
CDC-Trustee MCB Cash Management Optimizer		900,000	-
Alfalah GHP Money Market Fund		100,000	-
CDC-Trustee NBP Income Fund		902,461	-
		1,902,461	-
Investment at fair value through other comprehensive income - Listed securities			
Pioneer Cement Limited			
17,321,046 (2022: Nil) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.63% (2022: Nil)			
Cost of Investment		1,237,085	-
		3,169,546	30,000
Unrealized fair value gain / (loss)			
Unrealized fair value gain / (loss)			
At beginning of the year		(1,154)	24,648
Fair value loss for the year - P&L	39	(6,773)	(25,802)
Fair value gain for the year - OCI		263,437	-
At end of the year		255,510	(1,154)
Closing balance		3,425,056	28,846
Investment at Amortised cost - debt instrument			
Term deposit receipts	29.1	273,500	169,500
	29.2	3,698,556	198,346

29.1 This represents term deposits having a one-year maturity from April 3, 2023 till June 5, 2024 carrying mark-up at the rate ranging from 8.50% to 15.80% per annum.

29.2 There has been no investment in any foreign company during the year (2022: Nil).

30. SHORT TERM DEPOSITS AND PREPAYMENTS

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Margin against:		
- letters of credit	18,078	69,316
- bank guarantees	461,907	436,955
Prepayments	17,850	17,238
Short term deposits	95	34,106
	497,930	557,615

31. ACCRUED PROFIT

This represents profit accrued on deposits, saving accounts and term deposit receipts at rates ranging from 12.25% to 19.50% (2022: 8.50% to 12.25%).

32. OTHER RECEIVABLES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Due from related party - unsecured	32.1	11,666	38,402
Others	32.2	10,239	13,859
		21,905	52,261

32.1 This represents balance receivable from Kohinoor Textile Mills Limited. The maximum aggregate amount outstanding from Kohinoor Textile Mills Limited at any time during the year calculated with reference to month end balances is Rs. 43.93 million (2022: 154.90 million).

32.2 This incudes Rs. 9.77 million (2022: Rs. 11.02 million) receivable against export rebate.

33. ADVANCE INCOME TAX - NET OF PROVISION

	2023	2022
	(Rupees in thousand)	
At beginning of the year	626,989	1,970,899
Tax deducted / deposited at source	717,347	575,384
Income tax paid	1,156,807	365,366
Tax refunds received	(412,577)	(340,366)
	2,088,566	2,571,283
(Provision) / reversal during the year:		
- current	(2,109,908)	(1,944,288)
- prior	-	-
	(2,109,908)	(1,944,288)
	(21,342)	626,995
Reclassified to provision for taxation	21,342	-
At end of the year	-	626,995

33.1 Through order no.18/2009 dated December 24, 2009, the tax department finalized the adjudication proceeding in respect of audit conducted by the department auditors for tax year 2009 and raised a demand of principal sales tax and FED aggregating to Rs. 336.74 million along with applicable default surcharges and penalties. The Holding Company preferred appeal against such order under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the ATIR. During the year, the Company's appeal has been disposed of through appellate order dated March 24, 2020. Through the said appellate order, the ATIR has decided the matter in favour of the Holding Company on legal grounds.

33.2 Deputy Commissioner Inland Revenue through order dated July 31, 2017 raised a demand of Rs. 2.46 million under section 122(5A) for the tax year 2011 of the Income Tax Ordinance, 2001. The demand was later reduced to Rs. 2.06 million on March 14, 2018. The Holding Company has preferred an appeal before CIR(A). During the year, CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible / inadmissible deductions against the Holding Company. Being aggrieved, the Holding Company has preferred an appeal before the ATIR, which is pending adjudication. However, the management and tax advisor of the Holding Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

33.3 The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated March 13, 2019 against the Holding Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The notice was duly responded by tax advisor of the Holding Company. The proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.36 million through amendment order dated January 27, 2020 passed under section 122(5A) of the Ordinance. The Holding Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) - CIR(A). The CIR(A) through his order dated May 6, 2020, decided all the matters in favour of the Holding Company except for issues relating to claim of depreciation and initial allowance without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. The Holding Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication at the year end.

However, being prudent the Holding Company has recorded the provision of Rs. 46.88 million in these consolidated financial statements. Management of the Holding Company is confident of favourable outcome of the case. Therefore, no further provision has been incorporated in these consolidated financial statements.

33.4 The Deputy Commissioner Inland Revenue (DCIR) passed an appeal effect order dated July 31, 2017 under section 124/129 of the Ordinance, giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions against the Holding Company. Being aggrieved, the Holding Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Holding Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

33.5 Through notices dated February 26, 2021, the Commissioner Inland Revenue (CIR) selected the company's case for audit of its income tax affairs for the tax years 2015, 2016, 2017, 2018 & 2019. The company challenged the vires of selection by the CIR before the Honourable Lahore High Court and the Honourable Lahore High Court, vide interim order dated April 1, 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Subsequently, the tax authorities issued show cause notices under section 122(9) & section 111 of the Ordinance dated June 11, 2021 and June 25, 2021 respectively, for all five tax years which are yet to be responded to. Since the matter is pending before the Honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal.

33.6 Through notice dated October 9, 2020, the Additional Commissioner Inland Revenue (ACIR) initiated proceedings against the company under section 122(9) read with section 122(5A) of the Ordinance for tax year 2019.

The Holding Company requested ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to the company through audit proceedings. There has been no further correspondence from the department on this score.

33.7 Through notice dated May 21, 2020, the Additional Commissioner Inland Revenue initiated proceedings against the Holding Company under section 122(9) read with section 122(5A) of the Ordinance. The notice was duly responded dated August 25, 2020.

The above proceedings were concluded by the ACIR through amendment order dated September 2, 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rs 376.182 million was created against the Holding Company. The Holding Company preferred an appeal against the amendment order before the Commissioner Inland Revenue.

The CIR(A), through appellate order dated December 30, 2020, decided all the matters in favour of the company except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. The Holding Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication. On the basis of available valid precedents, we consider that the company is likely to obtain relief from the appellate authorities.

33.8 The Deputy Commissioner Inland Revenue (DCIR) passed an appeal effect order dated July 31, 2017 related to tax year 2015 under section 124/129 of the Income Tax Ordinance 2001 giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. During the year 2020, CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions, aggregating to Rs. 180 million, against the Holding Company. Being aggrieved, the Holding Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favourable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

33.9 The Additional Commissioner of Inland Revenue (ACIR), vide order dated May 3, 2017 raised income tax demand amounting to Rs 1,001.38 million related to the tax year 2016 primarily on account of inadmissibility of tax credit under section 113(2)(c) of the Income Tax Ordinance 2001. Being aggrieved, the Holding Company filed a writ petition in the Honourable Lahore High Court (LHC) in May 2017 which is pending adjudication. The Holding Company and the tax / legal advisor of the Holding Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

33.10 For tax year 2021, the Holding Company received the notice dated January 20, 2022 where the Additional Commissioner Inland Revenue (ACIR) initiated proceedings against the Holding Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Holding Company responded to the notice vide letter dated June 23, 2022. The ACIR concluded the proceedings vide amendment order dated August 5, 2022, through which the income tax refund has been curtailed to Rs. 862.51 million. Being aggrieved, the Company is in the process of filing an appeal against the amendment order before the CIR(A). The Holding Company and the tax advisor of the Holding Company are expecting favourable outcome of the case, therefore, no provision has been booked in these consolidated financial statements.

33.11 With respect to the tax year 2012, the Holding Company received the notice dated March 7, 2014 from tax department for furnishing books of accounts / details / documents for audit under section 177 of the Income Tax Ordinance 2001. In response, the Holding Company filed reply / explanation, which the Officer Inland Revenue (OIR) found unsatisfactory to the extent of some points which were confronted through notice, dated April 23, 2019 under section 122(4)/122(5)/122(9) of the Income Tax Ordinance 2001. Subsequently, during the year 2014, the OIR amended the assessment under section 122(4) /122(5) of the Income Tax Ordinance 2001, in the light of record available with him vide order dated April 30, 2019 and reduced the losses by making additions of Rs. 256 million. Being aggrieved, the Holding Company filed an appeal before CIR(A) dated August 7, 2019. The case was heard before CIR(A) dated December 14, 2012 in which the CIR(A) upheld the additions of Rs. 116 million, remand back total additions of Rs. 113 million and delete total additions of Rs. 27 million vide order dated December 31, 2021. Being aggrieved with the treatment of CIR(A) the Holding Company filed an appeal before ATIR dated March 15, 2022 which is pending for adjudication at the year end. The Holding Company and the tax advisor of the Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

33.12 The Holding Company filed writ petition challenging the legality and validity of amendments made in the Section 65B of the Income Tax Ordinance, 2001 through Finance Act, 2019 whereby rate of tax credit under Section 65-B of the Ordinance for the tax year 2019 was reduced from 10% to 5%. Total amount of tax credit involved in the tilted petition is Rs. 1,757,292,581/-. The said petition is pending before Lahore High Court and next date is yet to be fixed for hearing.

The Subsidiary Company

33.13 During the year, The Deputy Commissioner Inland Revenue (DCIR) issued a series of show caused notices to Subsidiary Company spanning the tax years 2017 through 2022, wherein requiring Subsidiary Company to provide details / clarification of annual statement of tax collected or deducted under rule 44 of the Income Tax Rules, 2002 for each tax year. Subsidiary Company fully complied with the said notices and the assessing officer finalised the proceedings and passed orders by creating demands under section 161 of the Income Tax Ordinance, 2001 as provided in the table below. Being aggrieved with the said orders, Subsidiary Company filed appeals before Commissioner Inland Revenue-Appeals (CIR-A). The cases of Subsidiary Company had been heard by the CIR-A however, the final orders are still pending.

Tax Year	Tax charged under Section 161 of ITO 2001 (Rupees in thousand)
2017	420,194
2018	227,081
2019	298,251
2020	209,037
2021	1,095,795
2022	151,937

Based on the advice of the taxation / legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the financial statements.

34. CASH AND BANK BALANCES

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
- Cash in hand in local currency		3,032	2,780
- Cash in hand in foreign currency		2,527	1,791
		5,559	4,571
Cash at bank			
Current accounts:			
- foreign currency		29,912	15,597
- local currency	34.1	330,964	465,683
		360,876	481,280
Deposit accounts	34.2	383,817	331,393
		744,693	812,673
		750,252	817,244

34.1 These include balances of aggregate amount of Rs. 19.32 million (2022: Rs. 16.59 million) placed under an arrangement permissible under Shariah.

34.2 These carry return ranging between 11.00% to 19.50% (2022: 6.00% to 12.50%) per annum. These include deposits amounting to Rs. 1.8 million (2022: Rs. 12.39 million) placed under an arrangement permissible under Shariah. Remaining balances represent deposits with conventional banks.

35. SALES - NET

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Gross local sales	82,063,434	66,251,395
Less:		
Federal Excise duty	(6,911,333)	(6,973,716)
Sales Tax	(13,494,564)	(10,631,729)
Discount and others	(952,543)	(726,418)
Commission	(355,676)	(275,582)
	(21,714,116)	(18,607,445)
Net local sales	60,349,318	47,643,950
Export sales	1,725,941	875,672
	62,075,259	48,519,622

35.1 Disaggregation of Revenue (Gross sales)

	2023	2022
	(Rupees in thousand)	
Type of Customers		
Government Customers	25,796	14,683
Non-Government Customers	83,763,579	67,112,384
	83,789,375	67,127,067
Primary Geographical Markets		
Pakistan	82,063,434	66,251,395
Afghanistan	1,596,388	787,476
Mozambique	2,553	1,540
Nigeria	-	1,358
Ethiopia	2,741	1,658
Oman	11,553	25,356
Qatar	4,320	5,075
Seychelles	6,935	-
Sri Lanka	36,674	32,685
Tanzania	64,777	20,524
	83,789,375	67,127,067

35.2 Break up of export sales

	Category	2023	2022
Afghanistan	Advance	1,596,388	787,476
Mozambique	Advance	2,553	1,540
Nigeria	Advance	-	1,358
Ethiopia	L/C	2,741	1,658
Oman	Advance	11,553	25,356
Qatar	Advance	4,320	5,075
Seychelles	Advance	6,935	-
Sri Lanka	Advance	36,674	32,685
Tanzania	Advance	64,777	20,524
		1,725,941	875,672

36. COST OF SALES

	Note	2023	2022
		(Rupees in thousand)	
Raw materials consumed	36.1	2,880,056	2,388,979
Packing materials consumed		3,376,679	3,065,308
Fuel and power		29,087,220	22,524,184
Stores, spare parts and loose tools consumed		1,077,375	1,380,128
Salaries, wages and other benefits	36.2	1,562,046	1,364,635
Rent, rates and taxes		9,377	1,699
Insurance		133,400	94,061
Repairs and maintenance		559,829	437,027
Depreciation	20.1.1	3,686,523	3,487,516
Amortization	21.1	493	740
Vehicles running and maintenance		441,906	225,507
Freight and forwarding		1,749,597	699,664
Other expenses	36.3	154,377	140,779
		44,718,878	35,810,227
Work in process:			
At beginning of the year		1,775,210	1,373,133
At end of the year		(1,856,759)	(1,775,210)
		(81,549)	(402,077)
Cost of goods manufactured		44,637,329	35,408,150
Finished goods:			
At beginning of the year		499,536	371,669
At end of the year		(675,151)	(499,536)
		(175,615)	(127,867)
Cost of sales		44,461,714	35,280,283

36.1 Raw materials consumed

	2023	2022
At beginning of the year	108,905	109,758
Add: Purchases made during the year	2,892,761	2,388,126
	3,001,666	2,497,884
Less: At end of the year	(121,609)	(108,905)
	2,880,057	2,388,979

36.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 67.17 million (2022: Rs. 57.72 million) and gratuity and compensated absence as mentioned in note 15.6 to these consolidated financial statements.

36.3 Other expenses include housing colony expenses aggregating to Rs. 99.016 million (2022: Rs. 77.72 million).

37. DISTRIBUTION COST

	Note	2023	2022
		(Rupees in thousand)	
Salaries, wages and other benefits	37.1	396,714	288,873
Travelling and conveyance		281,716	209,953
Vehicle running and maintenance		111,336	52,990
Postage, telephone and fax		10,086	7,831
Printing, stationery and office supplies		6,650	5,060
Entertainment		15,847	14,300
Repair and maintenance		10,873	10,565
Depreciation	20.1.1	25,689	17,897
Legal and professional charges		12,675	1,949
Advertisement and sale promotions		1,044,615	812,020
Fee and subscription		64,328	48,438
Other expenses		20,970	14,000
		2,001,499	1,483,876

37.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 15.74 million (2022: Rs. 13.52 million) and gratuity and compensated absence as mentioned in note 15.6 to these consolidated financial statements.

38. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		(Rupees in thousand)	
Salaries, wages and other benefits	38.1	734,406	487,744
Travelling		136,646	74,235
Vehicle running and maintenance		104,491	54,806
Postage, telephone and fax		18,987	16,025
Printing, stationery and office supplies		58,134	37,673
Entertainment		45,779	32,499
Utilities expenses		49,794	44,245
Repair and maintenance		23,159	46,049
Legal and professional charges	38.2	67,613	41,472
Consultancy fee and subscription		60,378	55,049
Depreciation	20.1.1	64,996	50,347
Amortization	21.1	2,976	1,648
Advances / Receivable written off		2,509	9,209
Rent, rates and taxes		8,512	12,996
Other expenses		20,231	13,475
		1,398,611	977,472

38.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 30.19 million (2022: Rs. 20.67 million) and gratuity and compensated absence as mentioned in note 15.6 to these consolidated financial statements.

38.2 Legal and professional charges include the following in respect of Auditors' remuneration for:

	2023	2022
	(Rupees in thousand)	
Annual statutory audit	3,900	2,600
Interim review	650	650
Other certification	900	1,440
Taxation	-	630
Out of pocket expenses	825	695
	6,275	6,015

38.3 The Company has shared expenses aggregating Rs. 36.49 million (2022: Rs. 21.57 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

39. OTHER CHARGES

	Note	2023	2022
		(Rupees in thousand)	
Donation	39.1	42,355	6,605
Workers' Profit Participation Fund (WPPF)	16.3	124,176	427,064
Workers' Welfare Fund (WWF)	16.4	220,943	112,811
Un-realised loss on investments	29	6,773	25,802
Exchange loss- net		700,620	255,271
Loss on disposal of property, plant and equipment	20.1.2	-	3,043
		1,094,867	830,596

39.1 Donations for the year have been given to:

	2023	2022
Maple CSR Initiative as per DC Office requirement	3,476	-
Daud Khel Police Station	248	-
Sunshine Trust	5,000	-
Earth Quick in Turkey & Syria	1,410	-
MAYO Hospital (Baby Incubator)	-	1,319
Dialysis centre in AGL hospital	-	1,000
Daud Khel Water Supply Project	365	726
Beaconhouse National University (Scholarship)	782	1,358
Akhuwat Islamic Micro Finance	15,000	-
Financial assistance for the deceased worker	-	600
Shafaullah	270	120
Local schools at Daud Khel	100	1,482
Kinnaird College Lahore	112	-
Aga Khan Planning , Building Service	15,000	-
Miscellaneous Donations in the form of cement	592	-
	42,355	6,605

38.1.1 None of the Directors of the Company or their spouses have any interest in donees.

40. OTHER INCOME

	Note	2023	2022
		(Rupees in thousand)	
Income from financial assets			
Profit on bank deposits	40.1	55,623	24,598
Interest on loans to employees		278	319
Interest on advances to the Holding & Subsidiary companies		-	-
Gain on investment from mutual fund		8,429	-
Gain on disposal of property, plant and equipment		39,568	-
		103,898	24,917
Income from non-financial assets			
Sale of scrap		4,753	3,470
Rental income		-	1,149
Miscellaneous		38,669	30,673
		43,422	35,292
		147,320	60,209

40.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 0.59 million (2022: Rs. 0.64 million). The remaining profit relates to interest / mark-up based arrangements from conventional banks.

41. FINANCE COST

	Note	2023	2022
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances	8	1,960,526	1,114,050
- Short term borrowings	18	343,849	452,218
		2,304,375	1,566,268
Notional interest on unwinding of retention money payable		2,790	27,828
Notional interest on unwinding of payable to government authority		216	9,871
Interest on lease liabilities	11	5,038	2,377
Bank and other charges		68,408	51,928
		2,380,827	1,658,272

42. TAXATION

	2023	2022
Income tax		
- current	2,109,908	1,944,288
- prior	-	-
	2,109,908	1,944,288
Deferred	2,812,970	1,641,999
	4,922,878	3,586,287

42.1 Tax charge reconciliation

42.1.1 Numerical reconciliation between tax expense and accounting profit:

	2023	2022
Profit before taxation	10,693,640	8,139,412
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	3,103,618	2,357,308
Impact of super tax under section 4E	437,659	694,910
Effect of final tax regime	(12,193)	(24,171)
Effect of exempt income	(297,698)	(235,624)
Change in tax rate and proportion of local and export sales	1,693,461	849,050
Other	(1,969)	(55,186)
	4,922,878	3,586,287

43. EARNINGS PER SHARE - BASIC AND DILUTED

43.1 Basic earnings per share

	Unit	2023	2022
Profit after taxation	Rupees in '000	5,770,762	4,553,125
Weighted average number of ordinary shares	No. of shares in '000	1,073,405	1,097,524
	Rupees	5.38	4.15

43.2 Weighted average number of ordinary shares

	2023	2022
	(Rupees in thousand)	
Outstanding number of shares before right issue	1,097,524	1,098,346
Less: Impact of own shares purchased	(24,119)	(822)
	1,073,405	1,097,524

43.3 There is no dilution effect on the basic earnings per share.

44. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in thousand)	
Short term running finance	18.2	-	(1,396,990)
Temporary bank overdrafts - unsecured	18.4	-	(505)
Cash and bank	34	750,252	817,244
		750,252	(580,251)

45. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a subsidiary of Kohinoor Textile Mills Limited (the "Holding Company"), accordingly all the subsidiaries and associated companies of the Holding Company are related party of the Company. In addition Company's related parties comprises of the Subsidiary Company, directors of the Company key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

	Name of parties	Relationship	Transactions	2023	2022
				(Rupees in thousand)	
a)	**Kohinoor Textile Mills Limited**	Holding Company (56.51% equity held 2022: 55.22% equity held)	Sale of goods to related party	2,142	101,341
			Purchase of fixed assets	6,022	-
			Expenses paid by related party on behalf of the Company	36,489	21,666
			Expenses paid by the Company on behalf of related party	-	1,948
			Due from related party	11,664	38,402
b)	**Maple Leaf Capital Limited**	Associated Company (Common management)	None	-	-
c)	**Key management personnel**	Key management personnel	Remuneration and other benefits	456,046	255,683
d)	**Employee benefits**				
	Gratuity	Post employment benefit plan	Contribution	41,171	27,577
	Provident Fund Trust	Employees benefit fund	Contribution	281,503	211,461

45.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below.

Name	Relationship	% of shareholding in the Company
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0031%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0014%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

46. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVE, DIRECTORS, NON-EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for the year for remuneration, including all benefits to the Chairman, Chief Executive, Directors and Executives of the Group are as follows:

	2023			
		Directors		
	Chief Executive	Executive	Non-Executives	Executives
	(Rupees in thousand)			
Short term benefits				
Managerial remuneration	150,048	29,759	-	472,462
House rent	5,850	1,630	-	91,653
Medical	5,850	2,237	-	39,915
Conveyance	2,338	1,961	-	88,120
Utilities	5,175	1,746	-	60,962
Advisory arrangement	-	-	96,000	-
	169,261	37,333	96,000	753,112
Post employment benefits				
Contribution to Provident Fund Trust	5,850	2,237	6,240	39,824
	175,111	39,570	102,240	792,936
Numbers	1	1	7	164

	2022			
		Directors		
	Chief Executive	Executive	Non-Executives	Executives
	(Rupees in thousand)			
Short term benefits				
Managerial remuneration	36,199	24,947	-	315,309
House rent	4,433	-	-	64,812
Medical	2,726	1,676	-	24,089
Conveyance	1,632	1,188	-	37,254
Utilities	4,942	2,361	-	50,268
Advisory arrangement	-	-	52,501	-
	49,932	30,172	52,501	491,732
Post employment benefits				
Contribution to Provident Fund Trust	2,726	1,676	2,963	24,089
	52,658	31,848	55,464	515,821
Numbers	1	1	7	110

46.1 The Chief Executive, Directors and some Executives are also provided with company maintained cars in accordance with the respective policies.

46.2 Aggregate amount charged in these consolidated financial statements in respect of meeting fee paid to Directors is Rs. 0.58 million (2022: Rs. 0.34 million).

47. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2023	2022	2023	2022
	Metric tons			
Clinker	7,100,000	5,700,000	3,928,830	4,528,651

48. SEGMENT REPORTING

48.1 Reportable segments

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operation
Cement manufacturing	The Maple Leaf Cement Factory Limited (the "Holding Company") is operating as a cement manufacturing segment of the Group. The principal activity of the Holding Company is production and sale of cement.
Power generation	Maple Leaf Power Limited (the "Subsidiary Company") is operating as a electric power generation segment of the Group. The principal activity of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity. The Subsidiary Company entered into a power purchase and steam purchase agreements with the Holding Company on July 04, 2017 and October 31, 2019 respectively which are valid for 20 years. Accordingly the Subsidiary Company sold 100% electricity and steam to the Holding Company during the year.

The management reviews internal management reports of each division.

48.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment operating profit or loss as included in internal management reports reviewed by the Group's top management is used to measure performance because management believes that such information is the most relevant in evaluating the result of the respective segments relative to other entities that operate in the same industries.

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	(Rupees in thousand)				
For the year ended June 30, 2023					
Revenue					
Revenue from external customers	62,075,259	-	-	-	62,075,259
Intersegment revenue	-	6,064,205	-	(6,064,205)	-
	62,075,259	6,064,205	-	(6,064,205)	62,075,259
Cost of sales	(45,651,503)	(4,891,922)	-	6,081,711	(44,461,714)
Distribution cost	(2,001,499)	-	-	-	(2,001,499)
Administrative expenses	(1,380,607)	(16,100)	(1,904)	-	(1,398,611)
Other charges	(1,186,881)	(99,407)	-	-	(1,286,288)
Other income					
Other income from external customer	146,646	371	303	-	147,320
Intersegment other income	-	395,152	-	(395,152)	-
	146,646	395,523	303	(395,152)	147,320
Finance cost	(2,750,747)	(836)	-	370,756	(2,380,827)
Segment profit before tax	9,250,668	1,451,463	(1,601)	(6,890)	10,693,640
Taxation	(4,759,002)	(163,876)	-	-	(4,922,878)
Segment profit after tax	4,491,666	1,287,587	(1,601)	(6,890)	5,770,762
Reconciliation:					
Segment profit after tax					5,770,762
Other consolidation adjustment					-
Consolidated profit after tax					5,770,762

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	---------- (Rupees in thousand) ----------				
For the year ended June 30, 2022					
Revenue					
Revenue from external customers	48,519,622	-	-	-	48,519,622
Intersegment revenue	-	5,252,091	-	(5,252,091)	-
	48,519,622	5,252,091	-	(5,252,091)	48,519,622
Cost of sales	(36,244,156)	(4,324,351)	-	5,288,224	(35,280,283)
Distribution cost	(1,483,876)	-	-	-	(1,483,876)
Administrative expenses	(971,452)	(6,020)	-	-	(977,472)
Other charges	(952,200)	(88,316)	-	-	(1,040,516)
Other income					
Other income from external customer	55,017	1,207	-	-	56,224
Intersegment other income	1,584	131,941	-	(129,540)	3,985
	56,601	133,148	-	(129,540)	60,209
Finance cost	(1,741,026)	(21,416)	-	104,170	(1,658,272)
Segment profit before tax	7,183,513	945,136	-	10,763	8,139,412
Taxation	(3,557,172)	(29,115)	-	-	(3,586,287)
Segment profit after tax	3,626,341	916,021	-	10,763	4,553,125
Reconciliation:					
Segment profit after tax					4,553,125
Other consolidation adjustment					-
Consolidated profit after tax					4,553,125

48.2.1 The revenue reported above represents revenue generated from each segment and inter segment revenue eliminated.

48.2.2 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 27 to these consolidated financial statements.

48.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3 to these consolidated financial statements.

48.4 Segment assets and liabilities

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	---------- (Rupees in thousand) ----------				
For the year ended June 30, 2023					
Segment assets					
Current assets	22,214,369	2,579,211	10,304	(2,048,150)	22,755,734
Non-current assets	67,468,044	6,391,497	-	(7,030,000)	66,829,541
Segment liabilities					
Current liabilities	16,189,718	844,372	1,905	(1,987,706)	15,048,289
Non-current liabilities	28,579,576	38,270	-	(2,000,000)	26,617,846
For the year ended June 30, 2022					
Segment assets					
Current assets	20,321,989	795,701	-	(218,432)	20,899,258
Non-current assets	61,892,221	6,695,357	-	(7,020,000)	61,567,578
Segment liabilities					
Current liabilities	16,193,390	658,730	-	(164,880)	16,687,240
Non-current liabilities	25,461,804	31,244	-	(2,000,000)	23,493,048

48.5.1 For the purposes of monitoring segment performance and allocating resources between segments:

All assets and liabilities are allocated to reportable segments; and there are no assets and liabilities separately managed by Group.

48.5 Other segment information

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	---------- (Rupees in thousand) ----------				
For the year ended June 30, 2023					
Capital expenditure	9,071,126	8,968	-	-	9,080,094
Depreciation	3,471,880	307,998	-	-	3,779,878
Amortization	3,469	-	-	-	3,469
Finance cost	2,750,747	836	-	(370,756)	2,380,827
Non-cash items other than depreciation, amortization and finance cost	429,007	270,617	-	-	699,624

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	---------- (Rupees in thousand) ----------				
For the year ended June 30, 2022					
Capital expenditure	15,790,494	84,838	-	-	15,875,332
Depreciation	3,231,589	324,170	-	-	3,555,759
Amortization	2,388	-	-	-	2,388
Finance cost	1,741,026	21,416	-	(104,170)	1,658,272
Non-cash items other than depreciation, amortization and finance cost	750,660	(34,238)	-	-	716,422

48.6 Geographical information

The Group operates in two principal geographical areas, Asia and Africa other than Pakistan and revenue from continuing operations from external customers based on geographical areas is as follows:

Geographical area	2023	2022
	Percentage	
Asia	99.91%	99.96%
Africa	0.09%	0.04%
	100.00%	100.00%

48.6.1 All assets of the Group as at June 30, 2023 are located in Pakistan.

49. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Group and the manner in which such risks are managed is as follows:

49.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

49.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	(Rupees in thousand)	
Financial asset at amortized cost		
Long term deposits	58,401	57,600
Trade debts	2,600,988	2,066,212
Long term loans to employees	29,008	30,234
Short term loan / advance to employees	35,242	28,740
Short term investment	273,500	169,500
Margin and short term deposits	480,080	540,377
Accrued profit	9,118	7,206
Other receivables	21,905	52,261
Cash at Bank	744,693	812,673
	4,252,935	3,764,803

49.1.2 Concentration of credit risk

The Group identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2023	2022
	(Rupees in thousand)	
Customers	2,600,988	2,066,212
Banking companies and financial institutions	1,498,273	1,522,550
Others	153,674	176,041
	4,252,935	3,764,803

49.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and percentages.

49.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margin against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating			2023	2022
	Short term	Long term	Agency	(Rupees in thousand)	
Bank balances					
Allied Bank Limited	A1+	AAA	PACRA	35,931	5,256
Askari Bank Limited	A1+	AA+	PACRA	33,356	17,008
Bank Al-Habib Limited	A1+	AA+	PACRA	69,523	145,032
Bank Alfalah Limited	A1+	AA+	VIS- PACRA	3,618	6,928
Bank Islami Pakistan Limited	A1+	A	PACRA	13,643	13,492
The Bank of Punjab	A1+	AA+	PACRA	4,388	15,228
AL Baraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	2,580	2,580
Faysal Bank Limited	A1+	AA	PACRA - VIS	1,161	4,687
Finca Microfinance Bank Limited	A1	A	PACRA - VIS	3,148	5,082
Habib Bank Limited	A1+	AAA	PACRA	105,806	195,064
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20,808	31,780
MCB Bank Limited	A1+	A1+	PACRA	371,425	305,324
MCB Islamic Bank Limited	A1	A	PACRA	1,284	7,104
National Bank of Pakistan	A1+	AAA	PACRA - VIS	7,168	15,609
Samba Bank Limited	A1+	AAA	JCR-VIS	1,525	1,485
Silk Bank Limited	A-2	A-	JCR-VIS	14	13
Soneri Bank Limited	A1+	AA-	PACRA	104	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,853	2,820
Summit Bank Limited	A3	BBB-	JCR-VIS	25	25
United Bank Limited	A1+	AAA	JCR-VIS	65,324	38,045
				743,693	812,673
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	264,500	169,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	8,792	7,075
National Bank of Pakistan	A1+	AAA	PACRA - VIS	-	131
				8.792	7,206
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	14,000	1,700
Askari Bank Limited	A1+	AA+	PACRA	275,000	275,000
United Bank Limited	A1+	AAA	JCR-VIS	31,214	31,214
Summit Bank Limited	A3	BBB-	JCR-VIS	44,788	32,135
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,942	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	50,000	50,000
				461,908	436,955
Margin against letters of credit					
Faysal Bank Limited	A1+	AA	PACRA - VIS	8,321	5,120
The Bank of Punjab	A1+	AA+	PACRA	8,008	-
Habib Bank Limited	A1+	AAA	PACRA	-	62,734
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,749	1,462
				18,078	69,316
Total				1,496,971	1,495,650

49.1.3(b) Counterparties without external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts against sale of cement. As explained in note 3.10, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. On adoption of IFRS 9, management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Group has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2023 was determined as follows:

	2023		2022	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	(Rupees in thousand)			
The ageing of trade debts at the reporting date is:				
Not past due	1,170,261	9,404	1,342,565	4,687
Past due:				
1- 90 days	1,269,257	14,021	568,615	1,985
91 - 180 days	153,260	22,401	83,753	3,616
181 - 270 days	36,071	10,006	72,081	7,156
271 - 365 days	41,690	13,719	16,419	2,816
366 - above days	160,498	160,498	32,828	29,789
	2,831,037	230,049	2,116,261	50,049

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

49.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Group. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 8 and 18 to these consolidated financial statements is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

49.2.1 Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	2023				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from banking companies - secured	18,618,431	28,397,322	5,974,273	19,881,580	2,541,468
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	1,752,988	1,752,988	-	1,752,988	-
Trade and other payables	7,159,133	7,159,133	7,159,133	-	-
Unclaimed dividend	27,378	27,378	27,378	-	-
Mark-up accrued on borrowings	764,955	764,955	764,955	-	-
	28,331,099	38,109,990	13,925,739	21,642,783	2,541,468

	2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from banking companies - secured	20,339,002	29,694,914	5,279,292	19,257,595	5,158,027
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	6,115,035	6,115,035	6,115,035	-	-
Unclaimed dividend	27,569	27,569	27,569	-	-
Mark-up accrued on borrowings	665,122	665,122	665,122	-	-
Short term borrowings	3,572,073	3,572,073	3,572,073	-	-
	30,727,015	40,082,927	15,659,091	19,265,809	5,158,027

49.3 Market risk

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

49.3.1 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Group. The functional currency of the Group is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

49.3.1(a) Exposure to currency risk

	2023					
	Rupees	GBP	AED	RMB	EURO	USD
	in thousand					
Assets						
- Trade debts	25,313	-	-	-	-	129
- Cash and bank balances	32,439	2	-	-	-	111
	57,752	2	-	-	-	240
Liabilities						
- Trade creditors and bills payable	(843,721)	-		-	-	(2,939)
	(843,721)	-	-	-	-	(2,939)
Net Statement of financial position exposure	(785,969)	2	-	-	-	(2,699)
Off statement of financial position items						
- Outstanding letters of credit	(13,903,404)	-	-	(39,475)	(1,050)	(922)
Net exposure	(14,689,373)	2	-	(39,475)	(1,050)	(3,621)

	2022					
	Rupees	GBP	AED	RMB	EURO	USD
	in thousand					
Assets						
- Trade debts	26,995	-	-	-	-	129
- Cash at bank	17,388	2	-	-	-	82
	44,383	2	-	-	-	211
Liabilities						
- Trade creditors and bills payable	(69,371)		(22)	(471)	(47)	(210)
	(69,371)	-	(22)	(471)	(47)	(210)
Net Statement of financial position exposure	(24,988)	2	(22)	(471)	(47)	1
Off statement of financial position items						
- Outstanding letters of credit	(3,922,077)	-	(170)	(109,402)	(864)	(1,708)
Net exposure	(3,947,065)	2	(192)	(109,873)	(911)	(1,707)

49.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date spot rate			
			2023		2022	
	2023	2022	Buying	Selling	Buying	Selling
GBP	304.25	236.36	364.77	365.40	249.31	249.92
CHF	271.22	190.84	320.34	320.90	215.43	215.96
EURO	267.16	200.16	313.72	314.27	215.23	215.75
USD	253.08	178.01	286.60	287.10	205.5	206
YEN	1.84	1.52	2.00	2.00	1.50	1.51
AED	69.39	48.46	78.59	78.72	56.35	56.48
RMB	36.38	27.57	39.91	39.98	30.85	30.93
SGD	186.09	130.87	212.36	212.73	147.69	148.05

49.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected statement of profit or loss by the amounts shown below at the statement of financial position date . The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit	
	2023	2022
	(Rupees in thousand)	
USD	(103,967)	(35,164)
EURO	(32,998)	(19,655)
RMB	(157,823)	(339,837)
GBP	67	50
AED	-	(124)
	(294,721)	(394,730)

49.3.1(d) Currency risk management

Since the amount exposed to currency risk is very insignificant as compared to total assets or total liabilities of the Group therefore any adverse / favourable movement in functional currency with respect to US dollar , GBP and Euro will not have any material impact on the Group's operational results.

49.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

49.3.2(a) Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	-------------- (Rupees in thousand) --------------			
Non-derivative financial instruments				
Short term investment - term deposit receipt	264,500	-	169,500	-
	264,500	-	169,500	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the consolidated financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

49.3.2(b) Variable rate financial instruments

	Note	2023		2022	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
		-------------- (Rupees in thousand) --------------			
Non-derivative financial instruments					
Long term loans from financial institutions-secured	8	-	18,618,431	-	20,339,002
Short term borrowings - Running Finance	18	-	-	-	3,571,568
Bank balances at at deposit accounts	34	376,711	-	309,033	-
		376,711	18,618,431	309,033	23,910,570

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the consolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2023.

	Profit	
	2023	2022
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(182,417)	(256,015)
Decrease of 100 basis points		
Variable rate instruments	182,417	256,015

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

49.3.2(c) Interest rate risk management

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Group has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

49.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

49.3.3(a) Investments exposed to price risk

At the balance sheet date, the Group's investment in quoted equity securities and investments in money market mutual funds is as follows:

	2023	2022
	(Rupees in thousand)	
Investment in equity securities	3,425,056	28,846

49.3.3(b) Sensitivity analysis

A 10.00% increase / (decrease) share prices at year end would have increased / (decreased) the Group's fair value gain on investment as follows:

	Equity	
	2023	2022
	(Rupees in thousand)	
Short term investment at fair value through profit and loss account		
Effect of increase	342,506	2,885
Effect of decrease	(342,506)	(2,885)

49.3.3(c) Price risk management

The Group manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

50. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy:

		Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	(Rupees in thousand)						
June 30, 2023								
Financial assets at fair value								
Short term investments		3,425,056	-	-	3,425,056	3,425,056	-	-
Financial assets at amortised cost								
Cash and bank balances		-	750,252	-	750,252	-	-	-
Long term loans to employees		-	29,008	-	29,008	-	-	-
Short term investment - term deposit receipt		-	273,500	-	273,500	-	-	-
Margin and short term deposits		-	480,080	-	480,080	-	-	-
Other receivables		-	21,905	-	21,905	-	-	-
Accrued profit		-	9,118	-	9,118	-	-	-
Long term deposits		-	58,401	-	58,401	-	-	-
Trade debts		-	2,600,988	-	2,600,988	-	-	-
	50.1	3,425,056	4,223,252	-	7,648,308	3,425,056	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institutions - secured		-	-	18,618,431	18,618,431	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	1,752,988	1,752,988	-	-	-
Trade and other payables		-	-	3,390,287	3,390,287	-	-	-
Unclaimed dividend		-	-	27,378	27,378	-	-	-
Mark-up accrued on borrowings		-	-	880,039	880,039	-	-	-
	50.1	-	-	24,677,337	24,677,337	-	-	-

		Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	(Rupees in thousand)						
June 30, 2022								
Financial assets measured at fair value								
Short term investments		28,846	-	-	28,846	28,846	-	-
		28,846	-	-	28,846	28,846	-	-
Financial assets at amortised cost								
Cash and bank balances		-	793,576	-	793,576	-	-	-
Long term loans to employees		-	30,234	-	30,234	-	-	-
Short term investment - term deposit receipt		-	169,500	-	169,500	-	-	-
Short term loan / advance to employees		-	28,740	-	28,740	-	-	-
Margin and short term deposits		-	525,377	-	525,377	-	-	-
Other receivables		-	52,261	-	52,261	-	-	-
Accrued profit		-	7,075	-	7,075	-	-	-
Long term deposits		-	57,600	-	57,600	-	-	-
Trade debts		-	2,066,212	-	2,066,212	-	-	-
	50.1	-	3,730,575	-	3,730,575	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	20,339,002	20,339,002	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	6,115,035	6,115,035	-	-	-
Unclaimed dividend		-	-	27,569	27,569	-	-	-
Mark-up accrued on borrowings		-	-	665,122	665,122	-	-	-
Short term borrowings		-	-	3,572,073	3,572,073	-	-	-
	50.1	-	-	30,727,015	30,727,015	-	-	-

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

50.2 Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 7.1. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

51. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2023							
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)							
As at July 01, 2022	-	27,569	6,060,550	1,010	20,339,002	3,572,073	632,836	30,633,040
Changes from financing cash flows								
Dividend paid	-	(191)	-	-	-	-	-	(191)
Proceeds from short term borrowings - net	-	-	-	-	-	(2,174,578)	-	(2,174,578)
Financial charges paid	-	-	-	-	-	-	(2,240,664)	(2,240,664)
Lease rentals paid during the year	-	-	(14,611)	-	-	-	-	(14,611)
Redemption of preference shares	-	-	-	(5)	-	-	-	(5)
Own share purchased for cancellation	(194,661)	-	-	-	-	-	-	(194,661)
Repayments of long term loans from financial institutions - secured - net	-	-	-	-	(1,720,571)	-	-	(1,720,571)
Total changes from financing cash flows	(194,661)	(191)	(14,611)	(5)	(1,720,571)	(2,174,578)	(2,240,664)	(6,345,281)
Other changes								
Deferred grant	-	-	-	-	(183,510)	-	-	(183,510)
Change in running finances and over draft balances	-	-	-	-	-	(1,396,990)	-	(1,396,990)
Finance cost	-	-	-	-	-	-	2,377,821	2,377,821
Total liability related other changes	-	-	-	-	(183,510)	(1,396,990)	2,377,821	797,321
As at June 30, 2023	(194,661)	27,378	6,045,939	1,005	18,434,921	505	769,993	25,085,080

	2022							
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Short term borrowings	Accrued markup	Total
As at July 01, 2021	-	28,134	-	-	13,341,361	1,894,115	260,953	15,524,563
Changes from financing cash flows								
Dividend paid	-	(565)	-	-	-	-	-	(565)
Payment of short term borrowings - net	-	-	-	-	-	490,990	(1,225,521)	(734,531)
Lease rentals paid during the year	-	-	(12,425)	-	-	-	-	(12,425)
Own share purchased for cancellation	(477,778)	-	-	-	-	-	-	(477,778)
financial institutions - secured - net	-	-	-	-	6,898,075	-	-	6,898,075
Total changes from financing cash flows	(477,778)	(565)	(12,425)	-	6,898,075	490,990	(1,225,521)	5,672,776
Other changes								
Deferred grant	-	-	-	-	(871,768)	-	-	(871,768)
Change in running finances and over draft balances	-	-	-	-	-	1,156,968	-	1,156,968
Payable against purchase of own shares	(18,651)	-	-	-	-	-	-	(18,651)
Recognized during the year	-	-	44,021	-	-	-	-	44,021
Finance Cost	-	-	2,377	-	-	-	1,618,196	1,620,573
Total liability related other changes	(18,651)	-	46,398	-	(871,768)	1,156,968	1,618,196	1,931,143
As at June 30, 2022	(496,429)	27,569	33,973	-	19,367,668	3,572,073	632,836	23,137,690

52. CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

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

ii. to provide an adequate return to shareholders.

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

	2023	2022
	(Rupees in thousand)	
Total debt	19,383,385	24,577,884
Less: Cash and bank balances	(750,252)	(817,244)
Net debt	18,633,133	23,760,640
Total Equity	47,919,141	42,286,548
Total capital employed	66,552,275	66,047,188
Gearing	28.00%	35.98%

Total debt comprises of long term loans from banking companies, accrued markup on borrowings and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, capital reserves, accumulated profits and surplus on revaluation of fixed assets.

There were no changes in the Company's approach to capital management during the year.

53. PROVIDENT FUND TRUST

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

	Un-audited 2023	Audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	1,114,648	1,114,648
Cost of investments made	1,001,823	1,009,704
Percentage of investments made	96.42%	97.13%
Fair value of investments	1,074,788	1,082,669

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	3,564	0.33%	3,734	0.34%
Term deposit receipts	590,176	54.91%	648,057	59.86%
Government securities	322,274	29.98%	322,274	29.77%
Mutual funds	158,774	14.77%	108,604	10.03%
	1,074,788	100.00%	1,082,669	100.00%

Investments out of Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

54. NUMBER OF EMPLOYEES

The total and average number of employees of the Group during the year and as at June 30, 2023 and 2022 respectively are as follows:

	2023	2022
Total number of employees as on June 30		
- Head office	426	353
- Factory	1,270	1,237
	1,696	1,590
Average number of employees during the year		
- Head office	386	348
- Factory	1,244	1,211
	1,630	1,559

55. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.

56. SUBSEQUENT EVENTS

There are no subsequent events after the reporting date other than those mentioned in these consolidated financial statements.

56.1 The Board of Directors, in their meeting held on September 06, 2023 recommended the shareholders towards purchase / buy-back upto a maximum of 100 million issued ordinary shares of face value Rs. 10/- each at the spot / current share price under section 88 of the Companies Act 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019. The reduced capital is expected to consolidate equity which will improve earnings per share, future dividends and break-up value of the Company's share subsequent to the purchase of shares.

57. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Group in their meeting held on September 06, 2023.

The Chief Executive Officer is for the time being not available in Pakistan, therefore, these consolidated financial statements are signed by two directors.

DIRECTOR

CHIEF FINANCIAL OFFICER

DIRECTOR

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE

PROXY FORM

I/We____

of____

being a member of **MAPLE LEAF CEMENT FACTORY LIMITED** hereby appoint _______________________

____

Name (Folio / CDC A/c No., if Member)

of ____

or failing him/her ____

Name (Folio / CDC A/c No., if Member)

of ____

as my/our proxy to attend, speak and vote for and on my/our behalf at the 63rd Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, on **Thursday, October 19, 2023 at 10:00 AM** and/or any adjournment thereof.

As witness given under my/our hand(s) _______________ day of October 2023.

1. Witness:

Signature : ____________________

Name : ____________________

CNIC : ____________________

Address : ____________________

: ____________________

2. Witness:

Signature : ____________________

Name : ____________________

CNIC : ____________________

Address : ____________________

: ____________________

Affix
Revenue
Stamp of Rs. 50/-

____

Signature of Member / Attorney
(Please also affix company stamp, in case of corporate entity)

Shares Held: _________________________

Folio No.	**CDC Account No.**	
	Participant I.D.	**Account No.**

CNIC No. | | | | | | – | | | | | | | | – | |

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.

3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

AFFIX
CORRECT
POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

میپل لیف سیمنٹ فیکٹری لمیٹڈ

42-لارنس روڈ، لاہور

تشکیلِ نیابت داری (پراکسی فارم)

میں / ہم --
ساکن --
بحیثیت حصہ دار میپل لیف سیمنٹ فیکٹری لمیٹڈ --
نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن ------------------------------ یا بصورت دیگر ------------------------------
نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن ------------------------ کو اپنی جگہ بروز جمعرات **19** اکتوبر **2023**ء کو دن دس (10:00) بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے **63** ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ ہمارے دستخط سے مورخہ __________ اکتوبر 2023ء کو دی گئی۔

۱۔ گواہ
دستخط : ____________________
نام : ____________________
شناختی کارڈ نمبر : ____________________
پتہ : ____________________
____

۵۰ روپے کا رسیدی ٹکٹ
چسپاں کر کے دستخط کریں

دستخط ____________________
(ممبر/مجاز افسر)
(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

۲۔ گواہ
دستخط : ____________________
نام : ____________________
شناختی کارڈ نمبر : ____________________
پتہ : ____________________
____

____
حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | – | | | | | | | | – | |

نوٹس:

(۱) پراکسیز کے مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

AFFIX
CORRECT
POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

نظرثانی اشتمال شدہ مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

میپل لیف سیمنٹ فیکٹری لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی مکمل ملکیتی ذیلی کمپنیوں میپل لیف پاور لمیٹڈ اور میپل لیف انڈسٹریز لمیٹڈ (مجموعی طور پر ایک گروپ) کے 30 جون 2023 کو ختم ہونے والے سال کے لیے نظرثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے 13,239 ملین روپے کے مقابلے میں 17,614 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے اس مدت کے دوران 5,771 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ گزشتہ سال کے دوران منافع 4,553 ملین روپے تھا۔

گروپ کے مجموعی مالیاتی نتائج درج ذیل ہیں:

	30 جون 2023	روپے ملین میں	30 جون 2022
فروخت	62,075		48,520
مجموعی منافع	17,614		13,239
آپریٹنگ منافع	13,074		9,798
مالیاتی چارج	2,381		1,658
بعد از ٹیکس منافع	5,771		4,553
		(روپے)	
فی شیئر آمدنی-بنیادی اور معتدل	5.38		4.15

ذیلی کمپنی

میپل لیف پاور لمیٹڈ (MLPL)

میپل لیف سیمنٹ فیکٹری لمیٹڈ نے میپل لیف پاور لمیٹڈ (MLPL)" کے نام سے ایک ذیلی کمپنی بنائی ہے۔ MLPL ("ذیلی ادارہ") کو پاکستان میں 15 اکتوبر 2015 کو کمپنیز آرڈیننس، 1984 (اب کمپنیز ایکٹ، 2017) کے تحت پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ MLPL کا بنیادی مقصد ہولڈنگ کمپنی کو بجلی پیدا، فروخت اور فراہمی کے کاروبار میں مشغول کرنے کے سلسلے میں یہ پلانٹ لگا کر برقی توانائی تیار، ڈیزائن کرنا، چلانا اور برقرار رکھنا ہے۔

میپل لیف انڈسٹریز لمیٹڈ-(ایم ایل آئی ایل)

میپل لیف انڈسٹریز لمیٹڈ ("ذیلی کمپنی") ایک لمیٹڈ کمپنی ہے جو پاکستان میں 21 ستمبر 2022 کو کمپنیز ایکٹ، 2017 کے تحت ایک پبلک لمیٹڈ کمپنی کے طور پر قائم کی گئی ہے۔ یہ کمپنی میپل لیف سیمنٹ فیکٹری لمیٹڈ ("دی ہولڈنگ کمپنی") کی مکمل ملکیتی ذیلی کمپنی ہے جبکہ اس کی مجموعی پیرنٹ کمپنی کوہ نور ٹیکسٹائل ملز لمیٹڈ ("دی ہولڈنگ کمپنی") ہے۔ ذیلی کمپنی کا مقصد ہر قسم کے سیمنٹ اور اس سے منسلک مصنوعات پیدا کرنا، بنانا، تیار، ٹریٹ، پراسیس، ریفائن، اور ڈیل کرنا ہے۔ ذیلی کمپنی کا رجسٹرڈ آفس 42-لارنس روڈ، لاہور، پاکستان پر واقع ہے۔ ذیلی کمپنی نے ابھی تک اپنے تجارتی کام شروع نہیں کیے ہیں۔ کمپنی کے مالی گوشوارے 21 ستمبر 2022 سے 30 جون 2023 کے عرصہ کے لیے ہیں۔

کمپنیز ایکٹ، 2017 کی تعمیل میں، سیکشن 227 کے تمام متعلقہ امور شیئر ہولڈرز کو ہماری واحد ڈائریکٹرز رپورٹ میں بیان کئے گئے ہیں۔

اعتراف/اظہار تشکر

ڈائریکٹرز گروپ کے اراکین، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ وہ مختلف کرداروں میں کام کرنے والے ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

لاہور: 06 ستمبر 2023

(سید محسن رضا نقوی)
ڈائریکٹر

(طارق سعید سہگل)
ڈائریکٹر
منجانب سی ای او

چیف ایگزیکٹو آفیسر اس وقت پاکستان میں دستیاب نہیں ہیں لہذا بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ پر دستخط کرنے کا جناب طارق سعید سہگل- ڈائریکٹر کو اختیار دیا ہے۔

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے کو غیر حاضری کی رخصت دی گئی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے مطابق، مندرجہ ذیل کمیٹیوں کو بھی دوبارہ تشکیل دیا گیا۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک رکن کی حاضری حسب ذیل کے مطابق ہے:

نام	عہدہ	اجلاسوں میں حاضری کی تعداد
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)	4
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	4
جناب ولید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	2
جناب دانیال توفیق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4

ان ارکان کو غیر حاضری کی رخصت دی گئی جو آڈٹ کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

جناب شفیق احمد خان، چیئرمین آڈٹ کمیٹی نے 27 اکتوبر 2022 کو منعقدہ گزشتہ AGM میں شرکت کی۔

بورڈ آڈٹ کمیٹی سمیت بورڈ کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

ہیومن ریسورس اور ریمنریشن (HR & R) کمیٹی

نام	عہدہ
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)
جناب دانیال توفیق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس 18 نومبر 2022 کو منعقد ہوا اور تمام ممبران نے اجلاس میں شرکت کی۔

بورڈ نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گا اور مناسب وقت پر تعمیل کرے گا۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" منظور کی ہے، جس کی خصوصیات درج ذیل ہیں:

☆ کوئی ڈائریکٹر خود اپنا مشاہرہ متعین نہیں کرے گا۔

☆ ریگولر پیڈ چیف ایگزیکٹو، سپانسرز اور/یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ ایک ڈائریکٹر کی اجلاس فیس بغیر ٹیکس خالص رقم -/100,000 روپے (ایک سو ہزار روپے صرف) فی اجلاس بورڈ کے اجلاس اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے -/10,000 روپے (دس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔

☆ موجودہ وقت کے لئے اور/یا بعد میں ترمیم شدہ لاگو ایسی ادائیگی پر اگر کوئی ٹیکس کی ذمہ داری ہوئی تو کمپنی برداشت کرے گی۔

☆ کمپنی کے لئے اور کی جانب سے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی سے وصول کرنے کے اہل ہونگے۔

کمپنی کے چیئرمین اور چیف ایگزیکٹو سمیت ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات کا انکشاف واحد مالی حسابات کے نوٹ 46 میں کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2023 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

اظہار تشکر

بورڈ اس موقع پر حصص دار، ملازمین، گاہکوں، بینکوں اور دیگر اسٹیک ہولڈرز کے اعتماد اور یقین جو انھوں نے ہمیشہ ہم پر کیا، کے لئے دل کی گہرائیوں سے شکریہ ادا کرتا ہے۔

منجانب بورڈ

(سید محسن رضا نقوی)	(طارق سعید سہگل)
ڈائریکٹر	ڈائریکٹر (منجانب سی ای او)

لاہور: 06 ستمبر 2023ء

چیف ایگزیکٹو آفیسر اس وقت پاکستان میں دستیاب نہیں ہیں لہذا بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ پر دستخط کرنے کا اختیار جناب طارق سعید سہگل - ڈائریکٹر کو دیا ہے۔

اثرات کو کم کرنے کے لئے، کمپنی ملازمین اور مقامیوں کو صحت مند ماحول فراہم کرنے کے لئے تمام تر کوششیں کر رہی ہے۔ اس سلسلے میں کمپنی کی طرف سے ماحول دوستی کی اہم کوششیں مندرجہ ذیل ہیں:

i) قدرتی ماحولیاتی معیار کے مطابق اسٹیک کے اخراج اور اثرات کے لئے باقاعدگی سے ماہانہ ماحولیاتی نگرانی کرنا۔

ii) کمپنی ماحول کی حفاظت کے لئے سب سے بہترین ڈسٹ کولیکشن electrostatic precipitators اور بیگ فلٹر کے ساتھ لیس، جدید FLSmidth اے/ ایس سیمنٹ مینوفیکچرنگ ٹیکنالوجی رکھتی ہے۔

iii) ضلعی آفیسر (ماحولیات) میانوالی کے تعاون سے کارپوریٹ سماجی ذمہ داری کے ایک حصے کے طور پر صحت مند اور خوشگوار ماحول کو برقرار رکھنے کے لئے وسیع پیمانے پر درخت لگانے کا پروگرام جاری رکھا ہوا ہے۔

iv) کمپنی اپنی پلانٹ سائٹ پر اپنا ہسپتال اور ٹراما سینٹر رکھتی ہے۔ کارکنوں کی صحت کو یقینی بنانے کے لئے ملازمین کی پیشہ ورانہ صحت، باقاعدہ ابتدائی طبی امداد اور سی پی آر تربیتی پروگرام منعقد کئے جاتے ہیں۔

ماحول دوستی کے طریقوں کو فروغ دینے کی کمپنی کی کوشش کو تسلیم کرتے ہوئے، پروفیشنل نیٹ ورک نے میپل لیف سیمنٹ فیکٹری لمیٹڈ کو سال 2021 کے لئے ماحول، صحت اور حفاظت پر 7th بین الاقوامی ایوارڈز کا فاتح قرار دیا ہے۔

اصل خطرات، مشکلات اور غیر یقینی

کمپنی کو مندرجہ ذیل اہم خطرات اور مشکلات درپیش ہیں:

i۔ روپیہ کی قدر میں کمی اور بین الاقوامی مارکیٹ میں کوئلہ کی قیمتوں میں اضافہ منافع مارجن کی کمی۔

ii۔ برآمدی فروخت پر کم مارجن، سیمنٹ درآمد کرنے والے ممالک کی طرف سے کھڑی کی گئی رکاوٹیں اور جنوبی افریقہ کی طرف سے عائد کی گئی اینٹی ڈمپنگ ڈیوٹی۔

iii۔ سود کی زیادہ شرح۔

iv۔ ایندھن کے زیادہ نرخ۔

v۔ آپریشنل اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔

vi۔ سیمنٹ مینوفیکچررز کے درمیان صلاحیت میں زبردست اضافہ کی وجہ سے قیمت اور فروخت کے حوالے سے مسابقت۔

vii۔ تباہ کن سیلاب کے اثرات جس نے ملک کے بڑے علاقوں کو متاثر کیا ہے۔

آرگنائزیشن پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال جو کہ بڑھنے کا امکان ہے کا مقابلہ کرنے کے لئے مؤثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور مؤثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ داخلی اور خارجی پیشرفتوں سے آگاہ رہتی ہے۔ کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو آگے کے نقطہ نظر کو اجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ PSDP ایلوکیشن میں کمی اور برآمدی منڈیوں میں کم مارجن کے باعث، مینجمنٹ کی قیادت میں مارکیٹنگ ٹیم نے غیر استعمال شدہ مقامی مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے مؤثر انداز سے مارکیٹ میں داخل ہونے اور ڈویلپرز، ڈیلرز اور ہاؤس کنزیومرز کے درمیان میپل لیف سیمنٹ فیکٹری لمیٹڈ کو ایک مشہور قابل اعتماد برانڈ بنانے کی حکمت عملی کا آغاز کیا ہے۔ مجموعی افراط زر کو پورا کرنے کے لئے، پورے سال میں لاگت بچانے کے اقدامات کئے گئے۔ مالی لاگت کو کم کرنے کے لئے، آپریٹنگ نقد بہاؤ کو مؤثر طور پر استعمال اور آپریٹنگ سائیکل میں کمی کرتے ہوئے مختصر مدتی قرضوں کو کم کیا گیا۔ سخت مسابقت کا سامنا کرنے کے لئے، مینجمنٹ اس بات کو یقینی بناتی ہے کہ پیداوار اور فروخت کی اپنی مستعمل صلاحیت کو بھرپور بروئے کار لایا گیا ہے۔

معرفات

سال کے لئے کمپنی (واحد) کے ٹیکس کے بعد منافع کی تقسیم حسب ذیل ہے:

روپے ہزاروں میں

تفصیل	2023	2022
بعد از ٹیکس منافع	4,491,665	3,626,340
منافع منقسمہ		-
برقرار رکھی گئی آمدنی میں منتقلہ بیلنس	4,491,665	3,626,340

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل

ڈائریکٹرز کی کل تعداد:

a)۔ مرد 8

b)۔ خاتون 1

ترتیب:

آزاد ڈائریکٹرز 02

دیگر نان ایگزیکٹو ڈائریکٹرز 04

ایگزیکٹو ڈائریکٹرز (بشمول سی ای او) 02

خاتون ڈائریکٹر (نان ایگزیکٹو) 01

ڈائریکٹرز اور بورڈ کے اجلاس

سال کے دوران منعقد ہونے والے ڈائریکٹرز کے انتخاب کی وجہ سے اور کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے مطابق، مندرجہ ذیل بورڈ آف ڈائریکٹرز کو دوبارہ تشکیل دیا گیا۔

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ (05) اجلاس پاکستان میں منعقد ہوئے ہیں اور پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ ہر ایک ڈائریکٹرز کی حاضری حسب ذیل کے مطابق ہے:

کیٹگری	نام	اجلاسوں میں حاضری
آزاد ڈائریکٹرز	جناب شفیق احمد خان	4
	جناب ذوالفقار منو	5
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل ۔ چیئرمین	5
	جناب توفیق سعید سہگل	5
	جناب ولید طارق سہگل	4
	جناب دانیال توفیق سہگل	5
ایگزیکٹو ڈائریکٹرز	جناب سعید طارق سہگل (چیف ایگزیکٹو آفیسر)	5
	سید محسن رضا نقوی	5
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	محترمہ جہاں آراء سہگل	2

موزوں داخلی کنٹرول

بورڈ آف ڈائریکٹرز داخلی کنٹرول کے ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں اور اس کے مطابق آپریشنز کے اثرات اور موثر عمل کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے کے لئے داخلی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا گیا ہے۔ کمپنی کا آزاد داخلی آڈٹ باقاعدگی سے مالیاتی کنٹرول کے عملدر آمد کا جائزہ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول فریم ورک کی موثر گی اور مالیاتی گوشواروں کا سہ ماہی بنیاد پر جائزہ لیتی ہے۔

مالی گوشواروں کی تیاری اور پیش کرنے کی انتظامیہ کی ذمہ داری

پاکستان میں قابل اطلاق اور کمپنیز ایکٹ، 2017 (XIX of 2017) کی ضروریات کے مطابق مینجمنٹ اکاؤنٹنگ اور رپورٹنگ کے معیارات کے تحت مالی گوشواروں کی تیاری اور منصفانہ طور پر پیش کرنے کی اپنی ذمہ داری سے بخوبی آگاہ ہے اور انتظامیہ اس طرح کے داخلی کنٹرول کا تعین کرتی ہے جو مالی گوشواروں کی تیاری کے لئے ضروری ہے تا کہ وہ مادی غلط تشہیر سے پاک ہوں، چاہے دھوکہ دہی یا غلطی کی وجہ سے ہو۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، نے سال کے لئے کمپنی کے مالی گوشواروں پر اپنی آزاد آڈیٹر رپورٹ میں کمپنی کے امور پر ایک غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

ریٹائر آڈیٹرز نے اہل ہونے کی بنا پر، آئندہ سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کیا ہے، آئندہ سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کی تقرری کی منظوری دے دی ہے۔

ادائیگیوں، ڈیٹ / قرضہ، ٹیکسز اور لیویز کی نادہندگی

بہترین کاروباری طریقوں پر عملدر آمد کرتے ہوئے، کمپنی واجب رقوم کی بروقت واپس ادائیگی کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ زیر جائزہ سال کے دوران قرضہ / ڈیٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کرائی گئی۔ مزید برآں، مالی سال کے اختتام پر ٹیکسز، ڈیوٹیز اور لیویز کی مد میں کوئی ادائیگی زائد المیعاد یا بقایا نہیں ہے۔

مستقبل کا نقطہ نظر

آگے بڑھتے ہوئے، مقامی مارکیٹ میں سیمنٹ کی طلب مزید کم ہو سکتی ہے۔ سیمنٹ سیکٹر کو انتہائی نازک صورتحال کا سامنا ہے جہاں پاکستانی روپیہ کی قدر میں کمی، مہنگائی میں اضافہ جو عوام کی قوت خرید کو بھی متاثر کرتی ہے، سیاسی غیر یقینی، شرح سود میں اضافہ اور ٹیکس کے جارحانہ اقدامات سمیت اہم عوامل کی شکل میں متعدد خطرات اس کے منافع کو متاثر کر رہے ہیں۔ ان عوامل کا سیمنٹ مینوفیکچررز کے مارجن پر شدید اثر پڑتا ہے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی کی وجہ سے برآمدی پابندیوں، تیل کی زیادہ قیمتوں کی وجہ سے سمندری مال برداری کے زیادہ کرایہ، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی قدر میں کمی، غیر موزوں میکرو اکنامک اشارے اور بین الاقوامی منڈیوں میں عالمی کساد بازاری سیمنٹ کی پیداواری لاگت پر دباؤ ڈالے گی۔ پاکستان کی معاشی صورتحال کے پیش نظر مستقبل قریب میں درآمدی پابندیاں ختم ہونے کا امکان نہیں ہے۔ نتیجے کے طور پر، اس اثر کو محدود کرنے اور کرنسی کی قدر میں کمی کے خطرے کو کم کرنے کے لیے، کمپنی نے مقامی کوئلے اور دیگر متبادل ایندھن پر اپنا انحصار بڑھا دیا ہے۔ SBP کی شرح سود میں اضافے کے حالیہ نتیجے کے طور پر آئندہ سال میں کمپنی کے مالیاتی اخراجات مزید بڑھیں گے۔ مستقبل میں پاور سیکٹر کے بقایا جات سے بچنے کے لیے، حکومت کا مقصد بجلی کے نرخوں میں اضافہ کرنا اور آئی ایم ایف کے بڑھتے ہوئے دباؤ کے جواب میں ایندھن کی قیمتوں میں اضافے کو ہموار کرنا ہے۔ نتیجتاً نیشنل گرڈ ٹیرف مزید بڑھنے کا امکان ہے، جس کے نتیجے میں کمپنی کے لیے بجلی کے زیادہ اخراجات ہوں گے۔ مذکورہ بالا لاگت میں اضافے کے خدشات کو دور کرنے اور قومی گرڈ پر انحصار کو کم سے کم کرنے کے لیے، کمپنی متبادل ایندھن کے استعمال کو بڑھانے اور خاص طور پر شمسی توانائی سے پیدا ہونے والے قابل تجدید توانائی کے وسائل کو بڑھانے پر توجہ مرکوز کر رہی ہے۔

کمپنی کے سرمایہ کاری اخراجات / جاری توسیع کی کاروباری شرح

کمپنی اپنے پلانٹ سائٹ پر شمسی توانائی کے منصوبوں کی تنصیب کے ساتھ پائیدار اور قابل تجدید توانائی میں سرمایہ کاری کر رہی ہے۔ کمپنی نے مالی سال 22-2021 کے دوران 5 میگاواٹ اور 7.5 میگاواٹ کے 2 سولر پاور پلانٹس نصب کئے ہیں۔ شمسی توانائی کی موجودہ کل 12.5 میگاواٹ صلاحیت کے علاوہ، کمپنی اب کل 20 میگاواٹ شمسی توانائی کے ذریعے فیکٹری کو بجلی فراہم کرنے کے لئے مزید 7.5 میگاواٹ کا اضافہ کر رہی ہے۔ 7.5 میگاواٹ کے سولر پلانٹ کے آلات کی درآمد کے لیے لیٹر آف کریڈٹ کھولے گئے ہیں۔

کمپنی نے حال ہی میں 7,000 میٹرک ٹن یومیہ کی گنجائش والی ڈرائی پراسیس کلنکر پروڈکشن لائن-4 نصب کی ہے۔ مذکورہ پروڈکشن لائن نے مالی سال 23-2022 میں پیداوار شروع کر دی اور توقع ہے کہ اگلے مالی سال میں کمپنی کے ٹاپ لائن کے اعداد و شمار میں نمایاں اضافہ کرے گی۔

کمپنی نے اپنے موجودہ ویسٹ ہیٹ ریکوری پلانٹ کی توسیع مکمل کی جس کی کل صلاحیت 35 میگاواٹ ہوگئی ہے جس میں نئی نصب لائن 4 کی WHRP بھی شامل ہے، جس کے نتیجے میں بجلی کی لاگت میں خاطر خواہ بچت ہوئی ہے۔

بعد کے واقعات

مالی سال 23-2022 کے اختتام کے بعد قابل ذکر واقعات رونما نہیں ہوئے ہیں۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اسکی ذیلی کمپنیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروبار کی نوعیت سے متعلقہ مالی سال کے دوران کوئی تبدیلی وقوع پذیر نہیں ہوئی ہے۔

غیر مالی کارکردگی

معیار، صارف کا اطمینان، ملازمین کی ترقی اور پیشہ ورانہ معیارات کمپنی کے کلیدی شعبے ہیں جہاں انتظامیہ نے ان کو بہتر بنانے کے لئے ضروری اقدامات اٹھائے ہیں۔ کمپنی اس وقت اعلی معیار کی مصنوعات تیار اور فراہم کر رہی ہے جو گاہکوں کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہیں۔ سال کے دوران، کمپنی نے موجودہ انسانی سرمائے کی ترقی کے لئے مختلف کارکردگی کی تشخیص کی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے ساتھ انتہائی اطمینان بخش تعلقات کو برقرار رکھے ہوئے ہے۔ کمپنی نے مختلف کمیٹیاں تشکیل دی ہیں جو کلیدی شعبوں کی موثر نگرانی کی ذمہ دار ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری کو تسلیم کرتی ہے اور مستقل بنیادوں پر مختلف رفاہی اداروں کے ذریعہ معاشرے کی فلاح کے منصوبوں کو مالی اعانت فراہم کر کے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاعی شراکت میں قائد کی حیثیت سے تسلیم کیا ہے اور کمپنی ان کمیونٹیز کا تعمیری ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔

کمپنی نے میڈیکل سوشل سائنسز پراجیکٹ میں بھی حصہ لیا ہے اور اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور ہولڈنگ کمپنی کے بورڈ نے مشترکہ طور پر گلاب دیوی چیسٹ ہسپتال (جی ڈی سی ایچ) لاہور میں العلیم میڈیکل کالج میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔ یہ منصوبہ اس سال کے دوران مکمل ہو گیا ہے۔

کمپنی نے ماضی میں بھی میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں سعید سہگل کارڈیک کمپلیکس تعمیر کر کے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہ نور میپل لیف گروپ نے متعدد سماجی ذمہ داریوں کی اپنی کارکردگی کی مد میں "تیرہواں 13th کارپوریٹ سماجی ذمہ داری نیشنل ایکسیلنس ایوارڈ" حاصل کیا ہے۔

ماحول پر اثرات اور صنعتی اثرات کو کنٹرول کرنے کے لئے مفاہمتی اقدامات

روایتی طور پر، سیمنٹ پلانٹس کو ماحول دوستی کا فقدان ہوتا ہے لیکن کمپنی نے صنعتی اثرات کو کنٹرول کرنے کے لئے جدید ترین آلات نصب کئے ہیں۔ ارد گرد کے ماحول پر صنعتی

مالی سال 2022-23 کے دوران، پیداوار اور ترسیلات گزشتہ سال کی کارکردگی کے موازنہ میں کم ہوئیں، جیسا کہ درج ذیل اعداد و شمار سے ثابت ہوتا ہے:

	مختتمہ سال (جولائی تا جون) 2023	2022	تغیرات	فیصد
	-----------------میٹرک ٹن	-----------------	-----------------	
پیداوار				
کلنکر کی پیداوار	3,928,830	4,528,651	(599,821)	-13.25%
سیمنٹ کی پیداوار	4,266,699	4,741,944	(475,245)	10.02%
فروخت				
مقامی	4,143,452	4,651,200	(507,748)	-10.29%
برآمدات	129,992	110,311	19,681	17.84%
	4,273,444	4,761,511	(488,067)	-10.25%

4,273,444 ٹن کا کل فروخت حجم گزشتہ مالی سال کے دوران فروخت شدہ 4,761,511 ٹن سے 10.25 فیصد کی کمی کو ظاہر کرتا ہے۔ مقامی فروخت حجم گزشتہ مالی سال سے 10.92 فیصد کم ہو کر 4,143,452 ٹن تک ہوا لیکن برآمدی فروخت حجم گزشتہ مالی سال کے 110,311 ٹن سے بڑھ کر 129,992 ٹن ہو گیا، یعنی 17.84 فیصد کا اضافہ ہوا ہے۔

سال 2022-23 کے دوران، کمپنی نے گزشتہ سال میں 48,520 ملین روپے کے مقابلے 62,075 ملین روپے مجموعی خالص فروخت درج کی۔ کمپنی کی ٹاپ لائن میں 27.94 فیصد اضافہ ہوا جس کی بنیادی وجہ مقامی مارکیٹ میں فروخت کی قیمتوں میں بہتری ہے۔ فروخت قیمتوں میں اضافہ بنیادی طور پر ان پٹ اخراجات، خاص طور ایندھن اور توانائی، پیکنگ میٹریل پر زیادہ مہنگائی کے اثرات اور زیادہ سود کی ادائیگیوں کی وجہ سے ہوا ہے۔ تعمیراتی شعبہ میں نمو بڑے پیمانے کے منصوبوں کے اطلاق کی کمی، PSDP بجٹ کے کم استعمال اور ہاؤسنگ سیکٹر میں متوقع طلب کم ہونے کی وجہ سے توقعات سے کم ہے۔

کمپنی کی برآمدات کا حجم گزشتہ اسی مدت کے 110,311 میٹرک ٹن سے 17.84 فیصد بڑھ کر 129,992 میٹرک ٹن تک پہنچ گیا۔ گزشتہ سال کے مقابلے برآمدی فروخت میں اس اضافہ کے باوجود، افغانستان سے امریکی انخلاء کی وجہ سے برآمدات میں بہت زیادہ اضافہ نہیں ہوا ہے۔ عالمی منڈیوں کے مقابلے پاکستان میں پیداواری لاگت زیادہ اور علاقائی منڈیوں میں مسابقت کو متاثر کرنے والی شپنگ کی قیمتوں میں اضافے کی وجہ سے باقی دنیا میں سیمنٹ کی ترسیل ممکن نہیں تھی۔

مالی سال کی تیسری اور چوتھی سہ ماہی کے دوران عالمی کساد بازاری کے باعث طلب کی کمی کی وجہ سے کوئلے کی عالمی قیمتیں کم ہو گئیں اور اس وقت مقامی دستیاب افغانی کوئلہ کے مقابلے موزوں ہیں۔ مزید برآں، غیر ملکی زرمبادلہ کے ذخائر کی کمی اور امپورٹ لیٹر آف کریڈٹ قائم کرنے کے مسائل کے باعث درآمدی رکاوٹوں کی وجہ سے، کمپنی کافی مقدار میں کوئلہ درآمد کرنے سے قاصر رہی ہے۔ مزید برآں، سال کے دوران، کمپنی نے درہ کوئلے اور دیگر دستیاب ایندھن پر زیادہ انحصار کیا۔

کمپنی کی انتظامیہ نے لاگت پر قابو پانے کے اقدامات شروع کیے ہیں اور تمام شعبوں میں متعدد اسکیمیں نافذ کی ہیں جس میں متبادل ایندھن کا استعمال اور مقررہ لاگت کو کم کرنے کی مخصوص توجہ کے ساتھ پلانٹ کے بہتر آپریشنز شامل ہیں۔ کمپنی نے اپنی لاگت کی کارکردگی کو بہتر بنانے کے لیے کاغذ کے بیگز کی بجائے پولی پروپیلین پیکنگ بیگز کا استعمال کرنے کا انتخاب کیا ہے۔

کمپنی اپنے بجلی پیدا کرنے کے ذرائع پر منحصر کرتے ہوئے نیپرا کی شرح میں اضافہ کے ممکنہ منفی اثرات کو بڑی حد تک روکنے میں کامیاب رہی، جس میں کوئلے سے چلنے والے پاور پلانٹ (CFPP)، سولر پاور پلانٹس اور ویسٹ ہیٹ ریکوری پلانٹ شامل ہیں، جو کہ کمپنی کے لئے بجلی کا سب سے سستا ذریعہ ہے۔ ویسٹ ہیٹ ریکوری پلانٹ اب کمپنی کے پاور مکس کا ایک تہائی حصہ رکھتا ہے۔ اوپر بیان کردہ لاگت میں کمی کی تمام کوششوں نے پچھلے سال کے مقابلے مارجن میں زیادہ حصہ ڈالا ہے۔

پیداوار کی لاگت کو متاثر کرنے والے مذکورہ بالا عوامل کی بدولت، کمپنی نے سال کے دوران 17,613 ملین روپے کا مجموعی منافع حاصل کیا، جو کہ گزشتہ سال میں بیان کردہ 13,239 ملین روپے سے 33.04 فیصد کا اضافہ ہے۔

کمپنی نے مالی سال 2022-23 کے لیے 10,694 ملین روپے کا مجموعی قبل از ٹیکس منافع درج کیا جو کہ گزشتہ سال میں 8,139 ملین روپے سے 31.38 فیصد زیادہ ہے۔ گزشتہ سال میں 3,586 ملین روپے کے مجموعی ٹیکس چارج کے مقابلے میں رپورٹنگ سال کے لیے مجموعی ٹیکس کی رقم 4,923 ملین روپے رہی ہے۔ ٹیکسیشن میں یہ اہم اضافہ ٹیکس سے پہلے منافع میں اضافے، وفاقی حکومت کی جانب سے 30 جون 2023 کو ختم ہونے والے مالی سال کی آمدنی پر فنانس ایکٹ 2023 کے ذریعے 10 فیصد شرح (2022: 4%) پر سپر ٹیکس اور کمپنی کی مستقبل کی آمدنی پر 10% (2022: 4%) سپر ٹیکس کے نفاذ کی وجہ سے موخر ٹیکس اخراجات میں اضافہ کے نتیجے میں ہوا۔

درآمد شدہ کوئلہ سے چلنے والے 40 میگاواٹ کے ذاتی پاور پلانٹ MLPL کو انسٹال اور چلانے کے لئے قائم کردہ کمپنی کی مکمل ملکیتی ذیلی کمپنی میپل لیف پاور لمیٹڈ (ایم ایل پی ایل) سے حاصل کردہ منافع کو انکم ٹیکس کے عائد سے استثنیٰ حاصل ہے۔ تاہم، جزوی ٹیکس چارج دیگر آمدنی سے متعلق ہے۔ MLPL نے مالی سال 2022-23 کے دوران 1,287 ملین روپے کا خالص منافع کمایا ہے۔ MLPL کے آپریشنز نے بجلی کی لاگت میں خاطر خواہ بچت کر کے مجموعی نتائج کو موزوں بنایا ہے۔

مذکورہ بالا تمام عوامل نے رپورٹنگ سال کے لئے گزشتہ سال کی اسی مدت کے لئے زیریں لائن میں 4,553 ملین روپے مجموعی منافع کے مقابلے 5,771 ملین روپے منافع پر 26.74 فیصد اضافہ کے ساتھ ٹیکس کے بعد کی زیریں لائن کو متاثر کیا ہے۔

پورے سال کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کی شرح کا متعدد بار جائزہ لیا، اسے جولائی 2022 میں 13.75% سے بڑھا کر 15.00%، نومبر 2022 میں 16.00%، جنوری 2023 میں 17%، مارچ 2023 میں 20.00% اور اپریل 2023 میں 21% کر دیا۔ اس بڑے اضافے کی وجہ سے، سال کے دوران کمپنی کی مالیاتی لاگت گزشتہ سال کے مقابلے میں زیادہ ہوئی ہے۔ SBP کی عارضی اقتصادی ری فنانس سہولت (TERF) اور طویل مدتی مالیاتی سہولت (LTFF) نے کمپنی کو پلانٹ اور مشینری درآمد کرنے اور نئے منصوبوں کے قیام کے لیے پرکشش مارک اپ شرحوں پر طویل مدتی قرضے حاصل کرنے میں اسے مستحکم مالی مدد فراہم کی ہے۔

سال کے دوران، کمپنی کا صلاحیت بڑھانے کا منصوبہ یعنی لائن 4 (7000 tpd) مکمل ہو گیا اور پیداوار شروع کر دی ہے۔ پروجیکٹ کو رعایتی قرضوں اور اندرونی طور پر پیدا ہونے والی نقد رقم کے ساتھ مالی اعانت فراہم کی گئی ہے۔ لائن 4 کے آغاز کے بعد، کمپنی کی کلنکر پیدا کرنے کی کل صلاحیت 7.8 ملین ٹن سالانہ تک بڑھ گئی ہے۔
اس لائن کے اضافہ نے کمپنی کو مسابقتی فائدہ دیتے ہوئے، سال کے دوران سیمنٹ کی ترسیلات میں بھی حصہ شامل کیا ہے۔

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ پاس اوور کرنے کا فیصلہ کیا گیا کیونکہ 7000 ٹن یومیہ کی ڈرائی پراسس گرے کلنکر پروڈکشن لائن 4 مکمل کرنے کے لیے آپریشنز سے پیدا شدہ اپنی نقد رقوم کو استعمال کیا گیا ہے۔ مزید برآں، شرح سود میں بڑھتے ہوئے رجحان کی وجہ سے، کمپنی نے اپنی طویل مدتی فنانسنگ کا کچھ حصہ پری پیڈ کر دیا ہے۔ اس سے کمپنی کو شرح سود میں مسلسل اضافے اور افراط زر کے دیگر عوامل سے نمٹنے کے لیے ایک مالی مدد ملے گی۔ ڈیویڈنڈ کے مستقبل کے امکانات مقامی مارکیٹ میں بہتر طلب اور سیمنٹ کی قیمتوں میں اضافے کے امکان پر منحصر ہیں تاکہ ان پٹ لاگت میں تیزی سے اضافہ کو جذب کیا جا سکے۔ مجموعی طور پر بہتر معاشی اور ترسیل کے حالات مستقبل میں ڈیویڈنڈ کی ادائیگیوں کے امکانات کو سازگار طور پر متاثر کریں گے۔

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2023 کو ختم ہونے والے سال کے لئے واحد اور مجموعی نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

میپل لیف سیمنٹ فیکٹری لمیٹڈ (کمپنی) پبلک مندرج کمپنی، کوہ نور ٹیکسٹائل ملز لمیٹڈ کی ایک ذیلی کمپنی ہے۔ کمپنی کا اصل کاروبار سیمنٹ کی پیداوار اور فروخت کرنا ہے۔

کمپنی اور اسکی مکمل ذیلی کمپنی میپل لیف پاور لمیٹڈ (MLPL) اور میپل لیف انڈسٹریز لمیٹڈ کی مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:-

میپل لیف سیمنٹ فیکٹری لمیٹڈ-مجموعی

	مختتمہ سال (جولائی تا جون) 2023	2022	تغیرات	فیصد
	روپے ہزاروں میں			
خالص فروخت آمدنی	62,075,259	48,519,622	13,555,637	27.94%
مجموعی منافع	17,613,545	13,239,339	4,374,206	33.04%
آپریٹنگ منافع	13,074,467	9,797,684	3,276,783	33.44%
مالی لاگت	2,380,827	1,658,272	722,555	43.57%
ٹیکس سے پہلے منافع	10,693,640	8,139,412	2,554,228	31.38%
ٹیکسیشن	4,922,878	3,586,287	1,336,591	37.27%
ٹیکس کے بعد منافع	5,770,762	4,553,125	1,217,637	26.74%
فی شیئر آمدنی (روپے)	5.38	4.15	1.23	29.64%

میپل لیف سیمنٹ فیکٹری لمیٹڈ، کمپنی کی غیر مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:

	مختتمہ سال (جولائی تا جون) 2023	2022	تغیرات	فیصد
	روپے ہزاروں میں			
خالص فروخت آمدنی	62,075,259	48,519,622	13,555,637	27.94%
مجموعی منافع	16,423,756	12,275,466	4,148,290	33.79%
آپریٹنگ منافع	12,001,415	8,924,538	3,076,877	34.48%
مالی لاگت	2,750,747	1,741,026	1,009,721	58.00%
ٹیکس سے پہلے منافع	9,250,668	7,183,512	2,067,156	28.78%
ٹیکسیشن	4,758,998	3,557,172	1,201,830	33.79%
ٹیکس کے بعد منافع	4,491,670	3,626,340	865,325	23.86%
فی شیئر آمدنی (روپے)	4.18	3.30	0.88	26.67%